



Providing quality medicines for people
living with and affected by HIV and AIDS



SCMS Quarterly Report: January-March 2008

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1.0 EXECUTIVE SUMMARY

By the end of Year 3, Quarter 2, SCMS had:

- 15 fully functioning field offices in all focus countries, except Kenya, plus Zimbabwe.
- Reached agreement to deploy a field office in Kenya, although mobilization was delayed due to political uncertainties in Kenya.
- Deployed a major program of long and short-term technical assistance in Botswana, known as the Quality Management System, to improve storage, distribution, procurement and quality assurance systems at the Central Medical Stores.
- Identified ARV overstock problems in Cote d'Ivoire due to overly ambitious forecasts of new patients and patients switching to new regimens.
- Initiated direct cooperation between CAMERWA in Rwanda and MMU in Guyana (the respective central medical stores for their governments) regarding the operation and suitability of the MACS warehouse management system. Guyana, who is using MACS, was able to demonstrate the facility to CAMERWA in a live situation.
- Involved all field offices in planning the 1st SCMS Annual Field Office Conference. The key subjects for the agenda and much of the content was recommended by the field offices.
- Transitioned lead responsibility for the preparation of quantification and quarterly updates of supply plans to the field in the majority of focus countries receiving commodities from SCMS. During the quarter only one quantification STTA was requested, with the preparation of the remaining plans managed in-country, with mentoring support from the PMO. In both Zimbabwe and Ethiopia the clients now take the lead in quantification and supply planning with SCMS support.
- Seen an increased demand for technical assistance, with new short-term TA increasing from 10 assignments commencing in January to 24 in March
- Completed all the necessary formalities in Vietnam and the US to arrange the first ever PEPFAR-funded and SCMS supplied consignment of the controlled substance methadone for use in a new drug substitution program in Vietnam (Delivery was completed in April).
- Deepened the engagement with CAMERWA in Rwanda, extending our co-operation to include significant improvement in the efficiency of the CAMERWA warehouse, and adding OI drugs and laboratory supplies to the regular coordinated procurement plans.

1.1.1 Second Quarter Highlights

As SCMS matures the focus of the project is moving increasingly towards being field driven from the various SCMS in-country offices, in line with the principle expressed in the original proposal that the supply chain begins and ends in country. A growing number of SCMS offices are taking direct responsibility not only for client relations and coordination, but for order management and delivery, including a number of in-country procurements. In support of this move SCMS has begun

decentralizing appropriate functions and responsibilities to the field and providing access to SCMS MIS tools for the management of the supply chain. This program of empowerment and training will continue for the remainder of this project year.

In parallel with the growing involvement in procurement and supply of SCMS commodities an increasing number of technical assistance assignments are being carried out directly by long-term advisers, both expatriate and host country nationals. For example, in this quarter we saw a marked reduction in requests for short-term technical assistance in quantification as the majority of countries are now able to do this work in country, supported by mentoring and advice from the PMO, without the need for travel. Despite this growth of in-country TA, we also saw an increase in short-term technical assistance over the quarter, rising from 10 new assignments in January to 24 in March. The highest demand areas are in warehousing and MIS, with long-term activities aimed at transforming the competence and capacity of local health supply chains to manage and report on the rapidly growing volume of HIV/AIDS commodities required to meet the growing patient populations.

SCMS is now operating offices in 14 focus countries and Zimbabwe. The final country offices in Kenya was due to open in this quarter, but was delayed by the unrest following the December 2007 elections. With this situation now quieter we have recommenced the recruitment process in Kenya. In addition to Kenya, two other SCMS country operations were affected by unrest. Haiti suffered food riots that impacted our operations for a period, although at risk to their personal safety our local staff maintained deliveries and avoided any stock outs or program interruptions. The elections in Zimbabwe and the increasing collapse of financial and infrastructure continues to make even basic operations very difficult. The lack of fuel, constant interruptions in power supplies and telecommunications are especially difficult.

By the end of Quarter Two, SCMS had:

- Completed and submitted a revised project budget reflecting reduced availability of core funds, including identifying posts to be removed and functions to be scaled back or suspended.
- Completed arrangements for the 1st SCMS Field Office Conference to be held in April 2008
- Identified functions in order management, client relations and TA management to be decentralized to SCMS field offices as part of an ongoing program of empowerment of the offices.
- Significantly reduced the 700 item backlog of laboratory commodities identified in October/November 2007. As at March 31 the number of line items outstanding for delivery from the original 700+ was reduced to 1.
- Commenced negotiations with Missionpharma by phone and email to seek compensation for cotrimoxazole tablets that were being returned as faulty by clients in Rwanda and Kenya.
- Continued performance improvement activities to significantly raise the level of on-time deliveries both from SCMS Regional Distribution Centers (RDC) and via direct drop shipment from vendors.
- Began to streamline order and inquiry processes to reduce the turnaround time in both these areas.
- Had 5 abstracts accepted for presentation at the PEPFAR Implementers Conference in Kampala and co-authored 2 submitted by others. In addition 1 abstract out of 4 submitted was accepted for a poster presentation at the Mexico City International AIDS Conference in August.
- Managed an increased volume of orders without impact on SCMS operating costs or service quality. SCMS delivered in excess of US\$10 million to clients in each month of the quarter through approximately 150 total shipments per month.
- Extended the strategy of long-term vendor contracts to include laboratory supplies, using the mechanisms of indefinite quantity contracts, bulk purchase agreements and bulk purchase orders.
- Suffered no product losses through loss by theft or damage while in SCMS custody.
- Experienced no quality assurance failures during SCMS standard sampling and testing of pharmaceutical products. Although as reported earlier we continue to work to resolve the issue of cotrimoxazole supplied through Missionpharma which was identified as having failed in use exhibiting mold and breakages of tablets during the previous quarter.

1.2.1 Second Quarter Highlights

The major focus at the PMO during this quarter has been to improve SCMS processes in the light of experience, including correcting problems with timely delivery of laboratory commodities in particular. A range of individual improvement measures have been drawn together into a comprehensive process for continuous improvement in our supply chain operations. This includes shortening the time to quote prices for products, more precision in freight estimates, new contracting mechanisms with laboratory commodity supplies and the use of sea and road freight to reduce transportation costs across the project.

During this period the number of new requests for supply has continued to grow very significantly, showing that clients' confidence in and reliance upon SCMS also continues to grow. The increase in volume was carried out against a background of reduced core funding, requiring a reduction in resources. Working with USAID, we have agreed to a revised and reduced budget for the remainder of FY 2008. This has resulted in scaling back of some activities, such as communications and collaboration with FBOs and international organizations, and the suspension of other activities such as the SCMS donations program.

Despite these cut backs our collaboration efforts with WHO AMDS, CHAI and UNITAID have shown good results in this quarter. We now work closely with CHAI on ARV supply challenges and forecasting. Of particular relevance in this quarter was close cooperation in the supply of Triomune from Aurobindo (the most popular fixed-dose combination from a generic supplier). Due to restrictions in the supply of the niverapine API, Triomune was in short supply. Working with the supplier and with CHAI we were able to ensure that despite the shortages no program suffered a stock out or need to interrupt their treatment services. A second generic source of this product has now been tentatively approved by the FDA, which will ease the shortages in the coming months.

During this period SCMS continued to achieve good prices for ARVs, test kits and laboratory equipment and has suffered no losses or quality assurance failures in our regular testing programs. We are negotiating with suppliers of cotrimoxazole supplied to Kenya and Rwanda which failed in-country during the previous quarter, showing mold and tablet breakage. The product has been withdrawn and we are seeking compensation from the supplier, while supplying replacement product for the programs.

2.0 FIELD OFFICE PROGRESS

2.1 Second Quarter FY 08 Country Highlights

In the second quarter of FY2008, SCMS continued to provide technical assistance in quantification and forecasting, warehousing, laboratory logistics, strategic planning, and quality control in fifteen countries. Quantification and forecasting were particularly active functional areas during this reporting period.

Some highlights of our technical assistance activities during this quarter are as follows. In Botswana, SCMS completed a 5-year ARV forecast and quantification, in collaboration with the Central Medical Stores, for the National Development Plan 10 (NDP10) in line with the 2008 ARV Treatment Guidelines. Guyana completed a two-year forecast (2008/2009) and a one-year supply plan for ARVs and RTKs. In Mozambique, SCMS worked with the Central Medical Stores (CMAM) and other partners to quantify needs across a range of HIV/AIDS commodity areas. For example, SCMS planned and facilitated a forecasting forum for OI and STI drugs with PEPFAR treatment partners, MSF, and the MOH to collect and analyze available data on an agreed list of 15 priority drugs. The forum resulted in an agreed-upon methodology to forecast annual needs. In Rwanda, SCMS supported the National Treatment and AIDS Research Center-led quantification committee in completing forecasts and supply plans for ARVs, test kits and OI drugs required for the 6th Coordinated Procurement and Distribution System (CPDS) Plan. The plan was subsequently approved by the CPDS Resource Management Committee, monitoring and supervision of the consumption and distribution of the commodities is on-going. In Tanzania, the National AIDS Control Program (NACP) made an urgent request for SCMS to assist with the quantification of 12 priority OI drugs for a one-year period. A morbidity-based approach was used to quantify national requirements based on the current national standard treatment guidelines for opportunistic infections. SCMS took this opportunity to develop a template for documenting quantification assumptions and a questionnaire for collecting data for future quantifications.

A variety of procurement and technical activities took place in many of the field offices. SCMS is now supplying commodities to all 15 focus countries, plus Zimbabwe, and is the predominant (and in many cases the sole) supplier of PEPFAR-funded ARVs to Haiti, Cote d'Ivoire, Zambia, Zimbabwe, Mozambique, Ethiopia, Tanzania and Vietnam. In Rwanda, working jointly with CAMERWA we are the major supplier of ARVs to the country, and in South Africa we supply the South African Defense Force from local sources.

In Botswana, SCMS initiated the establishment of a National Laboratory Commodities Quantification Committee and conducted the first national laboratory commodity quantification, providing a basis for planning for future national laboratory commodity requirements. A list of requirements for procurement by SCMS from BOTUSA, National Health Laboratory, National TB Reference Laboratory, HIV Reference Laboratories, Institute of Health Sciences and Tebelopele Counseling and Testing Centre were developed with specifications and subsequently categorized into priority groupings. SCMS also conducted training in logistics management information systems and inventory control systems for 36 participants comprised of PMTCT coordinators and focal persons. A system for promoting proper management of infant formula was designed

collaboratively. In the area of information management, technical assistance was provided to the Ministry of Local Government and the national ART program (MASA) to review the Patient Information Management System (PIMS). A process was agreed upon for programming and developing the pharmacy module of the PIMS system.

In Ethiopia, SCMS provided a long-term technical advisor at the Procurement Fund and Supply Agency (PFSA) to support this agency's work in the full range of supply chain functions that were transitioned from PHARMID. This quarter, the technical advisor assisted with analyzing warehouse capacity, distribution, and fleet management. SCMS also provided support and technical assistance to PFSA's business process reengineering (BPR) activity that assessed management structure and core processes. Rollout training for the logistics management information system was also completed in five regions, covering 90% of all those to be trained. By the end of Q2, 180 lab personnel and pharmacists were trained on the use of the new formats for data collection at service delivery points. The data will be fed into a national database which will be used for quantification and forecasting of lab commodities. The next step is the implementation of the system which is scheduled towards the end of next quarter.

In Nigeria, SCMS continued to support the Federal MOH Logistics Task Team for Antiretroviral Drugs to ensure the accurate and timely refill of orders to all 44 Government of Nigeria supported HIV/AIDS treatment sites. DOD/Nigeria and the Ministry of Defense continued to receive technical assistance to streamline activities and improve performance in the areas of quantification, warehouse management, and distribution. A courtesy call was also made to the Minister of State for Health to update him on SCMS activities and to advocate for the institutionalization of the central ARV Logistics Unit. Subsequently, an action plan was presented to the Honorable Minister of Health on how to strengthen the national logistics systems for antiretroviral drugs in Nigeria.

In Zambia, there has been a substantial increase in activities in both technical assistance to MOH and procurements of HIV/AIDS commodities. Key successes for the quarter include training and pre-pilot implementation of the national laboratory logistics system; completion of the first draft of the HIV/AIDS commodity security strategic document; participation in the Male Circumcision (MC) Commodity Partners' Consultative Meetings to identify key commodities for MC kits; and facilitation of forecasting and quantification reviews for laboratory commodities, ARVs, HIV test kits and cotrimoxazole. This quarter saw few service delivery point stock outs for ARVs and test kits because all planned procurements for these commodities were successfully fulfilled on schedule. There has also been a dramatic improvement in the procurement of laboratory reagents. The stock out rate of these commodities fell from 48.4% at the beginning of the quarter to 9.2% at the end of the quarter. However, the lack of a functioning national logistics system for laboratory commodities continues to be a major challenge affecting the accurate forecasting and long-term planning for these products. Similarly, the long lead times (4 months at minimum) for these commodities represent another hurdle in the effort to ensure laboratory commodity security.

In Tanzania, the first major technical accomplishment for the quarter was a five-day logistics system design workshop to redesign the ordering and reporting systems for ARV drugs and HIV test kits to support scaling up from about 225 ART sites to more than 1,200. This scale-up is targeted to be completed by the end of the calendar year. This is to be accomplished by having existing sites at regional and district hospitals (about 117) and some health centers (of which there are a total of about 400) serve as “satellite” sites and to have the dispensaries (of which there are about 3,500) serve as re-supply sites. The intended result is for all hospitals, all health centers, and some dispensaries to provide ARVs directly to patients. With the expansion to 1,200 sites, it will be necessary for MSD to deliver to the district level on a quarterly basis, with lower-level sites supplied through the district. A change in the reporting period and the addition of a new level to the resupply process requires a change in the logistics systems.

In Cote d’Ivoire, a technical team from SCMS and MACS, a warehouse management software solution provider, visited Abidjan to develop a plan for the implementation of MACS and SAGE 1000. The installation of the SAGE 1000, the new enterprise management system, will be funded by the Public Health Pharmacy (PSP). The team developed the specifications required for interfacing MACS with SAGE 1000, and developed a time-bound management plan for the preparation of systems and the implementation of MACS so that it will go live in June 2008.

In Guyana, two staff from the Materials Management Unit (MMU) completed a month of warehouse training by IDA at Pharmaceutical Healthcare Distributors (PHD) in South Africa. Five Standard Operating Procedures for receiving and picking were completed as a follow up to the training.

In Mozambique, SCMS implemented the SIGM system at several provincial warehouses during this reporting period. Expanding the reach of the SIGM system has increased the Central Medical Stores’ (CMAM) access to quality information and has greatly facilitated decision-making. In response to needs in both warehousing and LMIS, SCMS developed a supervision guide for routine warehousing activities related to SIGM. Despite a continued focus on warehousing, the planned consolidation of the Maputo central warehouses was not finished this quarter as anticipated. Unexpected events, such as transportation riots and accidental destruction of a warehouse wall, as well as bureaucratic hurdles delayed completion of the much-needed consolidation move. The move is expected to be completed in May.

In Rwanda, the Director General of CAMERWA, Ambassador Zephyr, plus two members of the senior management team undertook a field visit to Guyana. There they met with the Minister of Health, USAID, SCMS and other government officials to review the effectiveness of the implementation of the MACS warehouse management solution at the Ministry of Health’s Medical Stores. They also observed how MACS interfaces with other systems. This trip proved to be an invaluable opportunity for CAMERWA to share experiences with their counterparts in Guyana and to see how SCMS operates in other countries. As a result of this visit, the decision has been taken to implement the MACS warehouse management system at CAMERWA. SCMS continues to focus on

strengthening warehouse management systems; this quarter the T-CARDS system to support stock control and management of pallet location and stacking software was installed and implemented.

In Uganda, SCMS is in the process of implementing MACS and SAGE warehousing and financial packages at the Joint Medical Stores (JMS).

In South Africa, in response to a request from the Director of Pharmaceutical Services at the Provincial Government of Mpumalanga for assistance in warehouse planning and equipment for a new provincial depot, SCMS prepared and submitted a concept paper and proposed a situational analysis that would cover possible equipment requirements, training of staff, operations management, and technical assistance needed for provincial drug supply management. SCMS presented the paper to the Member of the Executive Council (MEC) for Health.

In Zimbabwe, SCMS delivered the first release of the computerized Logistics Management Information System (LMIS). This system will replace Excel spreadsheets that were used by the Logistics Sub-Unit to manage antiretroviral drugs (ARVs) and fluconazole for treatment of some opportunist infections (OIs).

Within the last quarter, SCMS made great strides in improving lab logistics capacity, inventory control systems, and logistics management information systems, along with other solutions to support prevention, care and treatment programs. For example, in Namibia, SCMS continued to work on the new voluntary counseling and testing (VCT) logistics supply system which provides for monthly deliveries of RTKs and consumables directly to the sites. This system will be managed by SCMS on behalf of VCT partners. In Rwanda, the regional laboratory advisor attended an SCMS training program in the application of quantification tools for laboratory commodities. These tools will be adapted for use by the National Reference Laboratory and the Coordinated Procurement and Distribution System (CPDS); the tools will facilitate quantification of laboratory commodities and consumables. In Uganda, SCMS reinstated the ARV Logistics and PMTCT logistics systems and trained all new sites in the use of the system. In Botswana, SCMS trained a national team, including representatives of key partners supporting the laboratory function at the national level, in concepts of laboratory quantification. The team was oriented in using the quantification tool developed by SCMS in partnership with CHAI and the USAID | DELIVER Project.

Second Quarter FY 08 Focus Countries Snapshot

Country Name	STTA Delivered	Procurement	Staff	Relevant Milestone(s)
Botswana	Procurement (1) Lab Logistics (2) Quality Control (1) Warehousing (1) LMIS (2) Other (2)	Test- \$341,900 Lab- \$602,550 Other-\$33,258	Fully operational 9 staff members	#14. Forecasts #12. QA #16. TA
Cote D'Ivoire	LMIS (3)	ARV- \$5,345,025 Drug-\$43,801 Test- \$516,680 Lab- \$1,963,581 Other- \$124,216	Fully operational 10 staff members	#16. TA #17 Warehousing
Ethiopia	Procurement (1) Distribution (1)	ARV- \$3,318,294 Test- \$820,481 Lab- \$1,255,428 Other-4,830	Fully operational 35 staff members	#16. TA
Guyana	Quality Assurance (1) Strategic Planning (2) Warehousing (3) LMIS (2)	ARV- \$79,997 Test- \$103,250 Lab- \$96,505 Other-\$111,396	Fully operational 6 staff members	#14. Forecasts #16. TA
Haiti	Monitoring and Evaluation (1) Warehousing (1) LMIS (4)	ARV-\$1,378,148 Drug-\$66,915 Test-\$373,539 Lab- \$613,918 Other-\$73,116	Fully operational 32 staff members	#16. TA #17 Warehousing

Second Quarter FY 08 Focus Countries Snapshot

Country Name	STTA Delivered	Procurement	Staff	Relevant Milestone(s)
Kenya	N/A	Test-\$442,161 Other-\$127,890	No field office Procurement lead recruitment in process	NA
Mozambique	Warehousing (1) LMIS (1)	ARV- \$1,260,786 Test- \$597,600	Fully operational 23 staff members	#14 Forecasts #16. TA #17 Warehousing
Namibia	Warehousing (1) Other (1)	ARV-\$505,621 Test- \$91,980 Lab- \$36,333 Other-\$1,100	Fully operational 8 staff members	#16. TA
Nigeria	Other (1)	ARV- \$331,534 Drug-\$25,786 Test- \$1,589,201 Lab-\$276,725 Other-\$34,479	Fully operational 27 staff members	#16. TA
Rwanda	Warehousing (1) LMIS (1) Other (1)	ARV- \$2,839,802 Drug-\$69,165 Test- \$710,612 Lab- \$218,896	Fully operational 9 staff members	#14 Forecasts #16. TA #18 Regional Lab Advisor
South Africa	N/A	ARV-\$276,834	Fully operational 13 staff members	#18 Regional Lab Advisor

Second Quarter FY 08 Focus Countries Snapshot				
Country Name	STTA Delivered	Procurement	Staff	Relevant Milestone(s)
Tanzania	Quantification (1)	ARV- \$3,340,558 Test- \$100,000 Lab- \$535,844 Other-\$9,850	Fully operational 17 staff members	#14 Forecasts #16 TA
Uganda	LMIS (3)	ARV- \$243,942	Fully operational 24 staff members	#16. TA #17 Warehousing
Vietnam	Quantification (1) Commodity Security (1) Other (1)	ARV- \$336,030 Drug-\$16,032 Lab- \$207,989	Fully operational 22 staff members	#16 TA
Zambia	Commodity Security (1)	ARV- \$8,504,874 Drug-\$91,550 Test- \$191,660 Lab- \$1,134,465	Fully operational 23 staff members	#16 TA
Zimbabwe	Warehousing (1) LMIS (1)	ARV- \$1,892,763 Test- \$185,770	Fully operational 21 staff members	#16. TA

3.0 SCMS PROGRAM MANAGEMENT OFFICE PROGRESS

3.1 Procurement

Procurement activity levels have continued to increase to the point of concern, particularly for laboratory supply products. Our purchase volumes, and those of other organizations, are taxing manufacturing capacity for blood safety products and the Determine brand Rapid test Kits. New orders regularly exceed US\$10 million per month. Our prices remain similar or better than other high volume purchasers such as CHAI.

Several Blanket Purchase Agreements have been executed during the quarter, as well as Indefinite Quantity Contracts with Sysmex (hematology equipment and supplies) and Abbott Laboratories (for ARVs and diagnostics, including Determine). These will simplify the procurement process, and fix pricing at excellent levels.

One of our most visible achievements during the quarter was the progress made in the procurement of methadone for Vietnam (delivery was completed after the close of the quarter in April '08).

3.2 Freight and Logistics

The second quarter ended on a positive note as we experienced no inventory losses, and registered significant savings on sea freight consolidation as well as the movement from air freight to road freight in Cote D'Ivoire, Tanzania, Zambia and Botswana. Opportunities for savings continue to be analyzed with the movement from air to road freight, in addition to money-saving opportunities for sea freight consolidation.

Year-to-date savings from use of sea freight instead of air are in excess of \$1.2 million, and \$17,600 was saved by using road freight rather than air transportation from the Kenya RDC. This drive to reduce costs will continue to be a priority throughout FY08. While the South Africa RDC has been using road freight to Mozambique from the beginning of the project, deliveries to Zimbabwe (despite difficulties due to fuel shortages in country) have begun this quarter, and the possibility of road deliveries to other countries will be pursued further in quarter three. Likewise, options in West Africa, particularly shipment to Nigeria from the Ghana RDC will be explored.

Implementation of the RCC (Regional Consolidation Center) in India has been deferred until later in 2008. In the interim some of the benefits of the facility can be achieved through consolidating shipments by sea. Both Fuel and UPS are collaborating on the ground in India to achieve this.

Progress has been made in updating the Orion item master during the second quarter. Input of weights and dimensions, which is essential for accurate freight estimates, has an anticipated completion date of mid May 2008.

The USAID Regional Inspector General's office conducted an audit of the South African RDC. Although the report is still pending, the auditors appeared to be satisfied with their findings with the exception of small amounts of short dated and expired stock.

3.3 Quality Assurance

Pharmaceutical product sampling and testing activities continue to be in good control. We have received the first set of samples from local OI manufacturers in Kenya. Products will be held in quarantine until testing is completed and the product is released by the Quality Assurance Unit.

SCMS received complaints in October 2007 (relayed from a Kenya client through USAID-Kenya and USAID-Washington) of moldy tablets, broken and capped tablets, and dissolution failures in a Cotrimoxazole product manufactured by Cadila Pharmaceuticals (www.cadilapharma.com) supplied through Missionpharma. SCMS testing and examination at our North-West University laboratories confirmed these observations and portions were sent to a second laboratory for additional mold and dissolution testing. These findings also confirmed the complaints. During Y3Q2, Missionpharma was informed of these results and a meeting was held with them at the SCMS Washington, DC office on how to resolve these issues. Missionpharma currently is in negotiations with Cadila Pharmaceuticals on SCMS request for reimbursement for the unused portions and costs of destruction.

3.4 In Country Operations

One of the key activities undertaken this quarter by the In-Country Operations Management (ICOM) unit was preparation for the First Annual Field Office Conference, scheduled to be held in late April 2008. The intended purpose of the conference is two-fold: first, to provide a forum for SCMS staff to exchange technical and management experiences and approaches across country programs (with a view to identifying effective practices that all field offices might adapt and/or adopt); and second, for PMO and field office staff to jointly explore and agree the processes of empowerment and decentralization and their applicability to enable field offices to have the skills, tools and authority to serve clients more directly.

In the upcoming quarter, ICOM will collaborate with field offices, other PMO-based units and the USAID CTO team to define the desired future state of field office operations on a country-by-country basis as part of the project's natural evolution. As part of this strategic exercise, the requisite change in roles within the PMO will also be agreed to ensure that the PMO is adequately aligned to continue to provide support to field offices and exercise appropriate oversight.

In support of the decentralization of key functions from the PMO to the field offices, collaborative efforts among units were undertaken to define select responsibilities within the order management, client relations and procurement in-country functional areas. These efforts resulted in function descriptions that were subsequently sent to the field offices for their consideration and feedback as

to whether they are prepared to absorb these additional functions or whether they require new staff to do so.

The inquiry/order management function will be the first to be decentralized. For this functional area there are two on-line tools that are being decentralized to the field: Orion and the Customer Relations Management (CRM) tools. Training materials for these tools were developed through cross-unit collaboration. The development of a CRM toolkit was initiated.

As part of SCMS' recurring activities, work planning consultations are underway in field offices to inform the '08 Country Operating Plans (COPs). Strategic planning consultations are also underway to help inform the '09 COPs that many countries will begin discussing during the next quarter.

3.5 Technical Assistance

Short-term technical assistance (STTA) increased in the second quarter. In the months of January, February and March there were ten, eleven and twenty-four STTA assignments respectively. During this period, technical assistance to Botswana, Guyana, and Haiti accounted for 50% of all the technical services provided to SCMS countries. In contrast, there was no STTA in Kenya and South Africa. In major countries such as Ethiopia, Mozambique, Nigeria and Vietnam there were few short term assignments, as most of the assistance is increasingly provided by the long-term advisors in country.

The majority of short term assignments were in building logistics management information systems (LMIS) to improve and collect commodity data in the country at all levels of the health system; and warehousing to improve storage conditions and throughput capacity for increasing volumes of commodities. The demand for quantification STTA is substantially lower than the previous fiscal year. This is due to the increased capacity of in-country offices and a growing number of clients to undertake this work, as a result of the STTA inputs provided in the previous year.

SCMS formed technical working groups in key areas to help strengthen the local supply chain in each country. The quantification working group held a successful quantification training to increase the pool of trainers to conduct ARV quantifications. The laboratory logistics technical working group developed a new item registration form and a new equipment order form, and collaborated with CHAI and USAID | DELIVER to help finalize a lab quantification tool. In addition, the MIS, commodity security, warehousing and M& E working groups met to brainstorm SCMS technical strategies.

3.6 Management Information Systems

During the second quarter, the inquiry management process has been strengthened with the addition of a new reporting tool, the SCMS Client Center. Through the SCMS Client Center, clients can access SCMS information by referencing either the request number, quotation number, or sales order number. Training on the use of the tool set is currently ongoing for all SCMS field offices for subsequent rollout to clients. The tool is currently being piloted in two countries – Ethiopia and

Guyana— plus with one track 1.0 partner, EGPAF. The SCMS Client Center has been well received for its ease of use and data transparency from moment of initial inquiry to the final delivery of commodities.

Inquiry management is one of four modules that have been developed on the Xroadz CRM platform. Use of the entire suite of SCMS Xroadz tools is now in place in the SCMS field offices of Cote d'Ivoire and Ethiopia. Tracking of orders, complaints, incident investigations and technical assistance requests is readily facilitated via this web-based tool.

The schedule for adding additional field offices is dependent on resolution of connectivity issues and capacity building. In many SCMS countries, internet capacity is limited and it has proven to be a challenge to obtain effective internet service providers. Nine of our sixteen field offices now have adequate connectivity to use web enabled tools on a real time basis. Prior to this quarter only four countries had adequate internet speeds: Ethiopia, Cote d'Ivoire, Botswana and Haiti. They are now joined by Kenya, Rwanda, South Africa, Vietnam and Zambia. Efforts to improve the remaining field offices are ongoing.

3.7 Performance Management Unit

The Performance Management Unit (PMU) continued routine performance reporting, completing the year 3, quarter-one performance report in January, which highlighted key issues for the project. Continuous performance monitoring over the past quarter incorporated feedback from multiple sources, including performance reports, the bi-annual Client Satisfaction Report completed in January and the quarterly Pricing Report. Additionally, during the quarter the unit received reports of 44 incidents and presented the results of 32 incident investigations to the PMT. Our performance analysis and incident investigations have informed improvement actions developed by the operating units and bolstered the work of the Continuous Improvement Team.

Working with the MIS team, the PMU continues to define and develop automated mechanisms within the existing IT infrastructure for reporting performance measures. This effort will alleviate the impact of recent staff reductions and result in a reduction in time needed for reporting. In the meantime, the team continues to coordinate the collection of performance data and provides analysis of potential trends.

The PMU has also responded to several requests for performance information from various stakeholders, including OGAC, WHO and internal committees and task forces. The Performance Work Statement (PWS) is awaiting approval, but performance information has been consistently provided to the contracting team.

3.8 Operations Management

During the second quarter, the Operations Unit worked to finish the revisions of Task Order 1 and Task Order 2 budgets to include comments and edits from USAID.

3.9 Communications

As the project decentralizes more activities to the field offices, the Communications Unit continues to evolve to meet current needs, moving beyond traditional communications functions to a deeper role in client relations, knowledge sharing and training. The team developed client relationship management tools and helped develop and will deliver training on this topic at the SCMS Field Office Conference.

Work continued to prepare the launch of the SCMS staff intranet (working with MIS), that will help staff exchange experiences and expertise through technical group forums and document sharing. To this end, the unit designed and distributed a survey to field office staff to gauge needs for Intranet functionality.

The unit also provided increasing support to various units within the PMO. Examples include:

- Supporting the Procurement Unit in designing and distributing a client relations tool to help field staff manage client expectations for turn-around times for price quotes and order processing.
- Supporting the management team with change management/internal communications strategies to support decentralization.
- At the request of the technical assistance unit, leading a client relations session for laboratory logistics staff from various field offices and the PMU.
- Supporting Global Partnerships, MIS and other units in development of their Intranet content.

The unit provided direct support to 15 of 16 countries. Specific activities and results included:

- **Conferences:** Five abstracts, including four from field offices, were accepted by the PEPFAR Implementers' Conference. The unit also supported Mozambique, Rwanda, Uganda and Zambia in participating in other conferences in Africa.
- **Web content:** Updated web pages for various countries were facilitated, including Guyana, Mozambique, South Africa, Tanzania, Uganda, Vietnam, Zambia and Zimbabwe.
- **Editorial support:** Numerous technical reports, briefs, newsletters, success stories and other documents were prepared or edited, including for Botswana, Ethiopia, Guyana, Namibia, Uganda, Vietnam, and Zimbabwe.
- **Haiti:** Preparations for warehouse grand opening (postponed due to social unrest) were completed.

3.10 Human Resources

The Human Resources unit facilitated the hiring of several key staff. At the program management office Stephen Patras joined the team as the Demand Management and Quantification Manager, Juliana Hall, Ilaha Gadjeva and Katie Peel as Procurement Associates and Vanessa Shields as Country Program Coordinator.

In the field, Dimitri Peffer joined SCMS as the HIV/AIDS Resident Logistics Advisor for Zimbabwe and Ibnou Diallo joined as Deputy LRA in Haiti. We had significant recruitment and hiring activity in the following countries: Ethiopia, Guyana, Haiti, Namibia, Nigeria, Tanzania, Uganda, Vietnam and Zambia.

During this quarter the HR team finalized the design of the performance management review and professional development processes.

3.11 Global Partnerships

During the second quarter, the Global Partnerships Unit continued to strengthen relationships with the WHO, Global Fund, World Bank, UNITAID, EPN, CDC, and Track 1.0 Partners. Our collaborators have indicated that they highly value our unique contribution to the scale-up of ARV treatment and our enthusiastic participation in global initiatives. However due to core budget limitations, SCMS decided to reduce the Unit from four positions to two positions. This will result in SCMS no longer participating in the EPN/SCMS Taskforce nor being able to fill the role of Technical Secretariat for the WB/GF/ USG Coordinated Procurement Planning Initiative. The budget limitations also resulted in SCMS not participating in a WHO/AMDS meeting to further the development of the PSM toolbox in Amsterdam.

4.0 PROGRAMMATIC MILESTONES AND MEASURES

At the beginning of year two of the project, the SCMS program management team developed project milestones to manage and measure the project over the course of the year. Milestones are specified for every unit, and help guide the strategic direction of the organization. Milestones are arranged under the performance work statement goals of *secure, reliable, cost-effective, quality products, best value, sustainable, information, collaboration and capacity*. Each of the goals also has supporting measures as shown in the tables below. This section reflects cumulative annual data by quarter, rather than focusing solely on Q2FY08 like the other sections of this report. The milestones and measures are submitted and approved by USAID on an annual basis.

4.1 Secure

(Freight and Logistics and Quality Assurance) In support of a secure supply chain, SCMS identified adequate disposal sites for damaged or expired drugs and other health commodities procured by SCMS (Q2). To date it has not been necessary to activate the identified disposal services.

(Freight and Logistics) SCMS also implemented a security protocol for monitoring and guarding high-value deliveries in-country (Q2). Among the initiatives has been the successful delivery by road into Côte d'Ivoire, as well as forthcoming road deliveries planned into Namibia, Zambia and Zimbabwe. The procurement unit contributed to this goal by establishing contracts and business relationships with key suppliers as well as utilizing local suppliers.

(In-Country Operations) In Guyana, the Global Security Coordinator from PHD/Fuel Group conducted a comprehensive security crime risk analysis exercise and security survey at the Material Management Unit (MMU) of the Ministry of Health (MOH) in Georgetown, Guyana. (Q2) This involved a review of the existing internal control measures and an audit of Standard Operating Procedure compliance, to ensure robust and appropriate security measures enabling the SCMS Field Office to monitor compliance in the future.

PWS Measure(s)	Y3Q1 Value	Y3Q2 Value	Y3Q3 Value	Y3Q4 Value	End-of-Project Target
Total value of losses (TO1)	Zero	Zero			≤.25% of value delivered
Number of counterfeit incidents (TO1)	Zero	Zero			Zero

4.2 Reliable

(Freight and Logistics) All RDC's are stocked and operational (Q1, Q2). Negotiations for the India regional consolidation center (RCC) continue with a planned opening date of Q4 2008.

(Freight and Logistics) SCMS is not yet achieving 80 percent on-time deliveries; to remedy this through the initiatives of the continuous improvement process, a team is pursuing an "on time

delivery” initiative. This initiative reassesses how “on time delivery” is measured to better capture realities, identify barriers and delays, and to eliminate erroneous information (Q1, Q2)

(In-Country Operations) In Ethiopia, a four and a half million dollar order of ARVs was placed and delivered by SCMS to fill a gap identified through a pipeline review conducted by SCMS in collaboration with in-country partners. (Q2) The prompt and timely action averted a possible stock out situation of ARVs in Ethiopia in the January-April timeframe while the country prepares to transition to a Fixed Dose Combination (FDC) treatment regimen.

(In-Country Operations) In Mozambique, emergency procurements continued to be rare, thanks to the well-considered quantification and supply-planning process. (Q2) However, the Central Medical Stores (CMAM) could not honor a planned Nevirapine 200mg shipment due to cash flow issues. SCMS responded rapidly by bringing in Nevirapine from existing stocks in the South Africa RDC. It is anticipated that the Nevirapine will be available at the Central Warehouse around mid-April and avert a national stock out.

(In-Country Operations) In Zambia, SCMC brought in over 70% of the current national requirement for lab supplies for HIV/AIDS diagnosis. (Q2) The figure is expected to increase to 85% by year-end. Currently SCMS is procuring over 90% of the national requirement of test kits. This quarter also saw few service delivery point stock outs for ARVs and test kits because all planned procurements for these commodities were successfully fulfilled on schedule. SCMS moved in swiftly to avert the stock out of pediatric cotrimoxazole suspension. This problem arose as none of the vendors who participated in the SCMS bidding process were registered with the pharmaceutical regulatory authority (PRA). SCMS placed an emergency order with a manufacturer (Cipla) that is registered with PRA but did not participate in the original bidding process. This action averted the stock out of this product while a long-term solution to the problem is being examined.

(In-Country Operations) In Zimbabwe, the Procurement and Logistics Subcommittee of the National ART Partners’ Forum thanked the USG and SCMS for helping avert a stock-out by fulfilling an emergency order for Zidovudine 300mg tablets, an antiretroviral drug of vital importance to the national program, used by second line patients (Q2)

PWS Measure(s)	Y3Q1 Value	Y3Q2 Value	Y3Q3 Value	Y3Q4 Value	End-of-Project Target
Percentage of on-time deliveries (TO1)	44%	54%			≥98%
Number of stock-outs reported by programs served by SCMS (TO1)	3	TBD			<12 per year
Number of RDC stock-out events not due to unplanned orders (TO1)	0	0			Zero

Remaining shelf-life of purchased ARVs products at the time of receipt at RDC (TO1)	Kenya:	88% (all			>85%
	77.33	three)			
	Ghana:	Ghana:			
	82.29	87%			
	South	South			
	Africa:	Africa:			
	79.84	90%			

4.3 Cost-Effective

(Procurement) USAID gave concurrence and PSCM signed an IQC with Abbott that ensures excellent prices for their products. Abbott’s signature is expected in May. An IQC with Sysmex was fully executed, which prevented pricing from significantly jumping due to Dollar/Euro exchange issues (Q2)

(Procurement) In addition, Blanket Purchase Agreements (BPA’s) were executed with three additional laboratory suppliers. BPA’s for two other suppliers are close to finished, and we are already working with negotiated price lists from these companies. The objective is to have up to 80% of laboratory commodities procured through long-term agreements to reduce the workload in quoting, ordering and supply in response to the large increase in volume in this area. When fully operational, these contracts will reduce the effort needed to purchase from the suppliers. This is especially important for laboratory products suppliers, as these products are the fastest growing in terms of work load on the Procurement Unit. (Q2)

(Freight and Logistics) SCMS implemented inventory rotation procedures to ensure minimum loss of commodities due to expiration (Q2). To date, there has been minimal loss of product due to expiry, with less than 1.2% percent of the value delivered.

PWS Measure(s)	Y3Q1 Value	Y3Q2 Value	Y3Q3 Value	Y3Q4 Value	End-of-Project Target
Percentage of SCMS internationally purchased ARVs falling at or below published prices paid by other international buying organizations serving the developing world given country context (TO1)	ARVs: 83% 1st Line: 85% 2nd Line: 78%	TBD			80%
Value of stock loss at RDC due to expiration (TO1)	\$10,432*	\$8,065			≤1% of value delivered
Percent of purchases placed under IQCs by value (TO1)	53%	64%			75%

* Expired Product (Murex Test Kits) are not stocked in the RDC. In this instance the product was passing through the RDC for consolidation with other products for delivery to Cote d'Ivoire. Cote d'Ivoire cancelled the order prior to shipment and the product ultimately expired.

4.4 Quality Products

(Procurement) Along with Quality Assurance is working closely with Missionpharma to ensure the recalled cotrimoxazole supplied to Kenya and Rwanda that was found to be faulty goes smoothly (see below for details of the failures). (Q2) Even though this OI was recalled, this incident proves that SCMS has a well-functioning quality assurance process.

(Quality Assurance) SCMS assisted the Food and Drug Division (FDD) of Guyana in establishing a Level One Product and Premises Inspection program and GPHF Minilab testing capability. A FDD resident inspection post was established at the Materials Management Unit (MMU) which receives about 90% of the medical supplies for the public sector. The staff members of the inspector offices have established work instructions to quarantine all incoming medical supplies so the documentation can be reviewed, pharmaceutical products examined and selected pharmaceutical products tested prior to releasing them into distribution (Q2).

(Quality Assurance) SCMS protocols require collection and testing of samples from the first procured batch of every pharmaceutical product; thereafter the sampling frequency depends on previous test results and the risk category of the manufacturer. In addition to routine sampling, SCMS also collects and tests “with cause” samples if there is any suspicion that the quality of the product has been compromised. SCMS investigated complaints regarding mold contamination as well as dissolution failures, broken/capped tablets, and over/short fills in Cotrimoxazole 960 mg tablets. Complaints were confirmed by both the testing lab at North-West University in South Africa and an FDA inspected lab (Microbac, Wilson NC) (Q1). Products were recalled based on these findings. SCMS will work with the supplying organization to attempt to obtain compensation from the manufacturer for replacement or refund and destruction of quarantined product. (Q2)

PWS Measure(s)	Y3Q1 Value	Y3Q2 Value	Y3Q3 Value	Y3Q4 Value	Year 3 Target	End-of-Project Target
Percentage of products flagged for sampling that have been sampled (surveillance pulls) (TO1)	59% for ARVs and 27% for OIs	60% for ARVs and 31% for OIs *			100%	100%

4.5 Best Value

(Procurement) There have been four instances where Procurement has communicated client inquiry quantity errors for laboratory supplies, where, for example the requested many times their actual consumption requirements. (Q2) This has prevented wastage of product and money. Much of this advice actually originated from the suppliers, and is an indication that another way SCMS adds value to the supply chain is in the relationships SCMS is building with the supplier base to benefit our clients.

(Performance Management) SCMS is now conducting client satisfaction surveys on a bi-annual basis, and surveyed respondents in January on activities conducted between July and December 2007. While the survey results revealed that clients are generally satisfied with product services and technical assistance activities, it also identified areas for improvement. Many improvement actions have been initiated as a direct result of clients' responses to achieve a continued satisfaction with our services and meet the growing needs of our customers. SCMS is implementing a number of measures to expedite orders, improve the accuracy of our delivery estimates and communicate needed changes with clients. SCMS is also taking steps to expand the pool of available technical assistance consultants as well as improve the quality and timeliness of technical assistance activities and reports. (Q1, Q2)

PWS Measure(s)	Y3Q1 Value	Y3Q2 Value	Y3Q3 Value	Y3Q4 Value	End-of-Project Target
Average time to receive an estimate or quote on ARVs and rapid test kits	ARVs: 25 days; 24 days emergency Test Kits: 19 days; NA emergency	ARVs: 18 days, Test Kits: 36 days			9 days (PE) 14 days (FPQ)
Technical assistance client satisfaction rate (TO2)	77%	N/A (bi-annual measure)			≥90% above 2

4.6 Sustainable

(Procurement) Procurement completed drafts of significant in-country procurement SOPs, governing procurement itself and the prequalification of vendors. (Q2)

(In-Country Operations) In Namibia, SCMS proposed an updated architectural layout drawing of the processes for the management of commodities in the Namibia Institute of Pathology (NIP) central laboratory stores. (Q2) This proposed redesign will inform the review and use of Meditech for inventory management and development of Standard Operating Procedures for operations at the NIP stores.

(In-Country Operations) In South Africa, SCMS and USAID agreed on the final, costed Scope of Work to transfer SCMS skills to provincial counterparts via training on state-of-the-art warehouse management, quality, distribution and tracking systems (Q2)

(Freight and Logistics) RDC commercial viability is now established in Ghana and Kenya. Ghana is storing Vestergaard Frandsen mosquito nets. In Kenya, Merck is in the process of finalizing storage plans for a variety of products at the RDC. Becton Dickinson delayed their arrival due to unrest in the country, and shipments will arrive in Q4. Discussions with UNITAID and USAID DELIVER are ongoing (Q1,Q2)

PWS Measure(s)	Y3Q1 Value	Y3Q2 Value	Y3Q3 Value	Y3Q4 Value	End-of-Project Target
Percent of RDC throughput funded by SCMS (TO1)*	99%	99%			25%

*Information reported semiannually as part of the sustainability report

4.7 Information

(In-Country Operations) SCMS developed a client relationship management toolset to assist field offices and piloted the tool in Cote d'Ivoire. The toolset maps client relationships, and provides a structured guide to the management of communications with clients and reporting upon those communications.

(Management Information Systems) Processes supporting inquiry management and subsequent order management have been solidified at the project office on a new tool, Xroadz. Piloting the use of these enhanced processes by our field offices has started in Cote d'Ivoire and Ethiopia. (Q1,Q2) Based on the results of these pilots we plan on deploying these processes/systems to Haiti, Mozambique and Zambia. Among other reasons, these offices were selected based on suitable internet speeds; connections up and down that allow users to function using a web based tool. Obtaining adequate connectivity from the available internet service providers for all of our field office remains a priority given all of our centrally provided tools are web enabled.

(Management Information Systems) The SCMS Client Center was developed and will be deployed next quarter. (Q2) Two key reports and several information dashboards will allow client's the ability

to track their inquiries, monitor their deliveries and gauge the effectiveness of SCMS processes. A limited deployment to two focus countries and one track partner is planned (Q2)

(Global Partnerships) As part of the SCMS contribution to WHO regulatory database we provided AMDS with our quarterly update of ARVs registration status on February 19, 2008. (Q2)

4.7 Collaboration

(In-Country Operations) In Rwanda, the Director General, CAMERWA plus two members of the senior management team undertook a field visit to Guyana to meet with the Minister of Health, USAID, SCMS and other Government officials to review the effectiveness of the implementation of the MACS warehouse management solution at the Ministry of Health's Medical Stores together with its interface with other systems (Q2) This trip proved to be an invaluable opportunity for CAMERWA to share experiences with their counterparts in Guyana and to see how SCMS operates in other countries. As a result of this visit, the decision has been taken to implement the MACS warehouse management system at CAMERWA.

(Procurement) Procurement led the purchase of methadone for Vietnam. This was the first time PSCM had purchased and delivered methadone, and product was delivered safely in April. (Q2, Q3) Many Units and organizations contributed to this celebrated effort, including the USG (particularly USAID and DEA), SCMS Field Office personnel, the client, and the supplier, Mallinkrodt.

(Global Partnerships) SCMS continued to build stronger relationships with Track 1.0 Partners. Responding to client concerns expressed over contracting terms surrounding commodity insurance, Global Partnerships and Contracts partnered have amended the EGPAF contract. In addition, SCMS has also trained EGPAF headquarters staff on the use of the new SCMS Client Center to improve the transparency of orders and the efficiency of our procurement for EGPAF. (Q2)

(Global Partnerships) SCMS facilitated the donation of rapid test kits to the CDC in Atlanta for their use in training with a turnaround time of less than one week. (Q2)

(Global Partnerships) SCMS has interacted extensively with the World Health Organization. Following AMDS meetings in early December 2007, SCMS had a number of action points for the 2nd quarter. Among the most important was to meet with the Futures Institute to discuss the development of the infomediary to take forward the global demand and forecasting work. SCMS also reviewed and commented a document entitled "Harmonization of M&E requirements for ART Procurement and Supply Management." SCMS agreed to broaden the scope of information provided for the WHO drug regulatory database during the course of 2008. New information will include registration numbers and expiry dates. (Q1, Q2)

(Global Partnerships) A number of meetings and conference calls were held with AMDS regarding a project entitled "Development of an integrated procurement and supply management system for

HIV/AIDS commodities” (“Integrated PSM” project) for which a pre-proposal was presented to OGAC in 2007. AMDS solicited SCMS to support the development of a concept paper. Such support required a level of effort that the SCMS project was not in a position to absorb with available human and financial resources. The GPU submitted a SOW to USAID to put together a cross functional team and mobilize corresponding funding for this work. Ultimately, USAID’s decision is dependent upon OGAC’s interest in the project. At the end of March, OGAC had not provided its feedback to WHO/AMDS. (Q1, Q2)

(Global Partnerships) With the WHO Prequalification Program (PQP), the GPU together with SCMS Quality Assurance (QA) Team followed up on discussions initiated in late 2007 around possible areas of collaboration. SCMS offered to share our data on SCMS QA activity and results with some limitations to ensure confidentiality of results (Q1)

(Global Partnerships) The GPU is maintaining regular communication with the Essential Medicines departments (“PSM” and “TCM”) pending the implementation of the new organization that will affect both departments as well as the cluster (Health System Strengthening) under which it has been moved in late 2007. (Q1)

(Global Partnerships) SCMS contributed to the Global Fund’s quality assurance policy’s review and submitted a completed SCMS quality assurance policy questionnaire in support of the review (Q2).

(Global Partnerships) As the technical secretariat for the WB/GF/PEPFAR Coordinated Procurement Planning initiative, SCMS facilitated a Steering Committee meeting in January to finalize the list of countries for roll out of the initiative (Q2). The three donors agreed on Cote d’Ivoire, Zambia, Zimbabwe, Uganda and Malawi. An agreement was also reached to extend coordinated procurement planning to RTKs in some of the pilot countries. In addition the donors reached a consensus to evaluate initiative’s added value. WHO and UNITAID’s participation in the initiative was discussed. By the end of March/early April a consensus was reached by all donors to invite both organizations to join the initiative

(Global Partnerships) In January, SCMS organized a week-long study tour to South Africa for three members of the Church Health Association of Zambia (CHAZ) management team, reviewed outcomes of meetings from last year’s EPN/SCMS Task Force visit which resulted in CHAZ becoming part of, and integrated into, the Zambian MOH National supply chain model, and identified specific areas of support for strengthening CHAZ drug supply operations within the national supply chain. (Q2) In February, the Global Partnerships Unit facilitated the EPN/SCMS Taskforce quarterly conference call to review action items and progress against those goals and met with World Vision to discuss the PEPFAR programming for therapeutic nutrition. In March, the Global Partnerships Unit facilitated a meeting of EPN/SCMS Task Force representatives with SCMS Rwanda, USAID Rwanda, Rwanda Ministry of Health, CAMERWA and BUFMAR, the faith-based drugs supply organization in Rwanda to discuss how BUFMAR can be integrated into

the Rwandan drug supply system and strengthened by SCMS. The reduction in global partnership staff from four to two positions is causing a retrenchment in global partnership activities. SCMS will no longer be able to be a strong advocate for engagement of EPN and faith-based drug supply organizations in PEPFAR focus countries.

(Global Partnerships) SCMS developed a relationship with the United Nation Office for Project Services (UNOPS) and investigated with them possible areas of collaboration. UNOPS expressed potential interest in using the Regional Consolidation Center in India and how they might benefit from SCMS prices through our established IQCs. (Q2)

(Global Partnerships) As part of our on-going collaboration with UNICEF West and Central Africa Regional Office (WACRO), and with the USAID Mission’s permission, SCMS shared a number of reports from evaluations and technical assistance carried out in Côte d’Ivoire and Nigeria. (Q2) Information from those reports will feed into UNICEF WACRO project to assess and map procurement and supply management systems related to HIV/AIDS in the West and Central Africa regions.

(Global Partnerships) The GPU organized a meeting with the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) and SCMS to discuss progresses of the IFPMA/ABPI (Association of the British Pharmaceutical Industry) Supply Chain working group to support access to medicines in Africa and investigate if and where SCMS could be of support in particular, as it relates to strengthening quality control and quality testing of medicines and the use of minilabs. (Q1, Q2)

PWS Measure(s)	Y3Q1 Value	Y3Q2 Value	Y3Q3 Value	Y3Q4 Value	End-of-Project Target
Number of technical documents downloaded (TO1)	1,847	1,668			100
Number of people reached via presentations at conferences (TO1)	20	0			700 per year

4.8 Capacity

(In-Country Operations) In support of building capacity, SCMS implemented Global Fund and PEPFAR FY08 supply chain strengthening technical assistance interventions in the areas of planning/quantifications/forecasting; procurement; storage and distribution; product quality assurance; lab logistics; LMIS; commodity security; QA; M&E; and contractual processes (Q1,Q2). The total number of technical assistance visits in Q2FY08 was 46.

(Human Resources) SCMS was charged with creating a team of three laboratory technical assistance advisors to improve laboratory commodity supply chains in the areas of standardization, quantification and distribution. (Q2) Recruitment is now complete for two of the three regional laboratory positions. The third position is no longer being recruited for, based on the current needs of the project.

(In-Country Operations) In Mozambique, SCMS conducted a two-day in-house SCMS and MOH staff capacity-building workshop in supply planning and use of PipeLine software (Q2) Using these skills, staff began drafting supply plans for 15 key OI and STI drugs, CD4 reagents, hematology and biochemistry. SCMS also completed quarterly forecasting and supply plan updates for rapid test kits and ARVs with the active participation of the Central Medical Stores (CMAM) and CHAI.

(In-Country Operations) In Nigeria, a total of 41 master trainers were trained in a TOT for Pilot testing of the Nigeria Logistics and Health Program Management Information Platform (LHPMIP), the platform was also demonstrated to the USG (DOD, CDC, USAID/ Nigeria and SI Advisor USAID Washington). (Q2) A series of in-house capacity building exercises (on inventory control systems, how to create effective presentations) were conducted for 25 staff members including management staff.

(In-Country Operations) In Tanzania, SCMS developed a scope of work (SOW) and budget to train the three regions still remaining in the Essential Drug Kits system (Kigoma, Singida and Tabora,) in the use of the Integrated Logistics System (ILS) (Q2). The ILS will replace the use of essential drug kits that have been used in dispensaries and health centers since the early 1980s and are considered an inefficient use of resources.

(In-Country Operations) In Vietnam, a new drug circular (a government inter-Ministerial agreement) entitled “Guiding the Finance Management Mechanism for Medicines and Medical Equipment/Materials donated by PEPFAR”, has opened an opportunity for SCMS to work with the VAAC (Vietnam Agency for HIV/AIDS Control) on improving a centralized drug management reporting system which will include the provincial level HIV/AIDS committees (PAC) (Q2). During quarter two, members of the PAC were invited to a training workshop conducted by VAAC and SCMS. Involving members of PAC in the drug management reporting system is an important step in developing a sustainable supply chain.

(In-Country Operations) In Zambia, SCMS finalized the first draft of the HIV/AIDS Commodity Security (HACS) strategy document. In effort to build capacity, SCMS also decided that general laboratory reagents can be procured locally (Q2). Five local vendors have been identified. SCMS has contracted FedEx to distribute short shelf-life cold-chain products nationally. These products cannot go through the MOH distribution system.