



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



SCMS Annual Report FY 2008:

Submitted By:

Partnership for Supply Chain Management, Inc.

1616 Fort Myer Drive, 12th Floor

Arlington, VA 22209 USA

+1.571.227.8600 (phone)

+1.571.227.8601 (fax)

www.scms.pfscm.org

SCMS Project Team

Affordable Medicines for Africa | AMFA Foundation | Booz Allen Hamilton | Crown Agents Consultancy, Inc | The Fuel Logistics Group
IDA Solutions | JSI Research & Training Institute, Inc | Management Sciences for Health | The Manoff Group | MAP International
North-West University | Northrop Grumman | PATH | UPS Supply Chain Solutions | Voxiva | 3i Infotech

1.0 EXECUTIVE SUMMARY

1.1 SCMS Field Offices

By the end of Year Three, Quarter Four, SCMS:

- Established field office presence in all 15 focus countries including Kenya, as well as in one non-focus country, Zimbabwe. Procurement activities are underway in all of these offices with technical assistance also being provided in all countries except Kenya.
- Began considering the procurement and distribution of new commodities including PMTCT products, food and nutrition supplements, blood safety products, male circumcision kits, home-based care kits, opportunistic infection drugs, TB drugs, malaria products and injection safety products.
- Made significant progress in the use of MACS software for the warehouse management and logistics management of HIV/AIDS commodities in Cote d'Ivoire, Haiti, Mozambique, Rwanda, Tanzania and Uganda.
- Provided technical assistance to improve the performance of logistics management information systems and inventory control systems in Botswana, Ethiopia, Tanzania, Mozambique, Uganda, Zambia and Zimbabwe.
- Continued to build in-country capacity by carrying out training in a variety of supply chain areas such as: Botswana (management of infant formula distribution, forecasting and quantification), Ethiopia (collecting and reporting essential logistics data at the site level), Mozambique (LMIS and inventory control of lab reagents with supply via a local IQC), Nigeria (general supply chain management), Tanzania (ARV and HIV test logistics), Uganda (ARV logistics for JCRC), Vietnam (basic supply chain management for dispensers), Zambia (laboratory logistics based on a new harmonized equipment list), and Zimbabwe (ART site supervision).
- Conducted quantification and forecasting activities in many countries. Recent activities include: Cote d'Ivoire (updated ARV supply plan), Ethiopia (lab reagents and consumables quantification training), Mozambique (updated HIV test forecast and supply plan), Nigeria (national aggregated forecast and quantification for ARVs), Rwanda (updated lab commodity and ARV supply plan), South Africa (discussions around the value of forecasting ARV needs), Uganda (ARV quantification exercise with IRCU) and Zambia (quantification of co-trimoxazole).
- Completed training of all field offices in the use of Xroadz CRM as a tool for inquiry and order management purposes. and made SCMS Client Center available to all clients that requested the service.
- Worked to finalize '08 work plans and budgets in the field offices and developed COP '09 narratives.

1.1.1 Year Three Highlights

At the end of year three the SCMS global supply chain is operating at a steady rate to deliver in excess of US\$15M of commodities per month, with around 150 client deliveries per month and three well-stocked regional distribution centers (RDCs) that support regular supplies of ARVs. RDCs enable SCMS clients to eliminate ARV stockouts, a major objective in the original SCMS RFP. SCMS is also managing a major program of laboratory supply with over 2,500 discrete line items; this activity has enabled Zambia and Ethiopia to reverse a situation of major laboratory items stock outs. With funding from Task Order 2 SCMS established a major program of long- and short-term technical assistance in PEPFAR focus countries plus Zimbabwe to improve the capacity and effectiveness of local supply chains to manage the major scale-up of HIV/AIDS programs. As of October 1, SCMS has delivered \$207.5 million in HIV/AIDS commodities since the beginning of the project, including \$136.2 million of antiretroviral drugs (ARVs), \$30.9 million of HIV test kits and \$33.5 million of laboratory supplies. Consistently more than 90 percent of ARVs we purchase are generic products, saving our clients more than \$201 million against the cost of equivalent branded drugs, money that can be used to treat even more patients.

Particular milestones include:

- Through technical assistance, we have helped strengthen warehousing and logistics systems in many PEPFAR countries, including Ethiopia, Guyana, Mozambique, Namibia and Rwanda.
- SCMS' regional distribution centers in Ghana, Kenya and South Africa have essentially eliminated stockouts of ARVs for PEPFAR clients. In the quarter ending June 30, SCMS delivered \$5.3 million in commodities to prevent stockouts in 10 countries.
- Field offices in 16 countries, mostly in sub-Saharan Africa, provide technical assistance and procurement services to PEPFAR implementing partners, ministries of health and other clients.
- We process 2,500 line items of laboratory commodities, delivering about \$2.5 million of laboratory equipment, reagents and supplies each month.
- SCMS' quality assurance program has found no incidence of substandard or counterfeit ARVs and has prevented substandard medicines for opportunistic infections from reaching patients.
- By working with clients to switch shipments from air to sea or land, we have helped them save more than \$6 million in shipping costs.

1.2 SCMS Program Management Office (PMO)

By the end of quarter four of year three of the project the PMO had:

- Successfully managed the highest volume of supplies delivering commodities to a total value of US\$143.5 million in 1,725 deliveries the clients, either by direct drop or from SCMS RDCs in Ghana, Kenya and South Africa. July was the highest single month with US \$18.4 million of deliveries. During Year Three SCMS delivered US\$91.6 million of ARVs, US\$25.8 million of laboratory supplies and US\$22 million of rapid test kits, the balance of deliveries being accounted for by essential drugs and other items.
- Improved the on time delivery rate from the RDCs to between 85 and 90 percent during the quarter, and launched a program of vendor performance management to improve the timeliness of vendor deliveries from the current low point of around 50 percent on time.
- Used the benefit of higher freight volumes and better forward planning making greater use of sea and land freight (versus air freight) to save over \$3 million during the quarter.
- Completed a large procurement program in Ethiopia to commit over US\$45 million in new orders for a range of commodities. Work continues with the USAID Ethiopia Mission and clients to place orders for ready-to-use therapeutic food (RUTF) and opportunistic infection (OI) drugs.
- Launched a request for proposals to identify laboratories to routinely assess rapid HIV test kits.
- Identified significant quality assurance failures in essential drugs purchased from local vendors in Kenya. All ARVs purchased by SCMS continue to pass quality assurance tests.
- Completed the initial phases of decentralizing PMO procurement management, client relations and in-country procurement to SCMS field offices. All offices are now trained in the use of the Orion Xroadz Client Relationship Management (CRM) module, and we have made available to our clients use of the web-based Client Center to track the progress of their enquiries and orders.
- Reduced the demand for quantification STTA by training SCMS offices and clients in forecasting and supply planning.
- Completed the semi annual Client Satisfaction Survey, in which clients registered an overall satisfaction level of 85 percent, with a 100 percent satisfaction level for initial contact for both procurement and technical assistance services. In line with our own performance monitoring, the survey identified SCMS weakest performance as being in the prompt issue of quotations and delivery delays. SCMS has instituted improvement programs for these areas and addressed specific concerns identified in the survey responses.
- Launched a revamped intranet to support knowledge sharing and information management across the project. The new intranet includes the facility for subject-specific forums and forums for technical assistance and alumni of SCMS training programs.
- Hosted a steering committee meeting of the Coordinated Procurement Planning Initiative (CPP), including the introduction of new members, WHO and UNITAD, and launched an expansion of the program to include Côte d'Ivoire, Malawi and Zambia.

1.2.1 Year Three Highlights

SCMS experienced exponential growth over Y3 in the level of commodities delivered, technical assistance areas, and collaboration with global HIV/AIDS initiatives. During Y3, SCMS delivered \$143.5 million of commodities, more than doubles the Y2 commodity delivery value of \$60.9 million. The largest commodity category for SCMS deliveries was ARVs, accounting for \$91.6 million. Zambia was the largest recipient of SCMS commodities, accounting for \$34.6 million. Each quarter saw an increase in commodity delivery. SCMS procured these increased values of commodities with a decreasing supply chain operating rate, which declined from 19 percent in Y2 to 7 percent in Y3. In addition to a decreasing supply chain operating rate, SCMS reduced freight costs by \$6.1 million for Y3 through the use of sea and road freight, instead of air.

SCMS expanded procurement of non pharmaceutical products, primarily laboratory commodities, experiencing a 24 percent increase in Y3. SCMS also began procurement in new product categories, particularly RUTF and is preparing for upcoming food and nutrition related procurement by initiating an internal and external research project, strategic planning, partner collaboration and activity guidance development for field staff and partners. The team is simultaneously working with several countries that are actively planning food & nutrition programs.

Throughout Y3, SCMS moved towards decentralization of its operations to field offices. Procurement, in-country operations and other relevant units are developing the devolution of core business functions from the Program Management Office (PMO) to the field. PMO staff trained field offices on order management processes in the Customer Relations Management (CRM) and Orion, and in country procurement guidelines are currently in progress.

On-time delivery challenges persist, specifically with direct drop shipments. Throughout Y3, on time delivery from RDCs steadily increased from 50 percent in Y2, to 90 percent in Y3. Direct-drop on-time delivery continues to be an issue with a rate of 55 percent. Although this is an increase over Y2's on-time delivery rate of 43 percent, significant improvement efforts are underway to improve performance by vendors.

During Y3, SCMS continued global partnerships with WHO and UNITAID as the technical secretariat for the Coordinated Pooled Procurement Initiative.

2.0 FIELD OFFICE PROGRESS

2.1 Fourth Quarter FY 08 Country Highlights

During the Q4 of Y3, SCMS continued to enhance procurement and technical assistance activities to improve performance within all elements of supply chain management. The field offices worked to build capacity both internally and with in-country stakeholders. Through planned consultation and focused training events, SCMS assisted in-country counterparts to develop abilities to prepare forecasts and supply plans, consider the logistics implications of the procurement of commodities such as food-by-prescription, install information and inventory control systems, improve warehouse management, implement logistics system improvements and provide supervision of the supply chain. The following includes a few highlights, in addition to those mentioned above, from the many efforts delivered by our 16 field offices.

In Botswana, SCMS worked with Botswana Harvard HIV Reference Laboratory (BHHRL), National Health Laboratory Services (NHL), and BOTUSA to develop a laboratory product specification database; worked with the Drug Regulatory Unit (DRU) to build capacity of the drug registration section of the DRU through training and hands-on dossier reviews; and supported Central Medical Stores' (CMS) Quality Management Systems (QMS) project and mentored staff in process improvement mechanisms for procurement and distribution processes. SCMS conducted two drug dossier retreats that enabled the review of more than 80 dossiers. SCMS continued to provide weekly support to CMS to monitor RTK stock levels, resulting in a 24-month quantification and a 12-month supply plan for ARVs and other HIV/AIDS-related commodities.

In Côte d'Ivoire, SCMS continued to support the installation of MACS WMS at the Pharmacie de la Sante Publique (PSP). The MACS technical team has endeavored to implement MACS alongside the SAGE 1000 enterprise management system and experienced difficulties in mapping the transfer of data between the two systems. At the end of the quarter, an interface that permits the two software packages to transfer data was still under development. SCMS provided technical assistance to the Ministry of HIV/AIDS (MLS) to expand the successful pilot of the PDA-based Mobile Community Reporting System (MCRS), which allows for the electronic collection of M&E indicator data by cell phone or internet.

In Ethiopia, SCMS continued to strengthen the capacity of the logistics systems for the National HIV/AIDS program to ensure long-term sustainability. SCMS began implementing both laboratory and ARV Logistic Management Information Systems (LMIS) in line with the Pharmaceutical Logistics Master Plan (PLMP). SCMS also provided technical assistance to the Pharmaceuticals Fund and Supply Agency (PFSA) in their business process reengineering (BPR) activity. In coordination with the national HIV/AIDS Prevention & Control Office (HAPCO), SCMS facilitated a four-day national quantification review for HIV/AIDS commodities, including ARVs, labs supplies, RTKs, OI and PMTCT drugs, infection prevention supplies, RUTF and home-based care kits. Lastly, SCMS signed an MOU with PFSA to support the design of new warehouses.

In Guyana, SCMS finalized an MOU with the Materials Management Unit (MMU) and completed the hiring of the professional team for the new MMU construction. In addition, the transfer of the management of the ARV dispensing tool (ADT) to National AIDS Program Secretariat (NAPS) is a significant achievement. Furthermore, SCMS supported the MOH Technical Working Group with the development of the Essential Medical Supplies List (EMSL). The EMSL is the first of its kind within the MOH and will be used to guide forecasting and procurement in the future. SCMS revised the existing performance management plan and indicators developed with technical staff.

In Haiti, Q4 was the most challenging to date. The hurricane season was extremely damaging, with the potential for more related damage. SCMS provided products to sites that were completely cut off from the rest of the country, using all available means from wheelbarrows to UN helicopters. Shortly after one of the hurricanes, SCMS contacted about 100 sites, assessed their situation and provided the relevant assessment information to stakeholders and MOH.

In Kenya, SCMS opened the field office in July and recruited key personnel, including the laboratory procurement officer and procurement specialist. SCMS procurement activities for laboratory equipment and reagents continued to expand rapidly. Other activities included the procurement and distribution of injection safety commodities to sites for use in waste disposal and safe injection in an effort to enhance safety measures in hospitals.

In Mozambique, SCMS assumed responsibility from the Association of Public Health Laboratories (APHL) to supply reagents and consumables for CD4 testing to the PEPFAR supported lab network; an IQC with a local supplier was signed to this effect. SCMS completed a warehousing and distribution assessment at the central level that concluded that the current operations and processes at CMAM prevent a successful transition to the new warehouse location. As a result, SCMS presented an emergency plan to the USG Team and CMAM and will present these findings to the Minister of Health next quarter.

In Namibia, in support of efficient warehouse management, SCMS assisted the MoHSS to conduct a comprehensive review of space availability at the Central Medical Stores (CMS) and provided recommendations to address space constraints due to the scale-up of the National HIV/AIDS Program. SCMS made proposals to immediately mitigate the storage issue for the ARV warehouse. The full rollout of the system will begin following the purchase and installation of PCs required to upload VCT commodity data from scanners and to send the data to the SCMS central database. SCMS also completed an assessment of Home Based Care (HBC) kits, incorporating inputs from stakeholders and the Mission, and sent to the MOHSS' reference group draft options on how to distribute and refill the HBC kits.

In Nigeria, a national logistics management information system was developed with the support of SCMS-facilitated training on the new system for all Federal Ministry of Health ART sites. Also, in order to address the shortage of trained logisticians in the health sector, SCMS conducted a supply

chain management course in which participants developed an enhanced understanding of harmonized logistics systems.

In Rwanda, Centrale d'Achat des Medicaments Essentiels, Consommables et Equipment Medicaments du Rwanda (CAMERWA) and SCMS renegotiated the MoU and subcontract between PFSCM and CAMERWA beyond the end date of September 30, 2008. SCMS also continued to focus on strengthening warehouse management systems and upgrading the physical and inventory management of commodities at the main CAMERWA warehouse and its satellite warehouses. Installation of pallet location and stacking software was completed, and SCMS worked closely with CAMERWA on improving the warehouse layout for the extension in the main warehouse.

In South Africa, USAID/Pretoria agreed that SCMS will continue to implement the warehouse improvement activity for the Mpumalanga Province. A similar agreement was reached with USAID/Pretoria for warehouse assessment and system design activity in the Limpopo province.

In Tanzania, SCMS and partners conducted sensitization workshops with regional, zonal and district officials on the redesign of the new logistics system. These workshops provided an opportunity for MSD zonal stores managers and district and regional health management teams to better understand the ARV and RTK distribution. SCMS also conducted a ToT workshop for selected individuals from regional, district and referral hospitals, the Ministry of Health & Social Welfare (MOH&SW) and USG partner organizations to develop skills in adult learning and to develop knowledge in implementing the redesigned logistics system.

In Uganda, SCMS continued support to the Ministry of Health and PEPFAR partners in logistics management training and capacity building of logistics officers. A team of logistics trainers completed ARV logistics training for newly accredited sites and completed the lab pre-service training for final diploma students at lab training schools across the country. SCMS completed the first phase of system strengthening of Joint Medical Store (JMS) in warehouse management with the installation of MACS warehouse management system (WMS).

In Vietnam, there are now more than 14,600 people on anti-retroviral therapy (ART) under PEPFAR with ARVs procured by SCMS. In Q4, SCMS received the Prime Minister of Vietnam's approval of the annual procurement plan for importing ARVs. The approval should eliminate the need for additional approval of individual shipments arriving throughout the year. SCMS destroyed expired, damaged, and recalled medicines following a nearly one-year effort to obtain all of the appropriate approvals from the Government of Vietnam (GOV). SCMS conducted workshops for 221 pharmacy dispensers from PEPFAR-supported clinical sites on supply chain management fundamentals and a strategic plan was agreed upon for the next three to five years.

In Zambia, SCMS facilitated the quantification of co-trimoxazole for use in HIV/AIDS support, palliative care and infection control. Furthermore, SCMS developed a training curriculum and conducted a training of trainers (ToT) workshop for the pilot roll-out of the laboratory logistics

system. SCMS also completed a final draft of the national HIV/AIDS Commodity Security (HACS) strategy and participated in the National Health Strategic Plan meeting to ensure the costs of the HACS strategy were included in the costing process of the national health strategy.

In Zimbabwe, the project continues to operate in an uncertain economic and socio-political environment. Hyperinflation continues unabated, and the situation continues to complicate local suppliers' operations, resulting in longer delivery times of products and services. Despite the current challenging environment and weakening local communication systems, reporting rates for the revised ARV LMIS remain satisfactory. SCMS supported the MOHCW AIDS & TB Program Logistics Sub-Unit (LSU) to revise and finalize the logistics support and supervision guidelines for ART sites. SCMS developed a related curriculum and trained LSU, MOHCW Directorate of Pharmacy Services and Provincial Pharmacy staffs on the guidelines to ensure they can carry out their responsibilities and to ensure that ARV drugs are available when needed. SCMS complete the national rollout of the integration of RTKs and Nevirapine for PMTCT into the Delivery Team Topping Up (DTTU) system.

Country Name	STTA Delivered	Procurement	Staff	Relevant Milestone(s)
Botswana	Distribution (1) Lab Logistics (2) Procurement (1) Quality Control (1) Strategic Planning (1) Warehousing (1)	Test- \$320,899 Lab-\$137,273	Fully operational 13 staff members	#12. QA #16. TA
Cote D'Ivoire	MIS (1) Warehousing (1)	ARV- \$99,741 Drug-\$103,676 Test- \$171,591 Lab- \$732,576 Other-\$18,613	Fully operational 9 staff members	#16. TA #17 Warehousing

Ethiopia	Lab Logistics (1) Other (1) Procurement (1) Service Delivery (1)	ARV- \$3,037 Drug-\$355,183 Test- \$769,532 Lab- \$957,930 Other-\$3,172	Fully operational 60 staff members	#16. TA
Guyana	Warehousing (1) M&E (1)	ARV- \$13,864 Test- \$80,284 Other-\$3,380	Fully operational 8 staff members	#16. TA #17. Warehousing
Haiti	N/A	ARV-\$323,573 Drug-\$722 Test-\$375,991 Lab- \$1,712,031 Other-\$67,635	Fully operational 30 staff members	
Kenya	N/A	Test-\$597,152 Drug-\$31,723 Lab-\$1,852,974 Other-\$5,150	Field office opened 2 staff members	N/A
Mozambique	Procurement (1) Warehousing (1)	ARV- \$3,109,756 Test- \$216,000 Lab-\$398,835	Fully operational 23 staff members	#16. TA #17. Warehousing
Namibia	Distribution (1) Lab Logistics (1) Other (1) Procurement (1) Warehousing (1)	Test- \$4,364 Lab- \$7,555 Other-\$169,162	Fully operational 6 staff members	#16. TA #17. Warehousing

Nigeria	Other (1)	ARV- \$6,275,927 Drug-\$49,142 Test- \$1,705,594 Lab-\$242,202 Other-\$732,183	Fully operational 27 staff members	#16. TA
Rwanda	MIS (2) Procurement (1) Quantification (1) Warehousing (1)	ARV- \$1,709,463 Drug-\$53,079 Test- \$683,919 Lab- \$947,335	Fully operational 9 staff members	#16. TA #17. Warehousing
South Africa	N/A	ARV-\$92,877	Fully operational 5 staff members	N/A
Tanzania	Warehousing (1)	ARV- \$12,228,393 Test-\$400,000 Lab- \$84,700	Fully operational 22 staff members	#16. TA #17. Warehousing
Uganda	Quantification (1)	ARV- \$222,575 Drug-\$11,625	Fully operational 25 staff members	#16. TA
Vietnam	Service Delivery (1)	ARV- \$1,128,684 Lab- \$41,515	Fully operational 23 staff members	#16. TA
Zambia	Lab Logistics (1)	ARV- \$8,005,231 Drug-\$239,100 Test- \$589,363 Lab- \$3,336,241	Fully operational 20 staff members	#16. TA
Zimbabwe	MIS (1) Quality Assurance (2)	ARV- \$1,284,920 Test- \$286,980	Fully operational 19 staff members	#16. TA #12. Quality Assurance

2.1.1 Year Three Country Highlights

Throughout Y3, SCMS actively engaged clients and stakeholders through its In Country Operations programs, focusing on training, technical assistance, client relations, forecasting and supply planning, capacity building, strategic planning, logistics management and warehousing.

In Y3, SCMS provided clients with increasing amounts of assistance in warehousing. Utilizing the MACS system, SCMS in country teams and consultants have improved warehouse management system for central medical stores and other clients throughout Y3. Work continues in Côte d'Ivoire, Guyana, Haiti, Rwanda and Zimbabwe. MACS technology, warehouse infrastructure and financial management systems are being implemented in these countries to ensure more efficient warehousing of HIV/AIDS commodities. The ground work is currently being put in place for further projects to start soon in Mozambique, Tanzania and others.

Through readily available stock in the RDC, SCMS fulfilled an emergency order for Harvard Nigeria after a warehouse fire, averting a stock out and interruption of patient treatment. In addition, SCMS coordinated continued delivery of commodities to Haiti after the devastation of four hurricanes/ tropical storms despite severely damaged infrastructure. SCMS Haiti worked diligently to deliver commodities via helicopter or wheelbarrow to ensure uninterrupted treatment of patients.

In addition, in-country teams conducted or helped with several trainings in multiple PEPFAR focus countries throughout Y3. SCMS is working with local counterparts and stakeholders to build capacity in various areas of the supply chain. In Uganda, SCMS conducted a training of 63 trainers (TOI) for Ministry of Health trainers on ART and HIV test logistics. In addition, SCMS Uganda conducted pre-service training for approximately 800 final year students from 13 accredited laboratory training schools in an effort to strengthen laboratory logistics capacity. In Vietnam, workshops were conducted for approximately 400 pharmacy dispensers from the PEPFAR – supported clinical sites. Furthermore, in Nigeria, SCMS consultants conducted a supply chain management training for several in-country partners.

Country Name	STTA Delivered	Procurement	Staff	Relevant Milestone(s)
Botswana	Y3 (33) Y2 (6)	Y3: \$1,906,794 Y2: \$955,993	Fully operational Y3: 13 staff members Y2: 6 staff members	#12. QA #16. TA

Cote D'Ivoire	Y3 (11) Y2 (5)	Y3: \$14,809,995 Y2: \$12,755,929	Fully operational Y3: 12 staff members Y2: 9 staff members	#16. TA #17 Warehousing
Ethiopia	Y3 (14) Y2 (6)	Y3: \$13,978,283 Y2: \$4,684,574	Fully operational Y3: 60 staff members Y2: 15 staff members	#16. TA
Guyana	Y3 (14) Y2 (10)	Y3: \$1,043,235 Y2: \$300,378	Fully operational Y3: 8 staff members Y2: 9 staff members	#16. TA
Haiti	Y3 (11) Y2 (30)	Y3: \$7,212,881 Y2: \$406,563	Fully operational Y3: 30 staff members Y2: 15 staff members	#16. TA
Kenya	Y3 (3) Y2 (0)	Y3: \$4,153,453 Y2: \$482,138	Field office opened Y3: 2 staff members Y2: 0 staff members	N/A
Mozambique	Y3 (4) Y2 (12)	Y3: \$10,111,519 Y2: \$5,403,958	Fully operational Y3: 23 staff members Y2: 15 staff members	N/A

Namibia	Y3 (13) Y2 (4)	Y3: \$1,228,939 Y2: \$124,076	Fully operational Y3: 6 staff members Y2: 4 staff members	#16. TA
Nigeria	Y3 (5) Y2 (0)	Y3: \$14,453,300 Y2: \$4,634,062	Fully operational Y3: 27 staff members Y2: 19 staff members	#16. TA
Rwanda	Y3 (26) Y2 (6)	Y3: \$9,161,218 Y2: \$2,594,693	Fully operational Y3: 9 staff members Y2: 5 staff members	#16. TA
South Africa	Y3 (2) Y2 (3)	Y3: \$569,350 Y2: \$ 7,653	Fully operational Y3: 5 staff members Y2: 14 staff members	N/A
Tanzania	Y3 (3) Y2 (0)	Y3: \$21,382,891 Y2: \$5,934,698	Fully operational Y3: 22 staff members Y2: 10 staff members	N/A
Uganda	Y3 (5) Y2 (7)	Y3: \$799,226 Y2: \$230,716	Fully operational Y3: 25 staff members Y2: 19 staff members	#17 Warehousing

Vietnam	Y3 (7) Y2 (1)	Y3: \$2,839,532 Y2: \$3,474,814	Fully operational Y3: 23 staff members Y2: 11 staff members	#16 TA
Zambia	Y3 (5) Y2 (5)	Y3: \$34,638,036 Y2: \$16,167,479	Fully operational Y3: 20 staff members Y2: 19 staff members	#16 TA
Zimbabwe	Y3 (7) Y2 (17)	Y3: \$4,808,348 Y2: \$2,255,905	Fully operational Y3: 19 staff members Y2: 20 staff members	#16. TA

3.0 SCMS PROGRAM MANAGEMENT OFFICE PROGRESS

3.1 Procurement

The large procurement project for Ethiopia is nearly complete. However, areas still to be completed include RUTF, where we await confirmation of Ethiopia requirements; OI drugs, where we still need to reconcile in-country requirements with SCMS obligations for quality and value; and x-ray equipment for a TB/HIV program, where we are still in the process of developing a tender to procure and install equipment.

SCMS began a market research for the new product group: food by prescription. The focus is on the products RUTF (ready to use therapeutic food) and FBF (fortified blended food such as corn soy blend). SCMS is investigating the supply side of the market: sourcing, availability, production capacity, prices, lead times, quality checks and possible negotiation approaches. In addition, SCMS is also reviewing product registration and patent status in our focus countries. In addition to this research, we are processing actual requests from Ethiopia, Haiti, Tanzania and Vietnam.

Throughout Y3, the commodity values procured continued to steadily increase, while staffing levels remained relatively consistent. During Y3, SCMS delivered \$143.5M worth of commodities. This figure more than doubles Y2 commodity delivery value of \$60.9M. In addition to increasing levels of commodity procurement, the SCMS procurement unit began procuring new products such as RUTF.

In Y3 SCMS saw significantly increasing levels of lab commodity procurement. This product category continues to prove challenging in areas such as low vendor on-time delivery rates. Overall on-time delivery rates increased from 43 percent in Y2 to 55 percent in Y3. Despite this increase this is far from the project target goal of 80 percent. During Y3Q3 and Y3Q4, improvement actions began with increased communications between vendors and SCMS, including performance improvement plans from vendors for on-time delivery.

During Y3, the Procurement Unit continued to negotiate and implement indefinite quantity contracts (IQC) and blanket purchase agreements (BPA). SCMS currently holds 14 IQCs and 5 BPAs with vendors to increase ordering efficiency and service to clients.

SCMS created a decentralization plan to transfer inquiry and order management functions of procurement to the field throughout Q2, Q3, and Q4. Standard operating procedures are to be completed for decentralization during FY4Q1.

3.2 Freight and Logistics

Continuing the trend toward freight and logistics savings in 2008, the year finished with over \$6.1 million in overall savings. Stock reconciliations are now being proactively managed, resulting in fewer queries.

A number of incidents were recorded regarding vendor performance, leading to better management and a review of process flows which drive the interaction between the customer, procurement, and F&L. This interaction is also evident in better savings for consolidated loads by sea and by road.

The largest amount of savings and improved service levels is borne out by transport that has been delivered via sea freight into Africa and road freight into the country. These modes of transport are materially cheaper than air freight and often countries like Zambia are receiving shipping via sea into South Africa and by road into their stores.

Significant challenges were again encountered managing vendor initiated transportation, especially regarding cold chain products. To assist this difficult process, SCMS revised the Cold Chain SOPs addressing the perspective of ICOM, Procurement and Freight and Logistics. Airlines capacity constraints for many African destinations continue to impact freight and logistics. The exponential increase in the cost of aircraft fuel continues to cause international airlines to cancel flights and to ground fuel-inefficient aircraft.

Year end stock count revealed balanced stock and the RDC performance levels of 100 percent on-time deliveries demonstrated the improved control with the larger South Africa facility which opened in Q3.

Throughout the year, the Freight and Logistics unit addressed incidents unit. This process managed CIP anomalies to a manageable level and eliminated all but a few cold chain potential losses.

3.3 Quality Assurance

Pharmaceutical product sampling and testing activities continue to be in good control.

We have expanded our quality assurance program to include gloves and RUTF. In September both a prequalification and pre-shipment inspection was performed at one of our glove suppliers. Additionally, SCMS collected and sent sample to an FDA-inspected laboratory for analysis per American Society for Testing and Materials (ASTM). Both inspections and test results were compliant.

SCMS is in the process of evaluating suppliers of RUTF and fortified blended foods. Quality documentation has been collected for one RUTF peanut paste manufacturer and is undergoing review. Additionally SCMS has collected samples of peanut paste from this manufacturer and sent them to an FDA-inspected lab to test for label claim and additional analyses for the presence of lead and aflatoxins. Results of these analyses are pending.

SCMS developed and submitted in September an RFP for accessing the quality of RTKs as well as other lab consumables. The closing date for responses is November 3, 2008 after which we will begin the laboratory selection process.

Finally, SCMS has developed the “SCMS Product Quality Roadmap,” a strategic document outlining the SCMS approach to helping ensure the quality of all procured commodities. This document will serve as the foundation for development of any additional policies and/or standard operating procedures necessary for executing the activities outlined in the document.

Registration restrictions and the procurement of pharmaceutical products from local manufacturers not regulated by a stringent regulatory authority and who have poor GMP compliance are burdensome. We continue to encounter significant problems with vendors in laboratory controls, record integrity, label controls and product quality thereby limiting our ability to supply a broader population with quality assured essential medicines.

During Y3, quality assurance processes were tested with the recall of co-trimoxazole supplied to Kenya by SCMS. SCMS responded to client complaints and tested the faulty product at the Northwest University laboratories, finding that tablets were moldy, broken and not dissolving properly. SCMS negotiated with Missionpharma, the supplier, who in turn negotiated with Cadila, the manufacturer. Cadila agreed to reimburse the cost of the recall and product.

3.4 In-Country Operations

ICOM worked to develop a series of PMO management tools to be used to monitor and evaluate field office program performance through the various stages or life cycles of field office operations. We held discussions with other units on Human Resource Capacity Development and finalized a discussion paper on human resource capacity (HRC) development in sustaining national supply chains.

In order to support the next phase of decentralization, the PMO solicited field office input on inquiry and order management, client relationship management and in-country procurement. The feedback from this survey was analyzed, organized, and presented to the field offices. We continue to work with the Training Development Team to utilize the inputs from this survey as a training curriculum is developed. We aim to ensure that the in-country procurement and client relationship management training will address the expressed needs and desires of field staff and their clients.

Another key activity this quarter was identifying global supply chain performance improvement measures. The efforts focused on three main areas: on-time delivery, inquiry response time, and supply planning. With other PMO units, we analyzed potential issues in these three areas. As a result, the joint working groups have developed action items that will continue into the next quarter. The goal of these actions is to pinpoint means for continued improvement and to identify areas for process enhancement.

During Y3, the ICOM unit envisioned and began implementing decentralization of key functions to the field. Key areas identified for decentralization include order management, inquiry management and client relations. ICOM discussed these ideas with the field offices during the First Annual Field

Office Conference held during Q3. After considering all perspectives, SCMS began decentralization of these core functions into the field. PMO staff completed training on Orion and Xroadz CRM in all field offices during Q3 and Q4. In addition, ICOM contributed to the development of in-country procurement SOPs and policy guidelines for further decentralization, which will occur in Y4.

3.5 Technical Assistance

In Q4 there were 11, 15, and 12 STTA assignments for a total of 38 trips. During this quarter, technical assistance to Botswana, Namibia and Rwanda accounted for 50 percent (19 of 38) of all technical services provided to SCMS countries. In contrast, there were no STTA in South Africa for the third consecutive quarter. For the third consecutive quarter, major countries such as Mozambique and Nigeria had fewer than three STTA, due to the ongoing technical assistance provided by the in-country advisors. Despite the political turmoil in Zimbabwe, SCMS has continued to provide the country with technical assistance; three short-term assignments were completed, one in Management Information Systems (MIS) and two in Quality Assurance. The MIS assignment assessed the adequacy of the Medicines Control Authority of Zimbabwe (MCAZ) to manage the increased quantities of commodities projected to flow through the organization in the next two years. Finally, SCMS conducted STTA in the non-focus country of Honduras. In August, an assignment assessed the Almacen Centrale de Medicamentos (ACM) to identify key recommendations, as well as a potential strategy, for implementation. Future STTAs are being developed to assist the ACM and stakeholders to improve and reorganize the ACM.

In Y3 a total of 168 STTA assignments were conducted. During this project year, technical assistance to Botswana and Rwanda accounted for majority of all technical services provided to SCMS countries. Over the past year, major countries such as Ethiopia, Mozambique and Nigeria had fewer short-term international assignments over time, due to the ongoing technical assistance provided by the in-country advisors.

Demand for STTA in laboratory logistics has steadily increased (17 requests) compared to Y2 (seven requests) due to initiatives to design and implement laboratory logistics information management systems, conduct national laboratory quantification training exercises and assist in the negotiations for bundle price agreements on reagents and maintenance of equipment.

During Y3 SCMS has conducted three STTA assignments in non-focus countries. A SCMS technical assistance team traveled to Honduras to conduct an assessment of the current Almacen Central de Medicamentos (ACM) to propose a way forward for the supply chain strengthening in storage and logistics. SCMS has been rewarded funding to work on proposed activities. In Armenia, technical assistance focused on procurement, quantification training and capacity building. In November, a team of SCMS consultants went to Indonesia for the purpose of conducting a comprehensive assessment of the ARV commodities, distribution and supply chain system. The assessment indicated the health supply system in Indonesia is fairly comprehensive. In regards to ARVs the current system has been able to assure the supply of all first-line regimens and there was no

disruption to the supply chain. Nevertheless, SCMS determined significant problems exist requiring resolution for scale up of the HIV/AIDS program.

SCMS formed technical working groups in key areas to help support the technical assistance being provided. The laboratory logistics working group held a meeting with field-based laboratory logistics advisors and a laboratory logistics training at the PMO for key stakeholders and USAID representatives. The quantification working group met to review training materials and to review the tools being utilized. In March, training was held for SCMS partners to increase the pool of quantification advisors. The MIS working group met to with MIS advisors and country teams to develop a comprehensive SCMS MIS in-country profile.

SCMS is working to actively identify technical assistance assignments that would benefit from collaboration between countries, i.e. particular trainings taking place in a country to other staff in the region with similar capacity building needs. Recently an in-country procurement training was conducted for staff in Ethiopia with representatives from Botswana and Namibia also in attendance. On another laboratory commodities quantification technical assistance assignment, individuals from Kenya and Uganda came together in Ethiopia to experience first-hand a laboratory commodities quantification that was in progress, as well as familiarize themselves with the new laboratory quantification tool and PipeLine 4.0. SCMS is also increasingly drawing upon expert resources in the field to assist in building supply chain capacity. An Ethiopia field office staff member provided technical assistance to Namibia on analysis, distribution and management of drugs. This staffer returned to Ethiopia but serves as a long-term resource for questions and information sharing support with the Namibia. In addition, staff from Ethiopia conducted quantifications in Botswana and Cote d'Ivoire building capacity and strengthening ties between the countries. SCMS is also building on recent inter-country collaboration successes between Guyana and Rwanda, and between Rwanda and Uganda among others, by exploring opportunities to stimulate peer-to-peer linkages between key stakeholders and staff.

3.6 Management Information Systems

One pillar in SCMS' strategy to transfer processes to its field offices is in its utilization of Xroadz CRM, the software used to support customer relationship management processes. All offices are now trained in the use of this tool. Enhancements based on feedback from these new users and changes to the surrounding processes have been undertaken.

Our clients are also using the Xroadz application to view and track the progress of their orders. SCMS has instituted several automated e-mail alerts that notify our staff and clients when key information has changed or has been updated, such as anticipated delivery dates and/or actual delivery confirmations. Alerts are also issued to trigger follow-up on requests for approvals to proceed or for when a material change to an order has been recorded.

As previously reported, connectivity via the internet continues to be a problem for many of the field offices. Speeds contracted for are routinely not provided. This issue is continually monitored so that

corrective actions can be quickly taken to achieve adequate connection speeds for effective operations.

SCMS' strategy to strengthen in-country capabilities leverages the MACS software packages to automate many warehouse and order management functions. Work continues based on MACS products in Cote d'Ivoire, Guyana, Haiti, Rwanda and Zimbabwe. The ground work is currently being put in place for additional work to start soon for clients in Mozambique, Tanzania and others.

Implementation of a SCMS custom application based on MACS technology continues in Zimbabwe. This project experienced considerable delays in its project plan due to civil unrest and difficulties in delivering basic network services. After nearly a six-month delay, the first phase was completed and is now coming on-line. All transactions related to 2008 need to be inputted in order to make the application fully functional and effective. This backlogged activity is expected to be completed in October. Current development activities focus on the second phase of the implementation, which will add additional reporting capabilities to the application.

The MACS portion of the Pharmacie de Sante Publique (PSP) implementation is largely complete. Discussions are underway to develop the processes and systems to allow SAGE 1000 accounting system to interact effectively with MACS software. Key stakeholders in Côte d'Ivoire have created a delivery schedule for going live with MACS in conjunction with the go live for SAGE, which is being introduced by another organization.

Last year, MACS was initially deployed for CAMERWA in Rwanda at the bulk warehouse; using MACS paper based system, workers carry printouts of the work to be performed. The activities are recorded on the system after the fact by data entry clerks. Upgrades to this basic system are now being considered. A team was deployed to collect information and to plan for a deployment of rfMACS utilizing direct data entry via hand-helds at the bulk facility and its new extension. A second team has conducted preliminary assessments to replace the financial management system with a newer system. A full RFP process was followed to give assurance to the key stake-holders that the SCMS-recommended solution of SAGE 500 was also the best solution; the RFP process revealed that it was. Current plans have the deployment of SAGE 500 beginning in December 2008.

After several months of planned activities, Haiti has automated its warehouse operations using rfMACS. Haiti joins Guyana in deploying MACS as a standalone warehouse management system. Guyana is beginning to link its WMS operations with MOH order management operations via a MACS based electronic ordering and approval process. For hard-to-reach outposts a hand-held solution is being explored to extend the reach of the electronic ordering process. The e-CRIV automates the requests for commodities by facilities and allows for electronic approvals to accommodate requirements of the Ministry of Finance.

The in-country team in Mozambique continues to explore using MACS to replace the current SIGM system at the MOH warehouses. An enhancement to manage the distribution of ARV's is required for SIGM to become more effective, and this enhancement is cost prohibitive. This enhancement has experienced general delayed by staff turnover. The newest delay is due to uncertainty over which

organization within the government will be responsible for the warehouse under a possible restructuring. An analysis of MACS against current system requirements will be undertaken and a gap/fit report will be issued.

3.7 Performance Management Unit

In Y3Q4, the PMU disseminated and analyzed the semi-annual Client Satisfaction Survey. The unit achieved a record high response rate, with 45 percent (63 out of 139) of individuals participating in the survey. The overall satisfaction with SCMS services was high, with new clients expressing 100 percent satisfaction with the customer service received, product quality receiving a 93 percent satisfaction rating, and 96 percent of individuals reporting a benefit to their organization from technical assistance services. While satisfaction is strong overall, our analysis indicates a continued need for improvement related to product availability, service, reliability and timeliness. The PMU facilitated discussions with each country team to review the results of the survey and develop targeted action plans for addressing customer concerns. The unit will work with each country team to monitor the success of these initiatives and collaborate with ICOM and the supply chain units to continuously improve the survey.

The unit received reports of 50 incidents from 16 countries and presented the results of 28 incident investigations to the PMT. The majority of these incidents have been reported by field staff using CRM incident module, providing a simple way to capture issues and ensure that SCMS management is aware of the day-to-day challenges in country. These incidents helped the PMU identify specific conditions that impact on-time delivery and client satisfaction as well as common errors that can be prevented through increased training. Our performance analysis and incident investigations informed improvement actions developed by the operating units and bolstered the work of the Continuous Improvement Team.

The PMU increased its collaboration with the field. Over the past quarter the unit responded to requests from SCMS field offices for assistance with performance management plans. Guidance was provided to Botswana, Haiti and Nigeria, and direct assistance is ongoing in Ethiopia and Guyana. The PMU will work to document lessons learned from these initial experiences and incorporate into a larger training for field and PMO staff in an effort to build capacity and create a network of staff focusing on performance management. The unit is currently working to manage growing demand from the field offices to manage the flow of information and give project management and each field office the visibility they need to manage the project, mitigate risks and achieve our objectives and goals.

PMU staff also responded to several requests for performance and pricing 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 USAID management team.

The Performance Management Unit (PMU) continued routine performance reporting, completing the year three, quarter three performance report in July, which highlighted key issues for the project. Continuous performance monitoring over the past quarter incorporated feedback from multiple sources, including performance reports, incident reporting and the Client Satisfaction Survey. The team has invested a majority of its time and resources in coordinating the collection of performance data and assisting units with data analysis and improvement initiatives. Working with the MIS team, the PMU continues to define and develop automated mechanisms within the existing IT infrastructure for reporting performance measures. However, this effort has been slowed due to other critical priorities for the MIS unit.

In collaboration with unit leads and the Performance Assessment Review Committee (PARC), the PMU highlighted five performance areas and the activities of individual units to drive success and take advantage of opportunities for improvement. These areas were: 1) SCMS on-time delivery, 2) vendor on-time delivery, 3) timely freight & logistics, 4) initial response time, and 5) order planning. Unit leads reported back on monitoring activities and shared lessons learned in an effort to develop and disseminate best practices and more efficient processes. Immediate results include the development of standard tracking tools for price quotes and orders that help to facilitate client communication and the flow of orders. Additionally, Freight & Logistics is applying Cote d'Ivoire product importation best practices to Nigeria in an effort to speed up the transport and final delivery of goods to our clients. In the upcoming quarter, each unit will create improvement plans and internal performance targets associated with the five performance areas in order to strengthen processes and enhance our services to clients.

3.8 Operations Management

The Operations unit submitted all contractual and quarterly reports. The unit is currently awaiting the issue of the T03 scope of work.

3.9 Communications

The Communications Unit has evolved to meet long-term needs of the project, moving beyond traditional communications functions to a deeper role in client relations, knowledge sharing and training.

Client relations. The unit coordinates a working group to agree on changes to, and processes for, the Price Quote form to reduce risk and improve the client experience. The working group finalized changes to the Price Quote form (including a revision of Terms and Conditions) to make the document more user friendly and provide clarity to clients and our field offices, thus promoting quality service and protecting SCMS from liability. The group also finalized an amendment document, for any changes requested after the PQ is signed. This new document formalizes the amendment process and allows SCMS to better measure who is initiating changes, how many changes are being made, and why.

The unit worked with Ethiopia's new M&E/knowledge sharing advisor and lead resident advisor to develop a strategy for improvements to client relations and stakeholder outreach.

Knowledge sharing. Working with the MIS team, the unit launched the new staff Intranet that connects staff to colleagues and information they need to more effectively do their work. The Intranet includes information about each unit and country office, links to key documents and searchable staff directory. Unit staff oversaw efforts to develop on-line forums as part of an overall knowledge sharing strategy for SCMS staff and for alumni of technical assistance and training. The unit launched technical working group forums on the Intranet and developed materials to assist moderators in managing the forums.

Other knowledge sharing activities include:

- Support for the development of a communications strategy for the project's new food-by-prescription initiative, helping disseminate information via e-newsletter and Intranet.
- Coordination of activities at the International AIDS conference and support for a poster presentation.
- Distribution of SCMS' quarterly e-newsletter to more than 1,500 stakeholders worldwide.

Training. To support decentralization of procurement, the unit is co-leading development of training in procurement management. Results to date include a comprehensive outline and proposed budget for the initiative. The unit trained Ethiopia's new M&E/knowledge sharing advisor on a range of knowledge sharing issues, including reporting, web and Intranet, the SCMS conference strategy and facilitating presentations and client relations. If successful, this new position could serve as a model for other field offices. The unit also trained two new staff from Kenya on knowledge sharing skill and tools.

During Y3 the Communications Unit role continued to evolve playing an integral role in client relations, knowledge sharing, and training. Client relations training was conducted for field office staff at the Field Office Conference in Q3. Communications contributed to the creation of the Client Center, a client relations tool for our clients to track their orders. In addition to client relations, knowledge sharing became an important part of the Communications Unit during Q4 and will continue into FY4. Working with MIS, the launch of the intranet provides forums for internal and external discussion in several key areas SCMS works; including quantification, warehousing, and laboratory commodities. These discussion forums provide a knowledge sharing platform between field offices, as well as between the field and the PMO. Communications also led several working groups including the PQ Working Group, E-Catalogue Working Group, Client Center Working Group, and In Country Procurement Training Working Group. These group's efforts are expected to continue into FY4.

3.11 Global Partnerships

During Q4, the Global Partnerships Unit (GPU) resumed its activities on the WB/GF/USG Coordinated Procurement Planning Initiative, which had been temporarily on hold due to budget limitations affecting the GPU and preventing SCMS from filling its role of Technical Secretariat. A key event was the organization of a Steering Committee meeting at the PMO in Arlington with the two new members, UNITAID and WHO. The end of the quarter has been dedicated to the implementation of the several action points from the meeting, including expanding the initiative to three new countries, Cote d'Ivoire, Malawi and Zambia, and close follow up of progresses with all the SC members.

Throughout Y3, Global Partnerships continued relationships with key international partners including Global Fund, UNICEF, UNITAID, WHO and World Bank. Despite these continued interactions, as a result of staff reductions Global Partnerships role decreased in certain areas, including faith based organizations (FBO). SCMS withdrew from the EPN/SCMS taskforce and eliminated scheduled activities with Kenya, Nigeria, Rwanda and Uganda. SCMS continued coordination with the WHO Aides Medicines and Diagnostics Services (AMDS)

3.12 Demand Planning and Quantification

During Q4, we received 11 approved supply plans equaling the highest number received during any quarter of the project. In addition we received nine plans that are in the process of being reviewed. Quarterly conference calls with country personnel helped answer many questions, resolve issues and provide the impetus to complete these plans on a more regular basis.

We completed our analysis for the Direct Drop Continuous Improvement Team. The result showed that the two main areas causing problems with on-time deliveries were vendor delays and internal SCMS processes. We established two task teams to cover each of these areas. They created recommendations to address some of the specific detailed issues. The unit presented these recommendations to the PMT. In response, next steps are to determine which of these recommendations can be put in place immediately and which need further definition and/or input from other units to be implemented. We expect to implement most of these recommendations before the end of December 2008.

During Y3, Demand Planning and Quantification worked to improve supply planning in field offices. Quarterly conference calls were initiated with field offices to address quantification and supply planning needs and questions, between field office staff and quantification advisors at the PMO. In addition, field offices indicated increasing capacity to complete supply plans and quantifications at the country level. This is reflected in decreasing quantification TA requests—11 requests in Y3 compared to 29 requests in Y2. In addition, Y3 saw a steady increase in the number

of approved supply plans reaching the project target goal of 10 per quarter during Q1, Q3, and Q4. A project high of 20 supply plans was turned in during Q3.

3.13 Human Resources

The Human Resources unit continues to monitor and evaluate the effectiveness of two major initiatives through the end of the year: the Performance Management Review Program and the Professional Development Program. The two initiatives were rolled to all staff at the PMO and also to all LRA's, Deputy LRA's and other expatriate staff in the field offices.

In terms of our recruiting activities during this quarter:

- SCMS hired Shawn Dell as our MIS Operations Manager. We also hired several temporary surge hires to accommodate an increase in activity within our MIS and Procurement units. There are also some additional PMO positions we are currently sourcing and interviewing for these posts.
- In the field, Ephantus Njagi was hired as our Senior Laboratory Logistics Advisor in Kenya. He manages all activities for the Kenya program. Diane Reynolds was hired in South Africa as the Head of Consulting for the Freight and Logistics Unit. We have also had significant recruitment and hiring activity in the following countries: Ethiopia, Haiti, Mozambique, Namibia, Rwanda, Tanzania and Vietnam.

During Y3, SCMS field office staffing levels increased in many focus countries. Notable increases include Ethiopia, which has increased its staffing by 45 employees, totaling 61, throughout Y3. Staffing at the PMO decreased during staff cuts in Q3, primarily within the Communications and Global Partnerships units. Throughout Q4, staff was brought in to accommodate procurement surges, particularly the obligation of \$60 million of Ethiopia funding for lab and food-by-prescription commodities

During Y3, the Human Resources unit also developed a professional development plan and performance planning and review process to provide structure and give guidelines for the formal planning and performance review process as well as for continuous supervision and ongoing communication between employees and supervisors.

4.0 PROGRAMMATIC MILESTONES AND MEASURES

At the beginning of Y2, the SCMS project 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*. The milestones and measures are submitted and approved by USAID on an annual basis.

4.1 Secure

(Freight and Logistics) SCMS implemented a security protocol for monitoring and guarding high-value deliveries in-country. Among the initiatives has been the successful delivery by road into Botswana, Côte d'Ivoire, Mozambique, Namibia, Nigeria, Rwanda, Tanzania, Uganda and Zambia. (Q2, Q3, Q4)

(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).

(Freight and Logistics) SCMS also implemented a security protocol for monitoring and guarding high-value deliveries in-country. The procurement unit contributed to this goal by establishing contracts and business relationships with key suppliers as well as utilizing local suppliers. (Q2)

(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. This involved a review of the existing internal control measures and an audit of compliance to Standard Operating Procedures to ensure robust and appropriate security measures enabling the SCMS field office to monitor compliance in the future (Q2)

(Freight and Logistics) Commodity security is a dynamic environment; requiring shipment profile change as well as personnel from the service providers. The team has to regularly review the status, evaluate the risk matrix and sometimes change assumptions. This is an ongoing exercise. (Q1, Q2, Q3, Q4)

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

4.2 Reliable

(In-Country Operations) In Nigeria, SCMS processed an order from the Columbia ICAP program after UNICEF was unable to meet their need for ARVs worth \$700,000. SCMS procured many of the ARVs from the RDCs in Ghana and Kenya. (Q4)

(In-Country Operations) In Haiti, SCMS assisted with the assessment of physical conditions following each of four hurricanes and helped distribute commodities, overcoming challenges due to damaged infrastructure. The SCMS communication and distribution systems were noted for their reliability. (Q4)

(In-Country Operations) The Minister of Health from Guyana visited the SCMS office in Arlington. He provided inspirational remarks regarding the reliable role that SCMS is playing in Guyana. (Q4)

(In-Country Operations) In Zimbabwe, the presidential run-off election was preceded by a period of tension. Most NGOs' activities were unilaterally suspended by the Government of Zimbabwe (GOZ) in early June. SCMS, which does not operate as an NGO but works directly with GOZ institutions, continued distributing health commodities to Ministry of Health and Child Welfare (MOHCW) facilities. In spite of the challenging political and economic situation, SCMS continued to maintain and operate a fleet of eight delivery trucks. These vehicles deliver ARVs to 150 sites in all provinces and 55 out of the 62 districts in Zimbabwe. SCMS kept all facilities stocked, supporting patients on treatment despite the difficult operating environment. (Q3)

(Demand Management and Quantification) In June, SCMS achieved 85 percent on-time deliveries from the RDCs, this improved further to 90 percent in Q4. In addition, SCMS continues to address the shortcomings of direct-drop on-time deliveries through the continuous improvement process, identifying vendor delays and process issues as the core negative impact on on-time delivery. Task forces are addressing the issue and improvements will continue into FY09. (Q3, Q4)

(Freight and Logistics) All RDC's are stocked and operational. Negotiations for the India regional consolidation center (RCC) continue. (Q1, Q2, Q3, Q4)

(In-Country Operations) In Ethiopia, SCMS delivered a \$4.5M order of ARVs to fill a gap identified through a pipeline review conducted by SCMS in collaboration with in-country partners. The prompt and timely action averted a possible stock out of ARVs from January to April while the country prepares to transition to a fixed-dose combination (FDC) treatment regimen (Q2)

(In-Country Operations) In Mozambique, emergency procurements continued to be rare, thanks to the well-executed quantification and supply-planning process. 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 stocks in the South Africa RDC. (Q2)

(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, a second-line ARV of vital importance to the national program. (Q2)

PWS Measure(s)	Y3Q1 Value	Y3Q2 Value	Y3Q3 Value	Y3Q4 Value	End-of-Project Target
Percentage of on-time deliveries (TO1)	44%	54%	57%	59%	≥98%
Number of stock-outs reported by programs served by SCMS (TO1)	3	0	0	Measure under review	<12 per year
Number of RDC stock-out events not due to unplanned orders (TO1)	0	0	0	0	Zero
Remaining shelf-life of purchased ARVs at the time of receipt at RDC (TO1)	79% (overall)	88% (Overall)	91% (Overall)	92% (Overall)	>85%

4.3 Cost-Effective

(In-Country Operations) In Zambia, SCMS enhanced the role of the field office to procure lab supplies locally. As a result, two local vendors supplied general laboratory reagents to SCMS. (Q4)

(Procurement) We have renewed our indefinite quantity contracts (IQC's) and blanket purchase agreements (BPA's) with all but two suppliers. More contracts are underway, and there is continued effort to ensure our major spend is covered by contract, thus ensuring stable and favorable pricing. (Q4)

(Procurement) USAID gave concurrence, and PSCM signed, an IQC with THL, the major supplier of laboratory products and services to Mozambique. This contract is mainly to support SCMS' take-over of APHL's deliveries to the country's laboratories and clinics. (Q3)

(Procurement) Working with Abbott and CHAI, SCMS redirected up to \$1.9M in product to clients after order cancellation due to overstock was required. After intensive negotiations led by SCMS, products were transferred to CHAI, averting USG financial obligations for cancelled orders. (Q3)

(Procurement) Blanket Purchase Agreements (BPA's) were executed with three laboratory suppliers. BPA's for two other suppliers are close to complete, and we are already working with negotiated price lists from these companies. The objective is to have up to 80 percent of laboratory commodities procured through long-term agreements to reduce the workload in quoting, ordering and supplying. 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, less than 1.2 percent of the value delivered to date (Q2).

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%	TBD	ARVs: 85%	ARVs: 85%	80%
Value of stock loss at RDC due to expiration (TO1)	\$10,432	\$8,065	\$47,441	\$2,100	≤1% of value delivered
Percent of purchases placed under IQCs by value (TO1)	53%	64%	40%	53%	75%

4.4 Quality Products

(Quality Assurance/Technical Assistance) Representatives from SCMS Quality Assurance and Procurement Units visited local OI manufacturers in Kenya to discuss procurement activities and perform informal quality system reviews. Several Current Good Manufacturing Process (CGMP) deviations were identified, summarized into reports and shared with the manufacturers with requests to respond to the observations. (Q3)

(Quality Assurance) Samples of pharmaceutical products from Kenyan manufacturers failed one or more attributes when analyzed at our North-West University testing facility in South Africa. Four batches of ibuprofen tablets failed disintegration, dissolution, and/or assay. Two batches of fluconazole were rejected due to illegible batch number and expiry date; additionally one batch contained units with no batch number or expiry date. One batch of loperamide failed testing for content uniformity and dissolution. Since all of these products had been received under consignment from the manufacturers, they were notified of the non-compliant products and instructed to retrieve the products from our Kenya RDC. The manufacturer has informed us that corrective and preventive actions are being instituted to correct these deficiencies; their response was encouraging. (Q3)

(Procurement and Quality Assurance) Both units worked closely with Missionpharma to ensure an effective recall of cotrimoxazole supplied to Kenya and Rwanda that was found to be faulty. Even

though this OI was recalled, this incident proves that SCMS has a well-functioning quality assurance process. Cadila agreed to take back the faulty product. (Q2, Q3)

(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 percent of the medical supplies for the public sector. The staff members of the inspector's offices 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).

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 *	59% for ARVs and 29% for OIs *	100% ARVs and OIs	100%	100%

*Low percentages are attributed to a dramatic increase in direct drop shipments which were not being flagged and sampled. Orion is now configured to flag direct drop shipments so our sampling percentages will increase.

4.5 Best Value

(Procurement) SCMS and its supply base continue to add value to the supply chain by working with clients to ensure they receive the proper quantities of the proper products. We are also working more and more with in-country suppliers to make the best balance between lead time, price and the services they can provide based on proximity to the clients. (Q4)

(In-Country Operations) In Kenya, after learning of a lack of coordination and planning among partners, SCMS canceled two very large orders of FACSCalibur Tritest CD3/CD4/CD45 reagents due for delivery in September and December. The procurement of these would have greatly exceeded the national yearly consumption. This represented a great cost savings for the Kenya USG team. (Q4)

(Procurement) There have been several instances where the Procurement Unit has flagged client inquiry quantity errors for laboratory supplies, where, for example, the client requested significantly larger quantities than their actual consumption requirements. Our actions prevented waste of product and money. Much of this advice originated from the suppliers and is an indication of the ways SCMS adds value to the supply chain. SCMS continues to build relationships with vendors, which benefits our clients. (Q3)

(Freight & Logistics) Year-to-date savings from use of sea and road freight verses air freight are in excess of \$6.1M. (Q1, Q2, Q3, Q4)

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; Test Kits: 19 days;	ARVs: 18 days, Test Kits: 36 days	ARVs: 23 days, Test Kits: 19 days	ARV: 17 days Test Kits: 15 days	9 days (PE) 14 days (FPQ)
Technical assistance client satisfaction rate (TO2)	77%	N/A (bi-annual measure)	TBD	N/A (bi-annual measure)	≥90% above 2

4.5 Sustainable

(In-Country Operations) In Ethiopia, SCMS provided support to the Procurement Fund and Supply Agency (PFSA). With new management at the PFSA, SCMS focused on assisting PFSA preparations to scale up their supply chain operations to meet the rapidly increasing requirements of Ethiopian HIV/AIDS programs. In collaboration with PFSA, SCMS assessed the organization's capacity and identified a number of key areas that will require improvement. (Q3)

(In-Country Operations) In Rwanda, SCMS organized a strategic planning and supply chain management workshop. Participants included Ministry of Health, PTF, CNLS, CPDS, NRL CAMERWA, BUFMAR, Clinton Foundation and PEPFAR Implementing partners. (Q3)

(In-Country Operations) In Uganda, SCMS conducted laboratory pre-service logistics training in 11 laboratory training schools for over 500 students. Pre-service training increases sustainability by building institutional memory when students are still in pharmacy or laboratory school. (Q3)

(In-Country Operations) In Vietnam, SCMS completed an analysis of the current distribution system being used by the PEPFAR program. This will be the basis for developing a long-term strategy to institutionalize the supply chain for ARVs in the local government, by switching from a patient target-based allocation system to a consumption-based requisition system, reducing paperwork and refining roles of all partners in the system. (Q3)

(Procurement) Procurement completed drafts of significant in-country procurement SOPs, governing procurement and the prequalification of vendors. (Q2, Q3)

(In-Country Operations) In Namibia, SCMS proposed an updated architectural layout of the processes for the management of commodities in the Namibia Institute of Pathology (NIP) central

laboratory stores. This proposed redesign will inform the review and use of Meditech for inventory management and development of SOPs for operations at the NIP stores. (Q2)

(Freight and Logistics) RDC commercial viability is being 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 arrived (Q4).

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

*Information reported semiannually as part of the sustainability report

4.7 Information

(In-Country Operations) In Vietnam, SCMS worked with partners (CDC, FHI and Pact) and the government health facilities to strengthen recordkeeping and inventory management. Nineteen of 64 sites with completed full inventory reviews had a zero percent error rate and only four of the 64 sites had an error rate above 0.5 percent of all items counted. This reflects very accurate accounting and management of stock. (Q4)

(In-Country Operations) In Zimbabwe, Phase I of the computerized LMIS, now renamed ZISHAC (Zimbabwe Information System for HIV/AIDS Commodities) is working. Phase I includes data capture on the C/R Form, NatPharm Order Form, Emergency Order Form, Facility Feedback report, Aggregated Logistics Data report and Aggregated Patient Report. (Q4)

(Global Partnerships) As part of SCMS's contribution to WHO regulatory database we provided AMDS with our quarterly update of ARVs registration status. SCMS procurement information was also provided to AMDS for WHO Global Price Reporting Mechanism (GPRM). (Q1,Q2, Q3, Q4)

(Global Partnerships) In August the Maputo laboratory harmonization consensus meeting guidelines were released. SCMS posted these guidelines and accompanying documents on the internal and external website so that our clients can easily access this strategic tool. This document assists laboratory advisors when working with national laboratory directors to develop long term supply plans and complete quantifications. (Q4)

(Communications) SCMS developed a client relationship management toolset to assist field offices. The toolset maps client relationships and provides a structured guide to the management of communications with clients and reporting upon those communications. (Q3)

(In-Country Operations) In Uganda, SCMS visited 212 ART sites and provided guidance to MOH staff to improve the reporting rates and data quality leading to better data for forecasting

program/country needs. The tools used document on-the-job training efforts and ensure that ART sites have the knowledge, skills and attitude in supply management for a successful ART program (Q3).

(Global Partnerships) All Track 1.0 partners have been invited to register for access to the new SCMS Client Center, and all but one partner has registered. (Q3, Q4).

(Management Information Systems): SCMS developed and deployed the SCMS Client Center. Two key reports and several information dashboards will allow clients the ability to track their inquiries, monitor their deliveries and gauge the effectiveness of SCMS processes (Q2, Q3, Q4).

(Communications/Performance Management) The communications and performance management teams submitted text and data on a range of issues, including ARV purchases and prices, to support the PEPFAR annual report. (Q1)

(Management Information Systems) A site readiness audit was performed and it was determined that five of 15 SCMS field offices had adequate connectivity to use the Client Relations Management module of the Orion system. An in-depth study to determine the connectivity issues affecting the other offices will be performed, exploring ISP, internal network and firewall issues as well as national IT infrastructure constraints. (Q1)

(Management Information Systems) SCMS solidified the inquiry and order management tool, Xroadz CRM. SCMS trained its field office staff to manage these functions in all of its field offices as part of the movement towards decentralization. These field offices have invited their clients to attend training sessions to utilize the tools themselves. Clients can track the status of requests and follow the progress of their orders in the SCMS system (Q3, Q4).

4.8 Collaboration

(In-Country Operations) In Zimbabwe, SCMS conducted an in-depth assessment of the capacity of Medicines Control Authority of Zimbabwe to test and process the increasing quantities of HIV/AIDS and TB commodities projected to be provided over the next two years by the GOZ and other partners. (Q4)

(In-Country Operations) In Nigeria, USG requested that SCMS develop an aggregated ARV requirement for all PEPFAR supported IPs. The process included meetings with the various IPs to review consumption data, assumptions and forecasts. This activity highlighted the need to harmonize assumptions, terminologies and product use across IPs. It also facilitated discussions between USG, SCMS and the IPs on pooled procurement. (Q4)

(In-Country Operations) In Zambia, SCMS supported MOH to bring together partners to share and harmonize procurements, facilitating donor coordination efforts aimed at integrating the various

donor inputs around procurement and logistics management to support commodity security for HIV/AIDS products. (Q4)

(In-Country Operations) In Ethiopia, at the request of the USAID Mission, SCMS is coordinating the procurement of TB commodities that will support HIV/AIDS programs. SCMS organized a task force to finalize the specifications for the installation of x-ray machines, and a RFP is currently out for tender. Thirteen hospitals have been identified as recipients for the x-ray machines. (Q4)

(Global Partnerships) As the technical secretariat for the WB/GF/PEPFAR CPP initiative, SCMS organized at the PMO a Steering Committee meeting on July 31 with representatives of the three initial donors (Global Fund, PEPFAR and World Bank) and the two new members (UNITAID and WHO). The meeting defined a list of action points to continue to support the initiative in the six pilot countries and identified CPP as an adequate platform to support central-level coordination for the transition of UNITAID funded second-line and pediatric ARVs. (Q4)

(Global Partnerships) SCMS engaged with CDC Blood and Infusion Safety leaders to develop a standardized list of common laboratory supplies and equipment for these program areas. This list will carry on the work that was done with the EID CDC team last quarter. (Q4)

(Global Partnerships) In August, SCMS attended the annual Track 1.0 ART program meeting in Washington DC to continue to promote early collaboration when planning scale-up of HIV/AIDS programs. In addition we received inquiries from EGPAF to assist them in developing supply plans for PMTCT supplies. This experience will help make procurement for other Track 1.0 PMTCT programs more efficient. (Q4)

(In-Country Operations) In Botswana, SCMS collaborated with I-TECH (International Training and Education Center on HIV) to orient 57 district Monitoring & Evaluation Officers from the Ministry of Local Government. (Q3)

(In-Country Operations) In Botswana, SCMS organized a development partners' meeting attended by five organizations (WHO, UNPA, PSI, JSI and CHAI) that are supporting MOH health commodity supply chain management. The meeting established a coordination mechanism and resolved to strengthen partnerships in supporting government commodity supply chain management activities. (Q3)

(Global Partnerships) SCMS attended the DFID-sponsored Medicines Transparency Alliance (MeTA) formal launch and the first informal meeting in May. (Q3)

(Global Partnerships) SCMS worked with colleagues from the CDC following an Early Infant Diagnosis (EID) conference in May to develop a standard list of EID laboratory supplies. This list is categorized by product codes in the SCMS e-catalog to expedite the ordering process. (Q3)

(In-Country Operations) In Rwanda, the Director General of CAMERWA plus two members of the senior management team visited Guyana to meet with the Minister of Health, USAID, SCMS and other Government officials. They reviewed the effectiveness of the implementation of the MACS warehouse management solution at the Ministry of Health's Medical Stores and its interface with other systems. This trip provided the 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, Rwanda decided to implement MACS at CAMERWA. (Q2)

(Procurement) SCMS procured methadone for Vietnam in April, marking the project's first purchase and delivering of methadone. (Q2, Q3) Many SCMS units and partner organizations contributed to this celebrated effort, including the USG (particularly USAID and DEA), SCMS field office, 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 have amended the EGPAF contract. In addition, SCMS 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) With a turnaround time of less than one week, SCMS facilitated the donation of RTKs to the CDC in Atlanta for their use in training (Q2)

(Global Partnerships) SCMS interacted extensively with the WHO. Following AMDS meetings in early December 2007, SCMS had a number of action points for Q2. 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 on 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) In February, Global Partnerships facilitated the quarterly conference call of the EPN/SCMS Task Force to review action items and progress against those goals and met with World Vision to discuss the PEPFAR programming for therapeutic nutrition. In March, Global Partnerships facilitated a meeting of EPN/SCMS Task Force representatives with SCMS in Rwanda, USAID Rwanda, Rwanda Ministry of Health, CAMERWA and BUFMAR, the faith-based drugs supply organization to discuss how BUFMAR can be integrated into the Rwandan drug supply system and strengthened by SCMS. (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, Q4)

(Communications) SCMS has developed an online alliance strategy to encourage cross linking of resources and to raise awareness of helpful web-based tools. The SCMS external website features a resource center that showcases documents produced by SCMS and alliance partners based on four key categories: collaboration, distribution, forecasting and demand planning, and procurement. These alliances include: the WHO Aids Medicines and Diagnostic Services (AMDS), in which SCMS is featuring the PSM Toolbox website, and the John Hopkins Bloomberg School of Public Health, in which the INFO Project Hot Topics Collection is featured in the Community Contributions section of the Resource Center. (Q1,Q2,Q3,Q4)

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	2,304	4,113	100
Number of people reached via presentations at conferences (TO1)	20	0	Measure under review	Measure under review	700 per year

4.9 Capacity

(In-Country Operations) In Mozambique, SCMS conducted a needs assessment for procurement training for CMAM (MOH) procurement staff in preparation for a one-week training planned for October 2008. The training is designed to provide CMAM procurement staff with alternate contracting methods such as IQCs or framework contracting which will enhance flexibility, efficiency, and quality controls while still complying with contracting regulations and requirements of donors and the government of Mozambique. (Q4)

(In-Country Operations) In Botswana, SCMS collaborated with relevant stakeholders to promote and design a logistics system for proper management of infant formula. Thirty-six participants were trained on the logistics system; the trainees comprised of PMTCT coordinators and focal persons in lab Logistics Management Information System and Inventory Control System. (Q4)

(In-Country Operations) In Tanzania, SCMS and the Primary Health Care Institute collaborated to commence Integrated Logistics System (ILS) training within the last two regions using the essential drugs kits system (Kigoma and Tabora). (Q4)

(In-Country Operations) In Botswana, SCMS strengthened capacity at the Drug Registration Unit (DRU) in management of the drug registration process through training of nine staff. SCMS also trained seven staff at the Drug Registration Unit (DRU)-MOH in the use of the latest version of SIAMED (a software application that facilitates the drug registration process). (Q4)

(In-Country Operations) In Tanzania, following the approval of the ARV drug and HIV test kit system re-design, SCMS developed a budget and strategy plan to conduct a training of trainers (TOT), including a rollout schedule to train local health facility staff throughout Tanzania. SCMS updated SOPs and corresponding job aids. Following endorsement of the SOP manual by NACP, the manual is being translated into Kiswahili. (Q4)

(In-Country Operations) In Côte d'Ivoire, SCMS trained 40 nurses, midwives and dispensing technicians on HIV/AIDS commodity management and stock monitoring. SCMS organized the co-financing of this training with EGPAF, ACONDA and UNICEF. (Q4)

(In-Country Operations) SCMS implemented interventions in supply chain strengthening for the Global Fund and PEPFAR in Y3 in the areas of planning, quantifications and forecasting; procurement; storage and distribution; product quality assurance; lab logistics; LMIS; commodity security; QA; M&E; and contractual processes (Q1,Q2, Q3, Q4).

(Human Resources) SCMS was charged with creating a team of laboratory technical assistance advisors to improve laboratory commodity supply chains in the areas of standardization, quantification and distribution. Recruitment is complete for two regional laboratory positions. (Q2)

(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. Using these skills, staff began drafting supply plans for 15 key OI and STI drugs, CD4 reagents, hematology and biochemistry supplies. SCMS also completed quarterly forecasting and supply plan updates for RTKs and ARVs with participation of the Central Medical Stores (CMAM) and CHAI. (Q2)

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

(In-Country Operations) In Zambia, SCMS finalized the first draft of the HIV/AIDS Commodity Security (HACS) strategy document. To build capacity, SCMS also decided that general laboratory reagents can be procured locally. Five local vendors have been identified. SCMS has contracted FedEx to distribute short shelf-life cold-chain products nationally. (Q2)