



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



Quarterly Performance Report

April – June 2012

August 15, 2012

SCMS Project Team

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1. Project Highlights

This summary covers project achievements, challenges and issues to monitor, grouped into the three main project activities as per the Task Order: Global Supply Chain, Health Systems Strengthening and Global Collaboration. The remainder of the report gives more detail on programmatic milestones (Section 2, page 11), procurement and distribution statistics (Section 3, page 22), progress in countries (Section 4, page 26), innovations (Section 5, page 54) and objectives for the coming quarter (Section 6, page 56). The programmatic milestones in Section 2 and objectives in Section 6 are taken from the project workplans provided to USAID.

Key statistics for the life of the project, from October 2005 to June 2012, are as follows:

- \$1,171 million in products delivered to clients, accounting for 11,970 deliveries.
- 54 countries received shipments of HIV/AIDS commodities.
- 99 percent of ARVs (by volume and value) delivered by SCMS from April to June 2012 were generics.
- 35 countries received technical assistance, plus one assignment to the WHO, in such areas as quantification, warehousing and distribution, laboratory logistics, quality assurance and management information systems (MIS).
- 748 technical assistance assignments completed.
- Three state-of-the-art regional distribution centers (RDCs) are operational in Ghana, Kenya and South Africa.
- No counterfeit products detected in the SCMS global supply chain.

Highlights from the quarter:

The highest profile event for the project in this quarter was the official opening and handover of the warehouse-in-a-box (WIB) facility in Keko at a ceremony in Dar es Salaam, Tanzania. This is the first of three planned WIB facilities. The other two warehouses are under construction in Dodoma and Mbeya and are due to open later this year. At 4,282 square meters, this new facility will expand storage space and replace currently rented warehouse facilities, thus saving GOT funds. The WIBs feature fully modern technology, and SCMS has been training MSD staff in warehouse management to fully prepare them to use the new facilities to their greatest benefit.

The project has also continued to develop the Capability Maturity Model and Key Performance Indicator diagnostic tools with input from partner organization experts. In May, the tools were piloted in South Africa's Gauteng province, Botswana and Paraguay. The three pilots provided useful feedback that will be incorporated into the next version of the CMM.

Activities, challenges and issues to watch for elsewhere in the three main pillars of the project — Global Supply Chain, Health Systems Strengthening and Global Collaboration — include:

1a. Global Supply Chain

The global supply chain performed to a similar level to that seen over recent quarters, delivering \$81 million worth of commodities via 640 shipments to clients. On-time delivery was on target over the period, with 81 percent of deliveries made within 14 days of the promised delivery date. Client on-time delivery is strongly supported by improvements in vendor performance; during the quarter, 87 percent of vendor deliveries were on target.

Successes:

- **The first SCMS male circumcision meeting was held in South Africa** to inform field offices and USAID activity managers about the commodity specifications needed for the program, logistical needs, lessons learned and obstacles. This event was an important platform to ensure SCMS is aligned with USAID activity managers in countries participating in the MC program.
- **In May, as a result of the continued growth in voluntary medical male circumcision programs, orders to our main supplier, Aregee/Priontex, surpassed the 350,000 MC kits ordered threshold**, which triggered an automatic pre-negotiated price reduction. The company confirmed that the price for these kits will now be \$13.90, as negotiated, effective immediately. This is a 22.26 percent total discount from the initial offer of \$19.95 per kit.
- **In Ethiopia, managed an emergency procurement valued at approximately \$6 million** to avoid a potential stockout of RTKs in Quarter 4.
- **Conducted a re-audit of an MC kit supplier in South Africa**, in accordance with the quality assurance policy requiring re-audits every two years. The audit highlighted some issues with lot numbers and sterilization cycles, which the manufacturer is already correcting. The firm was re-approved as a supplier for SCMS but has been asked to provide feedback on corrective actions within 30 days of receipt of the audit report.
- **Conducted re-audits of three of our approved international pharmaceutical wholesalers in Europe** per our quality policy. IDA Foundation received Grade A status — a premier supplier with a robust quality system. A re-audit for this supplier will not be necessary for three years unless circumstances dictate. The wholesaler Imres, which had been previously downgraded to a Grade B status — meaning we will only buy pharmaceutical products that are manufactured at a site that is approved by a stringent regulatory authority — has taken our observations seriously and is making major modifications to its supplier prequalification program and its quality system as a whole. We will continue to monitor the progress of this supplier. See Challenges below for results from the third firm audited.
- **USAID/SCMS has pre-qualified manufacturers of therapeutic food (RUTF and FBF) in a.o. USA, France, Ethiopia and Tanzania.** The mix of national, regional and international suppliers enables SCMS to determine the best-value solutions for our clients and PEPFAR.

Challenges:

- In the last quarter, we reported an adverse drug report (due to an odor detected) from Nigeria for Lamivudine/ Zidovudine/Nevirapine 150 mg/300 mg/200 mg tablets, batch 1041041 from Matrix. Samples were sent to the United States for analysis to determine whether the odor is characteristic of the product in general or if some batches are different, indicating the manufacturing controls were not adequate. The complaint sample and another sample of the same product were both found to meet standards. Both of these samples were tested to analyze gases in the container. Low-level minor nontoxic components were detected, which may have been the source of the odor.
- Transportation and customs services have been disrupted due to coups in Guinea Bissau and Mali. Both countries were closed to US Government contractors, and SCMS orders to clients in both countries were placed on hold early in the quarter and released for delivery when matters stabilized sufficiently to ensure safe delivery.

- Throughout the quarter, we experienced problems with Ethiopian customs, which is refusing to release all SCMS ocean freight shipments due to disputes on duty payable. In addition, storage capacity challenges in PFSA (Ethiopia's central medical store) resulted in a number of inbound shipments being unable to travel through to Addis Ababa. SCMS secured container yard space in Addis Ababa to create a controlled storage environment for containers close to PFSA prior to final delivery.
- During the re-audits of approved European pharmaceutical wholesalers, we observed a decline in the quality standards of the third supplier, Missionpharma, and we are in the process of making recommendations for future procurements.
- In May, we noted a general concern regarding the reported increase in incidents of stockout, countries affected include; Haiti, Rwanda, Swaziland, Zambia and Zimbabwe. There is no common overall trend in the causes of these incidents, apart from the continued strain on local systems from the continued increase in activity levels as implementers test, treat and care for ever-greater numbers of people living with HIV.
- In Rwanda, we are having difficulty availing a minimum six months of stock nationwide for ARVs and OI drugs because such large quantities of commodities are not immediately available through vendors or the RDC and cannot be shipped by air due to the weight and freight costs. The national program is constantly running below its minimum safety stock (three months) for a number of commodities. Emergency orders have been placed to maintain an adequate stock level at MPD. With the help of emergency orders and improved lead times negotiated with vendors and the RDC, stock levels are planned to return to normal by the end of August.

Things to watch:

- In South Africa, attended discussions to initiate pooled procurement for PEPFAR IPs. SCMS co-facilitated and presented the results of the ARV Bridging Assistance program to illustrate the potential benefits and best practices of pooled procurement. Representatives of USAID, CDC and IPs participated, with discussion focused on IPs' current procurement activities, prospects for continuing to increase the number of patients on government-supplied drugs and the unique challenges around third-line and buffer stock procurements.
- We continue to monitor the supply in the market for newer FDCs, for which we see significant increases in demand. Specifically, we are watching the market and demand for 3-FDCs Tenofovir/Lamivudine/Efavirenz (TLE) and Tenofovir/Emtricitabine/Efavirenz (TEE). Currently, only Mylan has FDA approval for these items, but other vendors are working toward FDA approval and we hope to have alternate sources by the end of 2012 or in Q1 2013.

1b. Health Systems Strengthening

During the period, the most significant events were the handover of the Tanzania warehouse-in-a-box facility and the pilot testing of the CMM and KPI tools mentioned earlier. Other issues of note or concern in our in-field systems strengthening work include:

Successes:

- **In Botswana, procured and installed two clinics-in-a-box (CIBs)** to support the safe male circumcision program, one at Nkoyaphiri Clinic in Gaborone and the other at a site in Selibe Phikwe. This will contribute to the expansion of capacity needed to achieve the circumcision target by 2016.

- **Completed a successful management visit to DRC** to refine the importation/logistics arrangements for SCMS procurements and to make recommendations on establishing a small presence in DRC, co-located with MSH SIAPS/IHP, to manage the supply chain for the accelerated PMTCT program.
- **In Haiti, provided technical assistance on the design and layout of warehouse(s)** that will complement the supply chain models proposed in a separate network analysis initiated by USAID. This STTA will design commodity flow and interior partitioning of the proposed warehouse(s) and give operational guidance.
- **In Kenya, in a new activity, piloted non-incineration disposal of medical waste.** SCMS procured 22 autoclaves, six shredders and 28 waste trash cans as part of the pilot project supported by PEPFAR to improve medical waste disposal and limit adverse effects on the environment. Six district hospitals have been identified to participate in this first phase. Based on the pilot outcome, more equipment will be procured for other hospitals.
- **In Namibia, provided technical assistance for designing the new CMS for MoHSS.** This STTA provided expert analyses and recommendations to MoHSS on optimal building size, workflow processes, material handling equipment and use of energy- and cost-saving building technologies in line with international pharmaceutical warehousing best practices.
- **In Nigeria, conducted PEPFAR-wide quantification of RTKs for FY13** based on the targets for FY12 and FY13. This will provide information for USG to use in budgeting decisions.

Challenges:

- In Guyana, problems and delays continued throughout the quarter with relocation planning for the new MMU (central medical store), including failure to appoint senior managers and delays in payment to the contractors. Various measures are being introduced by the government and supporting donors to overcome the challenges and establish a revised target date to open the new facility. The delays will have financial implications, as we will need additional funds to continue to rent the existing warehouse at the FARM location until construction is complete.
- In Kenya, 10,458 Determine HIV test kits failed the Kenya National Reference Laboratory QA testing, despite all batches passing the QA tests conducted at the University of Maryland (UMD) and CDC/Atlanta laboratories. A UMD lab specialist has traveled to Kenya to review National Reference Lab operations and identify any operational differences with UMD and CDC/Atlanta testing laboratories to ensure the three labs use one consistent testing and reporting protocol. A decision will be made regarding how to move forward with the kits that failed local QA testing. With some of the kits in question due to expire in the next few months, the team is taking quick action to resolve this issue.
- In Nicaragua, a highly volatile political environment has contributed to disagreements over warehouse renovation technical assistance. The project is working closely with the COR Team, SCMS/Nicaragua and the regional USAID office in Guatemala to resolve the issues.
- In Zimbabwe, MOHCW has not managed to control the pace at which health facilities are switching from Stavudine-based to Tenofovir-based regimens for first-line ART patients. This, coupled with delays in GF and National AIDS Council (NAC) Stavudine shipments at the beginning of the year, caused a Stavudine-based first-line ARV stockout and could result, later in the year, in expiries of unused Stavudine regimens. SCMS is working with MOHCW, USAID

and partners to improve communication, increase funding and replace some Stavudine shipments with Tenofovir to reduce stockout and expiry risk.

- The Systems Strengthening Unit (SSU) and Field Program Support (FPS) teams identified a gap in reported human resource capacity development (HRCDD) data measures and undertook a five-year retrospective analysis of HRCDD data in February/March 2012. The data was collected from a variety of sources — including annual performance reports, scopes of work and training databases — due to the lack of uniform reporting on HRCDD data measures. The FPS Director and HRCDD Principal Advisor will follow up with country programs to confirm the data points collected and will collaborate with the Performance Management Unit to determine how to routinely capture this data moving forward.

Things to watch:

- The CHAI ForLAB Quantification tool — developed with financial backing from USAID and with involvement of SCMS, USAID | DELIVER PROJECT, USAID and CDC — is close to completion. This tool and its outputs will inform overall USG laboratory harmonization and standardization efforts and improve existing laboratory forecasting efforts. A project plan and funding memo have been drafted for USAID review and approval. Plans include review of the tool, system documentation, verification and validation of the system requirements and functionalities, development of a training plan and materials for delivery, and conducting a pilot evaluation. It is expected that after this test and evaluation, a rollout strategy will be developed with a targeted project completion date of October 2012.
- In Vietnam, developed a concept paper on comparative supply chain models for USAID. PEPFAR is using this document as a basis for discussion with MOH and VAAC on transitioning from donor-funded supply chains to a Vietnamese Government-funded supply chain for HIV/AIDS commodities. These discussions are looking at how future HIV/AIDS care and programs will be financed, which will impact the type of supply model the government adopts as it moves away from donor-supported projects.
- In Côte d'Ivoire, conducted an enterprise resource planning (ERP) sensitization training for PSP senior management, focusing on defining, procuring and implementing an ERP. This STTA guidance was based on SCMS's high-level analysis, requested by PSP, of PSP's supply chain processes and ERP needs. This is one of a number of longer-term systems strengthening activities in Côte d'Ivoire starting up as the country emerges from the "emergency" mode necessary after last year's civil and political unrest. There is, however, a continuing concern with the lack of transport available to PSP. Outsourcing options are being explored.
- At the Mission's request, SCMS is preparing to begin technical assistance activities in El Salvador and Panama. We have established a presence in both countries and began conduct technical assistance in El Salvador in May.
- A stronger presence is being established in Burundi with the placement of a procurement and logistics advisor in July. Currently a member of the SCMS/Rwanda program, the advisor will bring experience and support to Burundi, particularly in tightening linkages and coordination with program partners for procurement, quantification and technical activities.
- The technical working group of the People that Deliver Initiative is working on two critical activities: compiling competency frameworks in supply chain management for health, and mapping supply chain capacity building organizations, activities and opportunities across the globe. This TWG, led by the HRCDD Principal Advisor, represents more than a dozen

implementing partners and agencies. SCMS and related TWG partners are planning to make significant headway on these two activities between June and August 2012.

1c. Global Collaboration

SCMS continues to expand its interaction with global and local partners, particularly with cooperation in the quality assurance and standards area.

Successes:

- **The GSC quality assurance team attended two major partnership events.** Firstly, SCMS participated in a harmonization working group to create a standardized inspection tool for evaluating procurement agents according to the WHO Model Quality Assurance System for Procurement Agencies (MQAS). Participants included the Global Fund, UNICEF, MSF, ICRC, QUAMED and IDA Foundation. Secondly, we attended the Informal Platform for Quality Diagnostic Tests meeting in Copenhagen. This interagency group consists of members from WHO, Global Fund, USAID, MSF and UNICEF, with the objective to create an informal, confidential information exchange mechanism that will guide decision making when implementing quality assurance policies and consultation regarding quality complaints relating to in vitro diagnostics.
- **Presented at the IAS Efficiency and Effectiveness Conference in Nairobi, Kenya.** The International AIDS Society directly invited SCMS and funded our attendance at the conference as a result of our abstract submission to the IAS Conference to be held in Washington, DC, in July 2012. SCMS presented on optimizing procurement of laboratory equipment for improved efficiency, effectiveness and value. Our presentation drew from the SCMS programs' experience in applying the principles of the Maputo Declaration and recent work with CDC and others.
- **Supported the UN Inter-agency technical team sub-work group on child survival.** Attended the annual in-person meeting to agree on the 2012/2013 workplan, following the amalgamation of the separate pediatric AIDS and nutrition working groups into the single child survival group. Following this meeting, three proposals have been developed for funding by the IATI. The proposed subjects are:
 - Increasing retention and decreasing loss in follow-up of children in HIV programs.
 - Progress tracking country-level implementation of 2010 HIV and Infant Feeding Guidelines.
 - Developing a communications strategy to advocate for and promote child survival work.
 - SCMS will contribute on issues that may affect the supply chain, knowledge we gain on the implementation of the HIV and Infant Feeding Guidelines from our in-country work, and our experience in communications.
- **Contributed to the first two meetings of the IOM Committee on Understanding the Global Public Health Implications of Counterfeit, Falsified, and Substandard Drugs.** The bi-monthly committee met in March to receive reports and testimony from experts from various sectors, and in May to discuss issues in closed session and assign teams to prepare position papers for discussion. The July meeting will discuss the various papers expected to be available. SCMS is supporting the committee's work, assisting study teams in visiting DFID and EMA staff members, and our country office in Nigeria is assisting in their visit there. We have also assisted in making arrangements for visits to WHO and GF in Geneva and for company visits in India.

- **Submitted the global and country-by-country analysis of the annual ARV delivery survey conducted for OGAC in April.** The analysis showed that while use of generics is now at high levels in most countries, there is still some room for further savings in a few countries where SCMS is not the predominant procurement service provider. Some countries also continue to have a very long list of different formulations, which again reduces savings opportunities. A second set of analyses from the annual ARV delivery survey was delivered to OGAC in May. These analyses showed the uptake of key ARV drugs and usage trends by country following the revisions to WHO treatment guidelines.
- **SCMS was interviewed by the health correspondent of The Economist newspaper** to provide background for an article on the market for ARV medicines in developing countries, which was published in June.
- **Presented at the WHO AIDS Medicines and Diagnostics Service (AMDS) stakeholders and partners meeting.** This meeting focused on assessing progress and achievements of current joint projects and discussing challenges and the way forward for the AMDS network. SCMS presented project achievements to date and current and potential areas of cooperation with AMDS and on the Coordinated Procurement Planning (CPP) Initiative. Highlights include: a substantial relaunch of the WHO Global Price Reporting mechanism with improved analytical capabilities, assessment of stockouts and emergency orders (specifically, reviewing the successful USG approach to stockouts of HIV/AIDS medicines via SCMS and whether this could be applied to other disease areas, such as malaria and TB); and standardization and harmonization of laboratory commodities.
- **Contributed on behalf of USAID to the WHO AMDS technical working group.** Reviewed drafted guidance on quantification and lab harmonization originating from a WHO/CDC meeting in 2008 and associated with the Maputo Declaration. USG's major concern with this document prior to the meeting was that it did not address quantification, forecasting and supply planning as practiced by the major international procurement organizations, such as SCMS. There was also concern about some of the bundling proposals, and it is now proposed that the title and some of the introduction to the document be changed to indicate the limitations of its usefulness — for instance, the document can help lab managers and procurement managers find appropriate specifications and understand the quantities of different items needed to conduct a particular diagnostic test, however it does not provide guidance on quantification or supply planning.
- **CPP Initiative activities this month include:**
 - The quarterly steering group meeting in Geneva. For the first time, the CPP meeting included the French initiative ESTHER (Together for a Networked Hospital Therapeutic Solidarity), which is funded by UNITAID, and provided significant insight into supply chain challenges in Francophone Africa, especially West African countries where there are recurrent stockout problems. The meeting also reviewed in detail the CPP countries-at-risk schedule, addressing problems in a number of countries and discussing imminent new funding from UNITAID that will enable us to build a web-based platform for collecting and sharing data and information on the countries at risk. UNITAID will also fund further in-country investigations of root causes of supply interruption risks.
 - Met twice with UNITAID and finalized the form of agreement for the provision of additional funding to the CPP. We expect to sign the document in July, enabling the initial

funding to be released and the work to officially start in August. The UNITAID grant is for 12 months and is valued at \$197,000.

Challenges:

- Met with the CHAI Pediatric Program to discuss the transition of early infant diagnosis (EID) work in anticipation of the UNITAID/CHAI Pediatric Program's ending. SCMS is well placed to manage procurement and supply of EID kits and other commodities, but there is continued concern over weak in-country forecasting and procurement capacity to manage the program after CHAI withdraws its in-country teams. CHAI will discuss this further with UNITAID and report back.
- The CPP and AMDS discussions on stockouts at the June meetings were timely for an unexpected but welcome set of meetings in Geneva and Washington with senior staff from the Global Fund. The Global Fund Senior Advisor to the General Manager and Grant Management Unit are both reviewing their procurement practices and policy, particularly with a view to exploring the potential to establish an emergency commodities response capability similar to the PEPFAR/USAID ECF. We discussed the practical application of the SCMS procurement design and our strategy built around long-term forecasting and contracting, enabling us to establish the RDCs with an inherent emergency response capability.

Things to watch:

- SCMS was invited to present at a conference entitled Supply Chain Management: Concepts, Components and Best Practices by InsideNGO, a self-described leading global membership community dedicated to helping development organizations improve organizational operations and foster leadership. InsideNGO's annual conference (July 31-August 2 in Washington, DC) usually draws 800 to 900 participants from more than 300 international NGOs. We are encouraged that this NGO is taking an increased interest in the role of supply chain in development.
- In partnership with USAID, hosting a satellite session at the upcoming IAS Conference in Washington, DC. Entitled "Can supply chains meet the challenge of putting 15 million patients on HIV/AIDS treatment by 2015?" two panels of four invited speakers will address the questions:
 - If donors increase funding to provide treatment to 15 million, can a sufficient volume of ARVs and other commodities be manufactured and distributed in target countries?
 - Will national supply chains be able to receive and distribute many times the current volumes?

2. Programmatic Milestones and Measures

		Project-wide Workplan TO3 FY2012 October 1, 2011 – September 30, 2012	
Activity	Deliverable	Target Deadline	Progress
1. Global Supply Chain			
Improve GSC Performance			
Increase number of planned orders (vs. unplanned and emergency), monitor quarterly	Planned at 80%	12/30/2011 3/30/2012 6/29/2012	Dec. attained. Mar. attained. Jun. attained.
Build Non-Field Office Countries' Procurement			
Strengthen procurement and distribution for NFOs	Achieve 80% OTD and 80% client satisfaction	Ongoing	In progress.
Operationalize Field Office Managed Procurement			
FOMP regional training bi-annual	Training Feb/March and Aug/Sept. 6-10 field staff trained at each training	Ongoing	Training held in March 2012. Second training to be held September 2012 - on target.
Implement Procurement Strategy			
Organize vendor summit(s)	Hold 2 or more regional meetings to improve non-pharma performance	4/20/2012 6/31/2012 9/28/2012	On target for September.
Organize annual procurement council with FO conference	Implementation of any required modifications to procurement strategy	11/30/2011	Complete.
ARVs			
Analyze forecasting and supply plan data	Small paper, input for procurement strategy through 2015	2/29/2012	Replaced by White Paper on Forecasting & Supply Planning.
Explore and map the supply market and market dynamics (players, baseline production costs, capacity, new products, mergers - for API and finished dosage, analyze impact on market caused by scale-up, etc.)	Small paper, input for procurement strategy	5/31/2012	Complete.
Share market intelligence with USG and FDA	Establish quarterly meetings to brief COTR	12/30/2011 3/30/2012 6/29/2012	Dec. complete. Mar. complete. Jun. complete
Essential Drugs (OI, etc.)			
Evaluate TZ essential medicines pilot	Review and recommendations in final report	4/31/2012 5/31/2012	Complete.

Food by Prescription (FP)			
Finalize supply chain guidance document to feed into NACS guidance, for USAID, Fanta and other partners	Document	12/30/2011	Complete.
Laboratory - Equipment, Reagents, Consumables			
Develop standardized procedures concerning Maintenance Service Agreements (MSA), including mapping, flowcharts, contractual process and training	SOP	1/31/2012 6/30/2012 9/28/2012 12/31/2012	Will be completed by the end of the year.
(HIV) Test Kits			
Investigate pricing and procurement strategies to optimize value for money	Implement new RTK strategy in coordination with RDC strategy, if agreed	4/30/2012 12/31/2012	On target. Presenting conclusions at the ASLM in December.
Demand Planning & Inventory Management:			
Supply Plans - Quarterly Planning and Updating Process			
Perform ARV quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012	Jan. complete Apr. complete
Perform LAB & RTK quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012	Jan. complete Apr. complete
Perform COTX & other DRUG quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012	Jan. complete Apr. complete
Perform MC Kit quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012	No quarterly reviews as MC supply planning still in its infancy.
Inventory Management - Refine Stocking Strategy			
Implement strategy (RTK)	RTK stocking strategy, if agreed, in collaboration with procurement	4/30/2012	Complete.
Demand Planning Module - develop and implement	Implement automated planning module	1/31/2012	Complete.
In-Country Supply Planning/Forecasting Technical Assistance			
Ensure that 12-month supply plans and issues associated with PRs/PQs for ARVs, RTKs and Lab Supplies are submitted on a timely basis	Quarterly supply plan updates (10 ARV, 4 RTKs, 7 Lab)	1/31/2012 4/30/2012	Jan. 11 ARV plans in place Apr. 10 ARV plans in place. RTK and lab plans increasingly combined and on target.
Quality Assurance:			
Waste Disposal Management			
Swaziland MC Project	Advise and provide risk assessment	1/31/2012	Complete

Warehousing and Distribution:			
International Freight and Logistics			
Bi-annual review of competitive and reasonable pricing, particularly on heavy volume lanes	Report	3/30/2012	Complete.
Work with F&L Freight Analyst to analyze the top 10 lane pairs for SCMS Core Countries quarterly, by mode of transport (land, sea, air), for both door to door and port to port movements	Analyze and evaluate cost per kg by mode for both door to door and port to port for each of the 10 lanes pairs, to be completed three times a year	11/30/2011, 3/30/2012	Nov. complete. Mar. complete.
Investigate the option of converting the FLEET tool into an access database, making data updates simpler	Work with IT team to determine SOW, cost & time of implementation.	4/30/2012	This milestone has been suspended pending the implementation of the data warehouse project.
Regional and Local Distribution Centers			
Set up new bond warehouse to facilitate the storage of MC Kits. Warehouse location - South Africa	New warehouse operational to accept MC Kits in bond.	2/29/2012	Complete.
Conduct a competitiveness review (VMI)	Report on the influence that VMI has had on pricing and stock availability. Currently RTT have secured Merck in East & West Africa, Pfizer in East Africa and will have GSK available in East Africa by December 2011.	10/31/2011	Complete.
Management Information Systems:			
VM Migration			
Procurement Phase		11/4/2011	Complete.
Deployment Phase		11/30/2011	Complete.
Migration Phase		12/19/2011 2/15/2012	Complete
Data Warehouse			
Procurement Phase		10/3/2011	Complete.
Deployment Phase		12/14/2011 3/16/2012 4/16/2012 8/31/2012	On target for new August date.
Migration Phase		1/17/2012 3/31/2012 5/1/2012 7/31/2012	Completion expected July 2012.

Implement BI Tool Site			
Procurement Phase		10/6/2011	Complete.
RFP, Selection & Award Phase		12/15/2011	Complete.
Implementation Phase		3/31/2012 4/30/2012 5/30/2012 8/31/2012	On target for August.
Implement RFX Tools			
Procurement Phase		10/6/2011	Complete.
RFP, Selection & Award Phase		12/15/2011	Complete.
Implement		3/31/2012 5/30/2012	Reviewing status, possible restart warranted.
2. Health Systems Strengthening			
System Strengthening Strategy Initiative:			
Develop framework graphic and narrative content	Published functional framework/narrative	12/31/2011 6/30/12 7/31/2012	Feedback from TAG, TWGs and pilots identified further refinements framework and narrative. New completion date aligned to completion of CMM tool. July 31, 2012.
Update and finalize tools	Updated Logic Model	2/28/2012	On hold.
	National Supply Chain KPIs	1/28/2012 10/31/2012	In progress. Awaiting further approval from COR.
	ROI Framework	4/30/2012	On hold at request of COR until FY13 Q1.
Develop Capability Maturity Assessment tool and associated methodology documentation that defines the benchmarks and assesses the supply chain function's potential to perform but not performance itself.	Capability Maturity Assessment Tool Capability Maturity Monitoring Tool	3/31/2012 10/31/2012	Pilots completed in South Africa, Botswana and Paraguay. Outcomes from pilots being updated into tool set. Review with COR/UNC Jul 31. Tag planned for September.
Develop SCMS Technical Service Offering: a compendium of systems strengthening "tools" and interventions that are available to SCMS, USAID and local counterparts to address capability and performance gaps of in-country supply chain systems	Technical Services Offerings in: Warehousing and Distribution, MIS, HRCDD, Labs, Forecasting and Supply Planning, Systems Strengthening Strategic Plan	1/31- 3/31/2012 4/30/2012 8/31/2012	MIS Submitted to Field Office for input 6/21. HRCDD, LAB, W&D, and Product in process

Develop updated technical assistance Operating Model	Global STTA Workplan	12/31/2011	Complete.
	TA Quality and Risk Management	ongoing	Templates have been developed. Further refinements in process. To discuss TA process with COR team.
	Enterprise Project Management	1/31/2012	Pilot complete, insufficient ROI for customization.
	Updated STTA SOP	1/31/2012	Complete.
	Country Workplan budget, SOPs	1/31/2012	Completed for FO countries. SOPs for workplanning/budgeting exercise from the PMO perspective were never created.
	Updated FPS RASCI	4/30/2012 9/28/2012	In progress for all of FPS, completed in the STTA SOP.
	Updated FPS JDs	4/30/2012 9/28/2012	In progress.

In-Country Data Management and Technical Assistance:			
Support and guide the in-country MIS teams with System Development Life Cycle-based project management support, advice, consultation, documentation, and general compliance review during all phases of each initiative	Nigeria: limited LMIS scale-up	3/30/2012	Execution Phase: Finalizing a gap analysis and mapping strategies.
	Nigeria: initiation/strategic planning for major LMIS scale-up	3/30/2012	Pending on above.
	Mozambique: additional WMS site implementations (to Beira)	3/31/2012 6/1/2012	Complete.
	Guyana: MACS transfer to new MMU warehouse	12/31/2011 8/1/2012	On track for a July-August, 2012, relocation.
	Namibia: additional CMS/RMS ERP site implementation	12/31/2011	Complete.
	Namibia: additional NIP ERP functionality	12/31/2011	SCMS has discontinued support to this activity. Project being taken over by NIP using separate funding, leveraging existing relationship with ERP vendor.
	Tanzania: LMIS in development	designed by 6/30/2012	USAID Contracts Officer and SCMS COR have asked SCMS to discontinue funding of the eLMIS work.
	Tanzania: new ERP rolled out	6/30/2012 9/28/2012	System Go Live Target Date revised to July 16th, 2012. Progress on track for Phase 1 roll out by Sept. 2012
	Cote d'Ivoire: improved warehouse IT infrastructure	6/30/2012	Assessment visit complete; post-trip activity is progressing.
	Zimbabwe: LMIS upgrade (ZISHAC)	6/30/2012	Acquisition Phase: ADS 548 package in final review with contracts.
Redefine and refresh the SMIS technical assistance capability in accordance with the new conceptual framework	Enterprise Project Management System Pilot	12/31/2011	Pilot identified customization needed; at this stage ROI is not warranted. Activity stopped.
	MIS Component of SS Strategic Plan	3/30/2012 6/30/2012	Complete.
	Technical Assistance Quality and Risk Management Plans	11/30/2011	Complete.

In-Country Procurement Technical Assistance:			
Pilot national governments accessing SCMS IQCs using their own funds	Exploratory discussions, in the context of transition from PEPFAR, held with Government of Vietnam	4/30/2012	Stalled. Government now contemplating decentralizing procurement.
In-Country Warehousing and Distribution Technical Assistance:			
Develop and implement distance-learning-based warehouse and distribution training to ensure a more cost-effective and global capacity-building effort	Online, distance-learning based curriculum developed and piloted in at least one country (Haiti). Course could be of interest to other countries investing significantly in warehousing capacity-building (ET/RSA/TZ/ZM and others)	12/16/2011	Modules are COMPLETE Brown bag to FPS team in Aug.
Assess warehousing requirements and develop a plan of action in order to achieve WHO GWDP 2005 QAS/04.068-rev 2	Develop four country warehouse technical assistance roadmaps for countries with this activity in their plan (TZ/ET/GY/RW)	2/1/2012	Exercise complete. Review with TZ/ET/GY/RW to establish plan updates.
Evaluate training and technical assistance impact of W&D interventions and implement mentorship/coaching/skills transfer as needed to ensure quality and compliance	In conjunction with HRCD workplan activity 5, adapt training/skills impact assessment tool and implement for attendees of WOM (Warehouse Operations Management)	2/1/2012	May delegates are in progress with WOM. Course assignments due 3 months after return.
Publish warehouse compliance tests for inventory management capability assessment - the test is designed to be applied by non-technical personnel	Tool and supporting material	2/1/2012 9/1/2012	Pilots identified further review of functional areas.
Plan and facilitate an Integrated Warehouse and Distribution Conference in collaboration with SSU Unit Leads	Conference Materials and Proceedings Report	April/May 2012	COR placed on hold while evaluating priorities and relevance.
Human Resource Capacity Development:			
Establish baseline data/situation on HR/Capacity in SCM for at least 7 of SCMS program countries (ET, NB, MZ, Zim, Rwanda, Côte d'Ivoire, Guyana, Vietnam)	HR for SCM Assessment Country Reports; Global Analysis of HR for SCM in at least 7 SCMS Country Programs	3/31/2012 8/31/2012	HR for SCM assessments completed in Rwanda, Zimbabwe, Ethiopia, Namibia, and Mozambique - with possibility in South Africa. Completed through HRCD retrospective data analysis; results to be communicated by Aug 2012.

Compile & disseminate existing best practices, standards, methodologies in capacity building for SCM (At least 13 SCMS FO's to be conducting capacity building activities)	Complete listing of existing SCMS Best Practices, Standards, and Methodologies in capacity building for SCM available on SCMS internal and external websites; resources to be made available at Field Office Conference	1/1/2012 & Ongoing	Complete- to be "soft launched" and disseminated in July 2012.
Facilitate Self-Directed Learning (SDL) Modules (as developed by DELIVER) for key Technical FO Staff (particularly for FO's with constrained budgets for capacity building); Within Vietnam, Haiti and CI WPs; could be offered more widely	Completion of 8 SDL Modules by a minimum of 10 Anglophone FO Staff per year	Ongoing	Focus of HRCD Technical Working Group call in August 2012.
Research and compile resources on best practices in skills transfer methodologies (including OJT/Mentoring/Coaching and technology) (8 SCMS countries are seconding staff and will need proven methods/activities to transfer skills in more day-to-day interactions; at least 13 SCMS countries are working in informal relationships to build skills and will benefit from the Toolkit that comes out of this research)	Research completed	3/31/2012 August 2012	Not yet started due to staff travel; Primary focus of work in Aug/Sept 2012.
Write Case Study/White Paper referencing factors for success and challenges in implementing PST for SCM (highlighting Namibia, Zim, Rwanda, Ethiopia, and other FO programs) and share with field offices interested in implementing PST	Case Study/White Paper publishes	1/31/2012	Completed not as a white paper but via an abstract that was accepted to Intl AIDS conference; poster, presentation and HRCD-focused Supply Lines success story will be shared with all countries.
Participate in the "People that Deliver" Initiative Steering Committee; Support PtD/SCMS Focus Countries: Support Ethiopia, Namibia, and Mozambique in pursuing PtD work	1 SCMS staff person to participate in Steering Committee Calls; EH to lead Technical Working Group (CORE LOE support)	Ongoing	E Hasselberg is the current Technical Working Group lead for PtD and thus a de facto member of the overall Initiative's Board.

Lab System Strengthening:			
Complete development of data model for measuring alignment and consumption effectiveness of existing lab systems	Data Model documentation	11/30/2011	Approach established and tested. Documentation and concepts will be integrated into the upcoming CHAI Quantification tool User's Guide.
Pilot model (RW, CI, NG)	STTA trip report, draft way-forward strategies and established tool kit modifications	RW- Dec. 2011, CI March 2012, NG March 2012	CI Complete. RW Planned. NG TBD.
Develop a TA service package - toolkit utilizing data model	Harmonization toolkit - service package: critical data variables, established data analysis methodology, strategic interpretation, advocacy	February 2012	Elements related to next version of the CHAI tool, and integrated into User's Guide.
Integrate Harmonization as a critical component to all Quantification requests	Harmonization/Standardization analysis module	February 2012	CHAI tool will incorporate this functionality. Currently being done manually as an additional analysis step during Quantification STTA.
Active participation in the review of the new CHAI multi-methodological forecasting tool. Collaborate with JSI/DELIVER/USAID/CDC in training material development and rollout	Release of the new CHAI multi-methodological forecasting tool	Review to commence in September 2011. Application updates in November 2011. Training material development in December to January 2012.	Completed initial review. Tool outputs established. SCMS leading validation, testing in June. Pilot and rollout to follow.
Develop guidance that will assist countries in assessing country instrument procurement requests. Guidance will be based upon principals established through the Harmonization and Standardization efforts. Essential strategic considerations relating to instrument selection	Rationalized Instrument Procurement Guidance - Critical considerations and key questions developed in collaboration with GSC, USAID, and CDC	November, 2011 Provide TAs as requested	DRAFT notice to the USG field offices completed and with USG since January, 2012.

Develop SCMS equipment maintenance guidance – informing a strategic response to in-country demands regarding equipment maintenance. Data collection effort: Botswana/Zambia/Rwanda/Nigeria	Equipment Maintenance Guidance – SCMS guidance, National MOH guidance. Includes: Strategic considerations and active equipment inventory management and vendor service agreement compliance	11/1/2011	Complete. Sent to field for comments. Will be included in ACILT training course.
FPS Global Program Management:			
Organize and facilitate Annual Field Office Conference	2011 Field Office Conference	10/31/2011	Complete.
3. Global Collaboration			
Quarterly Meeting of CPP Steering Committee	Updated risk schedule and meeting report	12/13/2011, 3/12/2012 6/11/2012	Dec. complete. Mar. complete. Jun. complete.
Contribute to WHO AIDS Medicines and Diagnostic Service Network			
Attend AMDS ARV Forecasting Meeting with Manufacturers	Presentation of SCMS forecasts	11/4/2011	Complete.
Attend AMDS Annual Partners Meeting	Presentation of SCMS forecasts	3/30/2012 6/30/2012	Complete
Report to OGAC on ARV and selected OI deliveries to PEPFAR Implementing Partners in FY 11			
Survey Implementing Partners for ARV deliveries		2/10/2012	Complete.
Submit report		4/6/2012	Complete and submitted to OGAC, April/May.
Prepare SCMS Lessons Learned White Paper for publication		4/9/2012 9/28/2012	Drafting in progress.
Public Private Partnership for Pediatric ART			
PaATH drug registration project		3/30/2012	Not completed. Further delays experienced in Guyana.
Present project outcomes	Final Project Report	4/2/2012	Overdue as a result of delays in Guyana.
MIT-Zaragoza Logistics Center			
Finalize Case Study and Teaching Case based on SCMS experience	Published case Study of SCMS by MIT	12/23/2011	Draft submitted in November 2011. Harvard requested more work on the concluding questions for students.

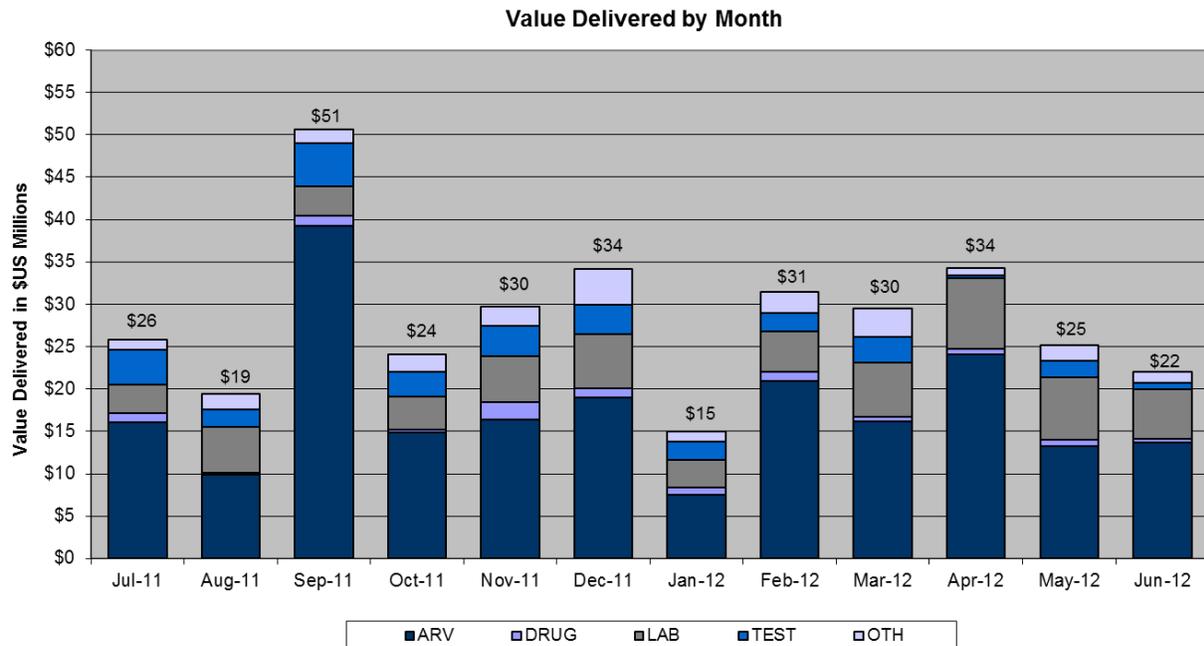
4. Knowledge Sharing and Communications			
Global Health Conference			
Abstract development	15 abstracts submitted (depends on theme)	3/1/2012	GHC Conference canceled as GHC is being wound up. ASA conference instead in December.
Prep for conference		6/12/2012	Canceled.
Attend conference	4 abstracts accepted as presentations	6/15/2012	Canceled.
International AIDS Society Conference			
Abstract development	15 abstracts submitted	2/14/2012	14 abstracts submitted, plus one co-authored with CDC.
Attend conference	4 abstracts accepted as posters or presentations	6/8/2012	5 abstracts accepted and proposal accepted to stage a Satellite meeting.
Communications Products			
Supply Lines	4 issues	1/10/2012, 3/6/2012 6/6/2012 7/31/2012	Jan. Complete. Mar. Complete. Jun issue to be published in July.
Six-year report	Report	11/30/2011 7/31/2012	Approved for publication June 29. Publication in July. Ambassador Goosby and Administrator Shah are co-signing an introductory letter.
5. Operations			
Performance Management			
Global/Regional/Country Training (tentative, based on demand)	Regional Training held in South Africa and Training Toolkit deployed in SCMS Countries- available to SCMS partners and Field Offices	3/30/2012	Nigeria Country training complete in May 2012.

3. Procurement and Distribution Statistics

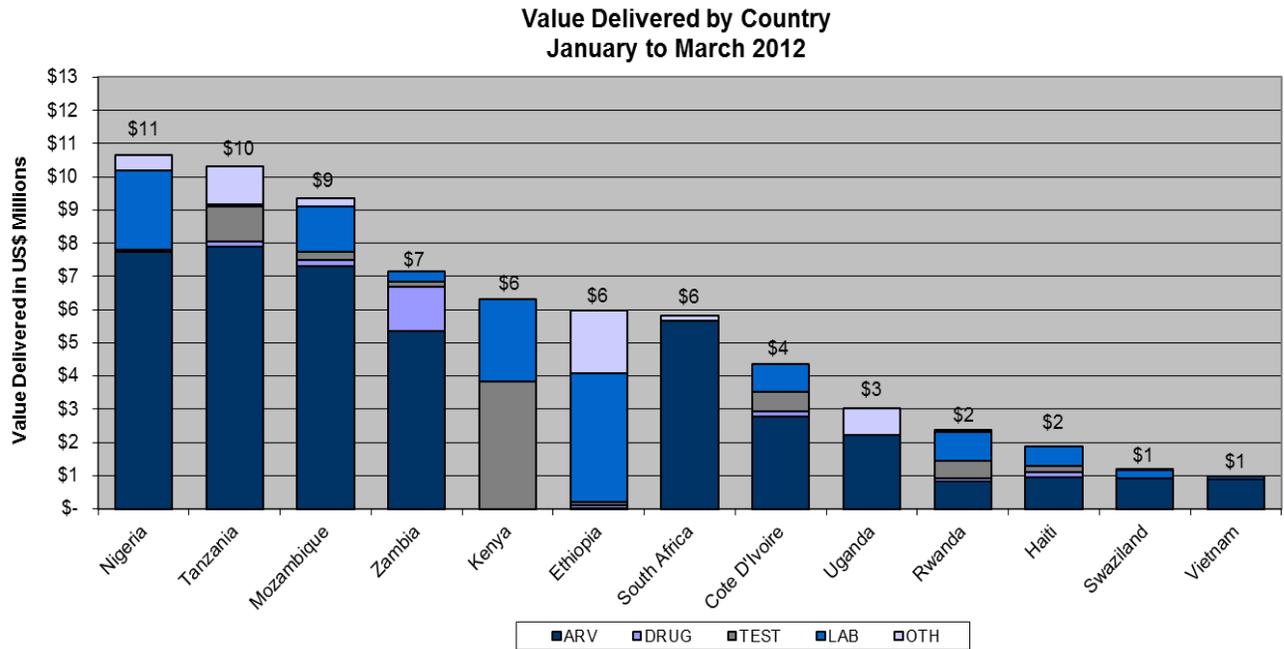
Value Delivered

	Apr-Jun 2012	Y7 to date	Life of Project
ARVs	\$ 51,018,212	\$ 145,888,164	\$ 710,913,573
Test Kits	\$ 3,115,167	\$ 20,337,188	\$ 114,890,415
Labs	\$ 21,491,570	\$ 51,645,750	\$ 245,177,499
Essential Drugs (OIs)	\$ 1,602,942	\$ 7,546,812	\$ 51,716,874
Anti-malarial	\$ 233,886	\$ 271,335	\$ 575,928
Food by Prescription	\$ 1,219,332	\$ 3,921,755	\$ 9,833,738
Male Circumcision	\$ 2,393,746	\$ 6,167,235	\$ 11,802,238
Other	\$ 405,407	\$ 9,601,620	\$ 26,342,421
Grand Total	\$ 81,480,262	\$ 245,379,858	\$ 1,171,252,686

Value of commodities delivered by month (12-month trend)

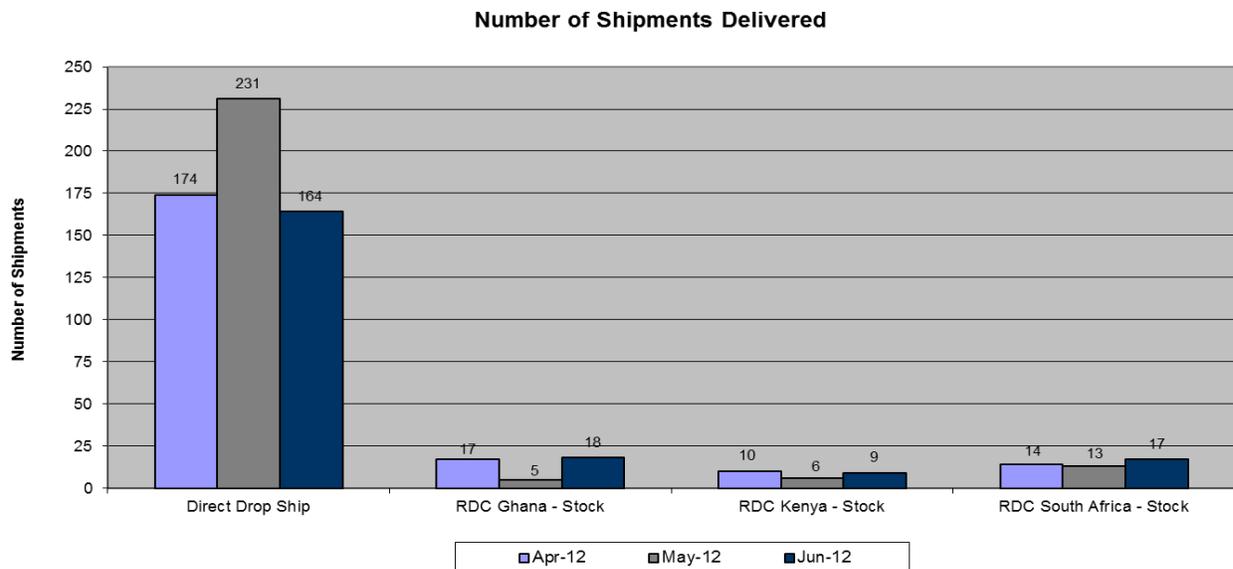


Value of commodities delivered by country – Y7Q3 = \$81,480,262

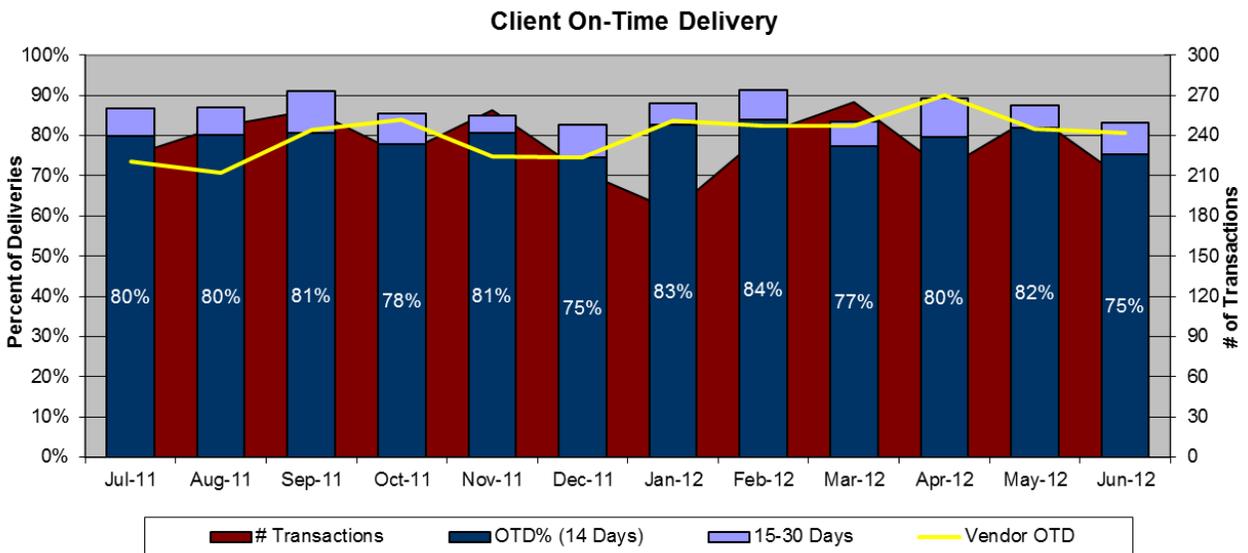


Note: Countries with less than \$1M in commodities delivered are not pictured. Between April and June 2012, 14 countries had under \$1M in commodities delivered.

Number of shipments delivered by month

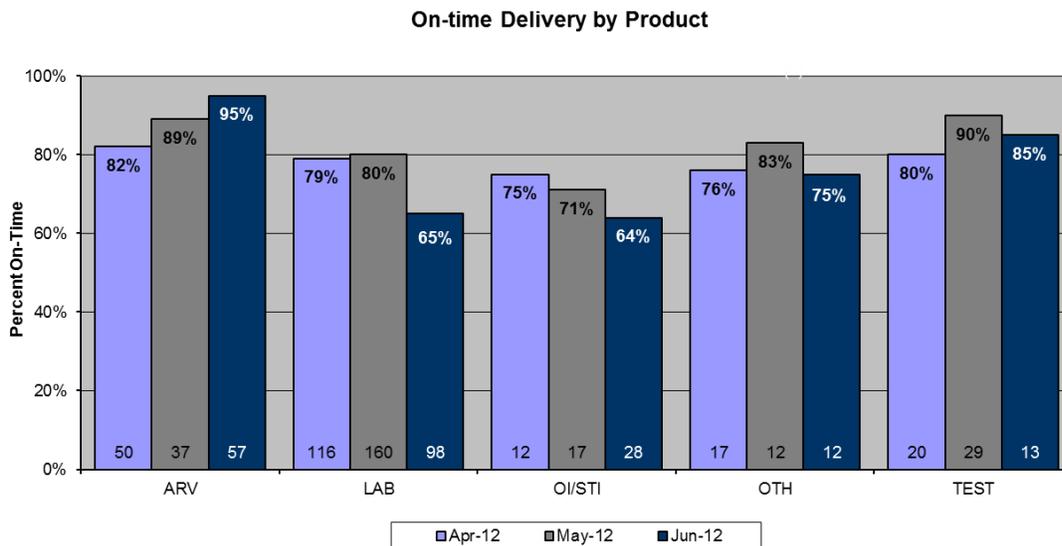


On-time delivery by month (12-month trend)



Note: Client OTD is the percentage of orders delivered on, before, or within fourteen days of the recipient agreed delivery date, as indicated on the Price Quotation; Vendor OTD is the percentage of orders delivered by the vendor on, before or within fourteen days of the vendor promise date, as indicated on the Purchase Order

On-time delivery by product



Additional procurement and supply statistics for the quarter (April-June 2012)

New orders: US \$93.7M, of which US \$45.8M were for RDC stock and US \$47.9M for direct drop shipments.

Ordered categories: ARV \$46.2M, OI Drugs \$3.4M, Rapid Test Kits \$14.6M, Laboratory \$19.4M, other items \$1.1M, MC Kits \$9M.

4. Country Reports

Botswana

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: BOTUSA/CDC and USAID (primary), Drug Regulatory Unit (DRU), Central Medical Stores (CMS), Government of Botswana (GOB), National Drug Quality Control Laboratory (NDQCL), National Health Laboratory (NHL), Prevention of Mother to Child Transmission Unit (PMTCT), the national ART program (MASA), MOH STI Unit (condom and male circumcision commodity supply chain)

STTA: Management information systems, monitoring and evaluation

Key activities:

1. **Piloted the SCMS Capability and Maturity Model (CMM) at 36 service delivery points (SDPs).** The CMM depicts the relative maturity of specific aspects of the supply chain and the supply chain's overall capacity. In collaboration with the Drug Management Unit (DMU) and CMS, assessment teams — joined by the PMO MIS Advisor and USAID MIS COR — piloted the CMM to identify areas of improvement for the tool for the central level, CMS, district health management teams and SDPs. Provided feedback to management teams during the visits.
2. **In collaboration with MOH, conducted two rollout trainings on medicines logistics for 40 nurses from clinics and lower facilities in four health districts.** These nurses are responsible for day-to-day supply chain management of health commodities, and the skills gained through the training will strengthen country ownership of inventory management and logistics data recording and reporting to ensure continuous availability of medicines and related supplies.
3. **In collaboration with CMS, presented a paper on the role of supply chain management to the 24th Congress of the Pharmaceutical Society of Botswana** under the theme “Safe Medicines, Safe Patients.” The paper discussed supply chain management in the public health context, the total pharmaceutical expenditure in Botswana and the role of CMS, highlighting challenges and SCMS's collaborative activities with stakeholders to address them. This presentation was attended by the Minister of Finance, who expressed keen interest.
4. **Continued supporting the CMS transformation project:**
 - CMS passed stage one of the ISO: 9001 audit.
 - In April, CMS hosted two U.S. Senators and shared highlights of the transformation process.
 - In May, met with the Deputy Permanent Secretary for Clinical Services and the head of the Strategy Management Office to discuss resource requirements. Made progress on funding for outstanding technical projects, including IT systems improvement and project outsourcing. Also, MOH allocated four new technical staff to the CMS Logistics Management Unit and order management function, projected to start July 1.

Challenges:

1. There are weaknesses in supply chain management of RTKs at lower-level facilities managed by district health management teams. SCMS will lead initiatives to strengthen the RTK supply chain

to ensure greater accuracy in quantification, ordering, distribution and submission of logistics information.

2. Inefficiencies in inventory management at health facilities, especially for essential health commodities, are a challenge. SCMS is actively supporting the rollout of logistics management training and has recommended to the Drug Management Unit (DMU) that ART services be integrated into general outpatient services at the SDP level. This will optimize the use of pharmacy officers and the engagement of storekeepers and health care auxiliaries for inventory management, allowing nurses and pharmacy officers more time for clinical/pharmaceutical care.

Results:

1. Increased availability of information on the supply chain for safe male circumcision (SMC) kits and RTKs has led to MOH intensifying follow-up with facilities that have not been reporting, demonstrating MOH's commitment to improving reporting and its increased understanding of the importance of supply chain strengthening to the success of programs such as HIV testing and counseling and SMC.
2. Procured and installed two clinics-in-a-box (CIBs) to support the safe male circumcision program, one at Nkoyaphiri Clinic in Gaborone and the other at a site in Selibe Phikwe. This will contribute to the expansion of capacity needed to achieve the circumcision target by 2016.
3. Data from the Logistics Management Unit was used to advise the MOH departments for HIV testing and related partners on demand patterns and looming stockouts of HIV test kits at CMS due to the Government of Botswana's budgeting and fund allocation not meeting forecasted needs. The meetings resulted in MOH producing funding requirements so that it can request supplementary funding from the Mission to curtail the funding gap.

Côte d'Ivoire

Emergency Orders/Stockouts: No stockouts reported at central level.

Key Clients: Ministry of Health and HIV/AIDS of Côte d'Ivoire (MSLS), including the Pharmacie de la Santé Publique (PSP-CI), Direction General de l'Hygiène Publique (DGHP), Direction Générale de la lutte contre le Sida (DGLS), Direction General Sida (DGLS), Programme National de Développement des Activités Pharmaceutiques (PNDAP), Centre National de Transfusion Sanguine (CNTS), Direction de l'Infrastructure de l'Équipement et de la Maintenance (DIEM), Direction of Information, Planning, and Evaluation (DIPE), Direction de la Pharmacie et du Médicament (DPM), USAID, CDC, PEPFAR Implementing Partners (EGPAF, ACONDA-VS, HIV/AIDS Alliance Côte d'Ivoire, MEASURE Evaluation/JSI, CARE-Côte d'Ivoire, ICAP, Family Health International [FHI360])

STTA: Management information system

Key activities:

1. **Conducted an enterprise resource planning (ERP) sensitization training for PSP senior management**, focusing on defining, procuring and implementing an ERP. This STTA guidance was based on SCMS's high-level analysis, requested by PSP, of PSP's supply chain processes and ERP needs. As next steps, we recommended PSP finalize its business model, define business

- needs and establish a project management office (PMO) to manage the process; then define its business and functional requirements, prepare a procurement strategy and execute procurement.
2. **Presented site supervision key findings to USG and PEPFAR IPs.** SCMS and national entities involved in supply chain activities formed 21 supervision teams who visited 216 ART sites at the district and service delivery levels. We found that 32 percent of sites were stocked out of at least one critical ARV, 10 percent were stocked out of Determine RTKs, four percent were stocked out of Cotrimoxazole and three percent were stocked out of CD4 reagent. SCMS and PSP analyzed the data collected and presented results to USG and PEPFAR IPs to identify issues and corrective actions required to improve ARV and commodities management at the site level.
 3. **Implementation of the base intégrée des outils du SIGL (BIOS) tool,** an integrated database of LMIS tools, is proceeding. SCMS and PSP installed BIOS at PNPEC, the national care and treatment program, and trained two dedicated PNPEC users on the tool's core functions and how to pull reports that will help monitor the HIV commodities supply chain. The BIOS project management team drafted key performance indicators to help define a baseline and monitor BIOS's impact.

Challenges:

1. PSP has maximized its current warehouse capacity, jeopardizing storage space for medicines procured by SCMS. This warehouse capacity issue was caused by PSP's increased procurement for the essential medicines program, whose medicines are competing for space with those of the HIV/AIDS program. SCMS has discussed the issue with PSP and the Mission and is strategizing solutions.
2. The process of reforming PSP has started and will affect how SCMS implements projects related to capacity building and investments at PSP. Though these reforms will provide opportunity for SCMS to contribute, projects in the pipeline must wait to be pursued until there is more clarification, as the reform process continues, on the future structure of central medical stores.
3. In addition to the warehouse capacity constraints PSP's limited transport capacity has delayed distribution of HIV/AIDS commodities by up to one month and, to some extent, contributed to stockout situations at the site level. Recent supervision confirmed that ART sites experiencing stockouts and sites that have placed emergency orders did not receive orders on time because of the transport limitations. PSP senior management, PEPFAR and GFATM are aware of the situation, and the GFATM Portfolio Manager authorized their three principal recipients (PRs) for the HIV program, TB program and malaria program to fund the outsourced distribution at PSP. USAID requested that SCMS provide an STTA to PSP and the three PRs to review and issue the request for proposal and train PSP and the PRs on contract management.

Ethiopia

Emergency Orders/Stockouts: In May, emergency orders for 1,712 boxes of 100 tab of Ciprofloxacin 500 mg and 500 boxes of 100 tab of Doxycycline 100 mg (as hyclate).

Key Clients: USAID, CDC, Ethiopia Federal Ministry of Health (FMOH), HIV/AIDS Prevention and Control Office (HAPCO), Ethiopia Health and Nutrition Research Institute (EHNRI), Pharmaceutical Fund and Supply Agency (PFSA), Clinton Health Access Initiative (CHAI), Abt

Associates, Save the Children, SIAPS, Ethiopia Network for HIV/AIDS Treatment, Care and Support (ENHAT-CS), World Food Program (WFP)

STTA: None

Key activities:

1. **Placed emergency orders for 1,712 boxes of 100 tab of Ciprofloxacin 500 mg and 500 boxes of 100 tab of Doxycycline 100 mg (as hyclate)**, primarily due to the inability of an international vendor to supply products that meet the registration requirements of the Food, Medicine, and Health Care Administration Control Authority (FMHACA). As a result, these products were procured from local suppliers who offer products registered by the authority.
2. **Conducted nutrition logistics training for 79 pharmacy staff from 46 ART and/or PMTCT sites where the World Food Program nutrition assessment counseling and support (WFP NACS) program will be implemented.** The training oriented staff on nutrition logistics and managing such products through the IPLS. The WFP NACS program, launched in all regions as of April 2012, is similar to the USAID food-by-prescription program jointly operated by SCMS and Save the Children US.
3. **Conducted a number of integrated pharmaceutical logistics system (IPLS) trainings.** IPLS is a joint initiative of PFSA, SCMS and USAID | DELIVER PROJECT in which stock flow between facility store and facility dispensaries is managed and health commodity consumption is communicated to PFSA branch warehouses to inform periodic refill:
 - Conducted IPLS rollout training for 336 pharmacists, pharmacy technicians and store personnel from health facilities in Southern Nations, Nationalities and Peoples (SNNP), Benishangul Gumuz, Tigray and Amhara regions. The training developed the competence of health facility pharmacy department personnel to properly manage commodities and control inventory. The training also helped redress IPLS knowledge and skill gaps that resulted from IPLS-trained staff turnover at these facilities.
 - Oriented 160 officials from Ormiya, Benishangul Gumuz, Afar, Gambella, SNNP and Tigray regional health bureaus on IPLS, providing the knowledge to improve management ownership in IPLS implementation.
 - Trained 52 zonal and district supply and logistics officers from Benishangul Gumuz region in IPLS supportive supervision, building their capacity to provide IPLS technical assistance and supervise and monitor IPLS implementation at health facilities.
4. **Conducted training on management of laboratory reagents for 142 health professionals from 103 health facilities** in Oromiya, SNNP, Benishangul Gumuz, Somali and Gambella regions and Addis Ababa city administration. The training focused on lab reagents used to conduct available lab testing protocols, quantification of lab reagents and how to use IPLS to report consumption and request refill. The training instilled knowledge and practices in warehousing and distribution for IPLS-focused professionals whose area of expertise is on non-lab pharmaceuticals supply chain management.

Challenges:

1. The customs office responsible for the Djibouti sea port continues to challenge the duty-free status of SCMS imports, arguing that duty-free status is only allowed for HIV/AIDS medicines for which PFSA is the consignee. Accordingly, the customs office is questioning the duty-free

status of non-HIV-medicine products — such as warehouse racks, blood collection sets and food-by-prescription products — and refusing to provide transit permits. Negotiations involving PFSA, the Ministry of Finance and Economic Development, customs, USAID and SCMS were held throughout the quarter. Delivery problems were compounded by space restrictions at PFSA, which limited the deliveries they would accept. SCMS has rented temporary container space in Addis Ababa to hold the delayed containers close to PFSA for prompt delivery as space allows.

Results:

1. Completed the installation of hematology analyzers at 12 health facilities and chemistry machines at four health facilities in Tigray, Amhara and Oromiya regions and Addis Ababa city administration. The facilities have already been supplied with starter stock of lab reagents and will soon start providing lab services.
2. Africa Brain (<http://africabrain.posterous.com/ethiopia-us-raise-roof-on-supply-chain-revolu>) blogged that SCMS, through PEPFAR funding, is playing an important role in Ethiopia's realization of the 2006 Ethiopian pharmaceutical logistics master plan for building 17 warehouses, and in IPLS implementation. The blog quoted Marvin Couldwell, SCMS Country Director, as saying that SCMS supports the distribution of drugs and vaccines to thousands of health facilities and will provide 78 delivery vehicles to the Ethiopian government this year.
3. Integrated distribution of HIV/AIDS, TB and anti-malaria drugs, rapid test kits (RTKs) and family planning products was completed for 661 (38 percent) PFSA/SCMS-served health facilities. This eliminates parallel distribution systems through regional health bureaus and WHO channels.

Guyana

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, Ministry of Health (National AIDS Program, Materials Management Unit, Food and Drug Department, National Public Health Reference Laboratory (NPHRL), Regional Health Services, TB, Malaria, MCH and other projects/programs within MOH), Centers for Disease Control (CDC), National Blood Transfusion Service (NBTS), Catholic Relief Services (CRS)

STTA: Warehousing, program management support

Key activities:

1. **Provided support for the MOH proposal to GF for the Rolling Continuation Channel (RCC) grant, Phase 2**, as requested by the MOH proposal writing committee through the National AIDS Programme Secretariat (NAPS). The proposal addressed MOH considerations for transition of supply chain management activities and an exit strategy, to include a timeline for when and how the principal recipient will manage all areas that SCMS has been supporting, in particular national forecasting and quantification. MOH also requested a detailed plan for how the ARV dispensing tool (ADT) will be sustained and monitored at the facility level to track patient and inventory management, as well as approaches to improving procurement planning.
2. **Held the 6th joint donors' meeting in May**, with the objectives to:

- Establish the long-term resource mobilization requirements for HIV/AIDS commodities for the next five years and identify appropriate funding sources (donor and government).
- Update stakeholders on the status of the new MMU, including a construction update and review of key challenges regarding transfer of operations to the new site.
- Identify key issues and timelines for the progressive transition of management responsibilities for warehousing HIV/AIDS commodities from SCMS to MMU.
- Review sustainable strategic options on warehousing and distribution in the context of reviewing the MMU business plan.

MOH senior leadership and management, the Permanent Secretary of Health, the National AIDS Program Manager and MOH program directors attended the first day. Donors were represented by staff from PEPFAR/Washington, the USAID/Guyana Officer-in-Charge, the PEPFAR Coordinator for Guyana, the HIV Technical Officer, the CDC Country Director and the new two-member Global Fund Geneva team. Due to the Minister of Health's travel, the second day of the meeting was rescheduled to take place upon his return. At this meeting, issues/actions and agreements were submitted to the Minister for feedback and endorsement. An important disclosure was that GF will continue to fund ARVs until 2016, provided that the Phase 2 proposal is approved. However, MOH will need to provide 40 percent equity. GF made it clear that it would not fund adult second-line or pediatric first- and second-line ARVs currently funded by PEPFAR. It was agreed that a transition technical working group (TWG) will be formed to draft a transition plan with defined milestones for all supply chain activities.

3. **Participated in a PEPFAR partners' portfolio meeting focused on sustainability and transition planning.** Attendees included a high-level PEPFAR team, the PEPFAR Guyana Deputy Principle, OGAC, USAID, Department of Defense, CDC headquarter staff and Government of Guyana. There was particular interest in learning how partners are planning to transition key activities. SCMS's presentation addressed funding, current and upcoming activities, our performance against expectations, our contributions to PEPFAR program area goals, financial performance, challenges and the sustainability of our efforts.
4. **In support of the National AIDS Program, completed five-year forecasts for STI and OI medicines** in collaboration with MOH. These forecasts will establish the quantities required for MOH's current submission to Global Fund for the RCC Phase 2 grant application.
5. **Worked with MOH to confirm proposed funding by PEPFAR for HIV/AIDS program activities for the next three to four years.** Also proposed a budget to cover potential funding gaps for other health commodities funded by Global Fund, such as lab commodities. These two critical activities were done in discussion with the NAPS Program Manager, NPHRL Director and Manager, CDC Country Director, CDC Project Coordinator, PAHO HIV Coordinator and MOH. This stakeholder gathering helped confirm the anticipated funding amounts and their corresponding timeframes for allocation.

Challenges:

1. MMU warehouse construction delays will have financial implications, as we will need additional funds to continue to rent the existing warehouse at the FARM location until construction is complete. Delays have been caused by many factors, such as the stoppage of construction work due to MOH's non-payment of the contractor, procurement delays due to vendor non-response and delayed and/or incomplete shipments.

2. Two key technical positions and support staff positions in the MMU have yet to be filled. Not having an established and stable organizational structure can adversely affect MMU performance, as staff can be shifted into different roles for which they are not trained and for which the roles and responsibilities are not defined.

Results:

1. Completed a five-year forecast for NBTS test kits, as requested by NAPS. The proposed blood safety targets for this forecast start with 8,000 units in 2012, with annual increases of 1,000 units thru 2016, for an ultimate target of 12,000 units. The prevalence rates of the various infectious markers were forecast at 1 percent, which reflects current rates. The QA and training assumptions were proposed at 12 percent, in light of improved competencies and current practices at the laboratory. This five-year forecast and the COP 2012 supply plan will help NAPS and MOH review the budget and plan future funding.

Haiti

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, CDC, COAG, MSH/SDSH, CMMB/Sidale (Catholic Medical Mission Board), University of Miami, University of Maryland, GHESKIO, FOSREF, POZ, CDS (Centers for Development and Health), ICC (International Child Care), ITECH, PIH (Partners in Health), FHI/Project CHAMPS (Family Health International), CHAI (Clinton Health Access Initiative), PAHO/PROMESS

STTA: Warehousing and distribution

Key activities:

1. **Collaborated with MOH and USAID on analysis of the national distribution network to support MOH's vision of a unified supply chain for all health commodities.** This was a USAID-funded STTA with USAID|DELIVER PROJECT and Llamasoft. SCMS assisted USAID Haiti and MOH's Direction de la Pharmacie et du Médicament (DPM) in organizing meetings and field visits with key stakeholders in the health commodities sector to discuss optimization of the supply chain and help generate the best, most cost-effective models for national distribution of health commodities.
2. **Provided TA to complement the distribution network study proposed by USAID and to provide the design and layout for the warehouse(s)** that will support the supply chain model selected as a result of the network analysis. Met with the Direction de la Pharmacie et du Médicament/Médecine Traditionnelle (DPM/MT) and major stakeholders to better understand MOH's vision for a single, unified supply chain for all health commodities. Worked with the engineering team of the Ministry's Direction d'Organisation des Services de la Santé (DOSS) to improve the Ministry's prototype for its regional distribution centers (CDAI).
3. **Worked with MOH to assess and operationalize a regional distribution center (CDAI) in Les Cayes in the south department.** The renovation of this CDAI is being implemented in collaboration with the Catholic Medical Mission Board (CMMB). As part of this effort, SCMS

assisted MOH with managing its USAID-donated commodities and ensuring commodity distribution from its current location to designated sites.

4. **Collaborated with MSH's leadership management and sustainability (LMS) project on a joint operational plan** for health system strengthening that will reinforce USAID's strategy to strengthen MOH's capacity to manage the country's health system and provide better access to health care services and medication.

Challenges:

1. Mid-year targets set by CDC and partners/networks have increased for all networks; however, SCMS did not receive the new numbers with enough lead time to adjust supply plans accordingly, resulting in several emergency orders for some products (such as ARVs, tests and the purple tubes for CD4 testing) and the potential for stockouts. SCMS is working with the sites to collect data for procurement and distribution to minimize impact on patient treatment.

Results:

1. The SCMS office successfully moved to its new floor, after having temporarily moved to the warehouse facilities following damages caused by the 2010 earthquake. The new office provides much-needed space and an improved work environment.
2. UNDP granted a three-month extension to SCMS on its current contract, from July 1 through September 30, and is negotiating a new one-year contract, to begin October 1, to provide warehousing and distribution services for HIV/AIDS commodities to Global Fund-supported sites.

Kenya

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, CDC, National AIDS and STI Control Programme (NAS COP), Division of Leprosy, Tuberculosis and Lung Disease (DLTLD), National Blood Transfusion Services (NBTS), Kenya Medical Supplies Agency (KEMSA)

STTA: None

Key activities:

1. **Commenced quarterly distribution for RTKs, CD4, and hematology and chemistry reagents**, which will cover more than 5,000 health facilities and stand-alone voluntary counseling and testing centers for RTKs, and more than 200 provincial and district hospitals for laboratory reagents. More than 2.6 million Determine tests are expected to be distributed this quarter. In efforts to enhance accountability and visibility in the field office's distribution performance, SCMS is piloting a Google-based document-sharing platform, through which the RDC updates actual delivery dates and amounts as they occur. SCMS shares the spreadsheet with USAID and NAS COP, giving them access to real-time information.
2. **Delivered 11,500 reusable MC kits and 11,500 disposal kits to the Nyanza Reproductive Health Society (NRHS) program.** Kenya is successfully implementing a major MC program in the western part of the country, where most communities do not culturally practice male

circumcision. The program is being implemented through two USAID-funded programs: NRHS and the AIDS, Population, and Health Integrated Assistance (APHIA) western program. The target for the two programs is to conduct a total of 200,000 circumcisions by October 2012.

3. **New RTKs are being evaluated for potential change to the national HIV testing algorithm.** The Kenya Medical Research Institute (KEMRI) and National AIDS and STI Control Programme (NASCOP) evaluated five ultra-rapid tests kits to inform MOH on the RTKs to be considered as the HIV testing algorithm to replace current RTKs (Determine, Unigold and long ELISA), which have been in use since 2000. MOH is considering the new kits because they will take only five minutes to display test results, versus up to 20 minutes for the old kits. Of the five kits evaluated, SCMS recommended three for their ease of use, lower cost, minimal waste generation, packaging compactness, longer shelf life and ease of storage (cold storage not required).
4. **Supported an MOH survey on drug-resistant TB.** MOH's Division of Leprosy, Tuberculosis and Lung Disease (DLTLD), with the assistance of PEPFAR, is conducting a survey to establish the actual prevalence of multi-drug-resistant (MDR) TB (the rate is currently estimated at about two percent of the population). Kenya is ranked among the 22 countries that collectively contribute to about 80 percent of the world's TB cases. SCMS has initiated procurement of reagents and equipment worth \$700,000, which will be used for TB treatment.
5. **Piloted non-incineration disposal of medical waste.** Procured 22 autoclaves, six shredders and 28 waste trash cans as part of the pilot project supported by PEPFAR to improve medical waste disposal and limit adverse effects on the environment. Six district hospitals have been identified to participate in this first phase. Based on the pilot outcome, more equipment will be procured for other hospitals. The 22 autoclaves with large volume capacity have arrived in country and will be distributed in July.
6. **Worked with the Kenyan Government, under leadership and support of NASCOP and other stakeholders, to conduct a forecasting and quantification exercise** to guide national procurement planning for HIV/AIDS commodities. SCMS provided information on laboratory procurements and distributions. The exercise will inform policymakers of commodity requirements and resource allocation for the government and donors. The workshop was attended by PEPFAR implementing partners, government representatives and donors (JICA and GF UNICEF).

Challenges:

1. Four facilities reported Determine test kit Lot 36103K100 was giving false positive results. To ensure this was not a widespread quality issue, 20 batches of Determine kits at the RDC were submitted to the National HIV Reference Laboratory for analysis, and three batches were found to give false positive results. Three batches were re-tested at CDC/Atlanta and University of Maryland (UMD) labs and passed. Alere, the manufacturer of Determine kits, has been alerted. A UMD lab specialist traveled to Kenya in June to review National Reference Laboratory operations and identify any operational differences with UMD and CDC/Atlanta testing laboratories to ensure the three labs use one consistent testing and reporting protocol. A decision will also be made regarding how to move forward with kits that failed local QA testing. With some kits in question due to expire in the next few months, the team is taking quick action to resolve this issue.

2. FY12 quantification provided to SCMS by USAID/Kenya was \$26,816,514; however, the actual funding allocated was \$17,121,088. SCMS has still not received a revised quantification from USAID/Kenya reflecting the lower values. This inhibits SCMS procurement planning; without a clear picture of which commodities should be reduced, procurements could potentially lead to wastage.

Results:

1. Expanding viral load testing to three more laboratories. Currently, only five laboratories are offering viral load testing to cover the whole country. The MOH laboratory technical working group, comprised of the National HIV Reference Lab, NASCOP, USAID, CDC and SCMS, evaluated four additional laboratories — Microbiology Laboratory of the University of Nairobi, Nyumbani Children’s Home Lab, the Dream Centre and the AMREF Laboratory.
2. Procured and delivered 60 ultrasound machines, our first such procurement in Kenya. These machines will be used at ante-natal clinics, hospitals and training institutions to help strengthen PMTCT services.

Latin America

El Salvador

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, Salvadoran Ministry of Health

STTA: None

Guatemala

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, Guatemalan Ministry of Health, AIDS, Tuberculosis and Malaria programs

STTA: Management information systems, warehousing and distribution

Honduras

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, Honduran Health Secretariat

STTA: Supply chain assessment, service delivery, quantification

Panama

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, Panamanian Health Secretariat

STTA: None

Key activities:

Guatemala:

1. **Developed a warehouse good practices checklist to assess compliance with these practices.** This checklist will be used as a standard tool within MOH. The tool was validated by stakeholders (the health supervision and administrative units, the reproductive health, malaria, and HIV programs, and hospital representatives) at the central level.

Honduras:

1. **Concluded storage assessment in STI/HIV/AIDS strategy-prioritized regional and departmental hospitals.** Completed site visits to the Atlántida and Tegucigalpa health regions with trained staff participants from central medical stores (Almacén Central de Medicamentos or ACM). This supervisory assessment reinforced the strategic capacity building and skills transfer from the lessons learned during the ACM renovation process.
2. **In coordination with Honduran HIV/AIDS Department pharmacists, conducted supportive supervision visits** to Centro de Atención Integral (CAI) HIV/AIDS treatment centers. Assessed data quality and verified reporting timeliness.
3. **Gathered HIV RTK information needed for the June national quantification exercise,** including past consumption, morbidity patterns (including scaling-up patterns), proxy consumption and costs.
4. **Conducted HIV RTK quantification and forecast training** to develop an RTK quantification database and supply plan for 2013. Trained 23 Health Secretariat (SESAL) staff in a standardized methodology to quantify the national RTK needs.

Nicaragua:

1. **Provided strategic planning and technical warehouse assistance to CMS and MOH.**

Challenges:

Nicaragua:

1. Nicaraguan President Daniel Ortega has announced his intention to remove USAID and its projects from the country, contributing to an overall volatile political environment for SCMS. A final decision is expected by the end of July regarding the future of USAID in Nicaragua.
2. SCMS and the Ministry of Health have had continued disagreements regarding warehouse renovation technical assistance, causing continued delay of project activities. MOH fails to recognize the value of SCMS technical assistance, creates obstacles and seeks to utilize the project resources without regard to technical recommendations regarding warehouse renovation. The project will continue to work closely with the COR Team, SCMS/Nicaragua and the regional USAID office in Guatemala.

Mozambique

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, CDC, CMAM (central medical stores), Laboratory Section DNAM/MISAU (MOH), Department of Planning and Cooperation (MOH), National Blood Bank Program (NBBP)

STTA: LMIS (MACS)

Key activities:

1. **Assisted the MOH ARV treatment committee with updating the ART national treatment guidelines through 2015.** SCMS participated in a meeting of clinicians reviewing ART protocols through 2015, examining factors influencing the supply chain and budget, including goals to scale up to 80 percent of eligible patients on ART (“universal coverage”), moving from AZT/3TC/NVP to TDF/3TC/EFV as the first-line treatment, and moving to PMTCT “Option B+,” in which pregnant women are immediately initiated on ART. The medicines technical group (GTM) and USG team continue to discuss how best to respond to these factors and subsequent policy changes. Because of the large funding gap for implementing these policy changes, particularly given the lack of GFATM funding, the USG commodity group sent a request from the US Ambassador to OGAC for advice on how to proceed.
2. **Drafted a Global Fund Round 9 Year 1 and 2 proposal for CD4 reagent procurement.** Given current GFATM requirements to demonstrate that donated goods have been consumed in laboratories, the Clinical Lab Section (SLC) and SCMS produced a proposal to procure CD4 reagents for both conventional CD4 (FACSCount and FACSCalibur) and point-of-care testing (POCT) CD4 (using Pima). By focusing GFATM funding on CD4 for non-PEPFAR-supported labs, PEPFAR funding can be used to procure reagents and consumables for other areas in which the GFATM’s more rigorous data requirements cannot be met.
3. **Continued to work with MOH and partners to roll out and expand CD4 testing using Pima point-of-care testing (POCT) devices.** SCMS support included quantifying needs, procurement planning, data collection and training site staff on reordering to ensure resupply. By providing testing at points of care, the devices extend the reach of the lab system and provide clinicians and patients with more immediate results, relieving labs of work that can be shifted to ART sites. We completed training in two provinces and will train additional provinces in coming months.
4. **Initiated annual quantification exercises for commodity sub-groups established by the medicines technical group.** Worked with the essential medicines sub-group, which quantifies needs for all essential medicines, and with the ARV sub-group. The ARV quantification includes increased demand for ARVs due to recent policy changes that call for using Tenofovir in first-line regimens, using ART for all pregnant women and providing universal access. For labs, we completed a PEPFAR-supported lab gap analysis through 2015 and updated the supply plan through September 2013, in time to include in the request to GFATM for a funds disbursement under Round 9 for CD4 reagents.
5. **Prepared a price quotation for TB medicines.** USG asked SCMS about our ability to procure TB medicines on an emergency basis due to delays in shipments from other sources. Although SCMS’s research shows that it will be impossible to meet an August arrival date, we nonetheless prepared a PQ for a realistic expectation and cost.

Challenges:

1. CMAM has identified theft as a concern. During a physical inventory in the Zimpeto central warehouse, 15 boxes of malaria medicines (Coartem 4x6 blister packs) were found to be unaccounted for. This medicine was consequently added to the list of products undergoing daily stock counts in the perpetual inventory. An additional two boxes were subsequently identified as unaccounted for. CMAM requested SCMS assistance in increasing security, including providing additional fencing, considering installation of biometric lock systems and adding more security

cameras. CMAM also engaged a security firm to investigate further. Several arrests were made, but those arrested were released. Concerns about theft have been raised with senior Ministry officials, and we continue to work with CMAM to prevent it, both through improved physical measures such as fencing and through improved security processes, particularly those that can be implemented through the MACS warehouse management software.

Results:

1. Developed the GFATM Round 9 Phase 1 procurement and supply management (PSM) plan. Funding from Global Fund, under Round 9, is once again moving forward, following extensive effort by MOH and its partners, including SCMS, to build GFATM's confidence that progress is being made to better account for the use of funding, including an increased emphasis on collecting consumption data for ARVs and malaria medicines. As a consequence, we worked on a routine disbursement request through the PSM process for ARVs, using the recently completed ARV quantification.
2. During the annual National Coordination Consultation (Conselho Coordenador), the Minister of Health announced his support for the use of SIMAM, which collects data from provinces at the central level and generates reporting and ordering forms. SCMS developed this tool and rolled it out in 2011 to all provinces, but it was never officially accepted by MOH. Over the past year, our MOH colleagues have started using the tool and are now very interested in ensuring data is entered. Recently, the Director of CMAM expressed support for the tool. The Minister of Health's announcement at the national meeting with provincial directors shows high-level commitment to data collection.
3. Quarterly distribution planning continues to improve, and this quarter's planning for essential medicines was done more quickly than in previous quarters, within four weeks of the receipt of provincial-level reports. Three factors have helped make the process faster: CMAM has an additional staff member on the distribution team, SCMS and USAID | DELIVER PROJECT staff were on hand to assist and the JSI-created tool and process for distribution planning was improved. CMAM has a goal in its performance-based financing plan with USAID to improve distribution turnaround time, and this quarter's results indicate that CMAM is moving ever closer to meeting that target.
4. Installed MACS at the Beira central warehouse, updated MACS at the Zimpeto warehouse and upgraded MACS at the Adil warehouse to include additional modules related to becoming a full central-level warehouse. As a result, monitoring of the central-level warehouses should be more transparent and in keeping with SOPs, and CMAM managers will have easier access to the three databases.
5. Built capacity of the National Health Institute (INS) in procurement. At CDC's request, provided two of three planned sessions on procurement to INS. INS receives PEPFAR support to implement epidemiological and other surveys, among them a survey of HIV and syphilis in pregnant women. For that survey, SCMS has already initiated procurement, but it is hoped that through building its capacity to procure under USG regulations, INS will be able to procure with funding directly provided by USG.

Namibia

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: Ministry of Health and Social Services (MoHSS)/Tertiary Healthcare and Clinical Support Services Division/Pharmaceutical Services Sub-Division/Central Medical Stores, MoHSS/Regional Medical Stores, MoHSS/Primary Health Care Division/Community-Based Health Care Unit and Food and Nutrition Unit, Namibia Institute of Pathology (NIP), VCT partners (IntraHealth)

STTA: Warehousing and distribution

Key activities:

1. **Followed up with MoHSS and the vendor (Curechem) about installation of the SCMS-supported health care waste incinerator.** After supporting the incinerator's procurement and delivery, SCMS continued follow-up meetings with MoHSS to address transport and logistics issues and with Curechem to pave the way forward for installation of the incinerator at the Katutura Intermediate Hospital (KIH). As a result of these meetings, MoHSS has appointed an engineering firm (Bicon) to oversee civil, structural and electric works associated with installation. In June, we worked with KIH to gather data on expenditures incurred and revenues generated by the current incinerator to estimate the financial viability of operating the new incinerator. The financial projections will help MoHSS determine the feasibility of outsourcing operation of the new incinerator to the private sector.
2. **Provided technical assistance to MoHSS on designing the proposed new CMS building in Windhoek.** A warehousing expert advised MoHSS on optimal building size, design, layout, process flows, material handling equipment, and use of energy- and cost-saving building technologies in line with international pharmaceutical warehousing best practices. Submitted the consultant's draft technical report to MoHSS in June after receiving MoHSS input.
3. **Provided technical assistance to NIP in defining the scope of work for bar-coding NIP's inventory control operations.** Worked to develop and finalize an SOW for engaging a software company to implement bar-coding. After discussing the SOW with NIP management and the warehouse manager, it was revised and will be finalized in July.

Challenges:

1. The slow pace of construction of the incinerator chimney at the Katutura Intermediate Hospital continues, further delaying the arrival of the engineer from the equipment manufacturer in India. SCMS continues to follow up with MoHSS to ensure that the civil works associated with incinerator installation are completed without undue delay.

Results:

1. Successfully supported the transition of operational costs for a fleet management system to the MoHSS budget. SCMS has been paying the monthly operational costs (including data transmission costs) for vehicle tracking units and a fleet management system that we procured and installed in 2010. This system provides real-time location status of CMS delivery vehicles and helps enhance efficiency of CMS distribution and security of goods in transit. Through SCMS advocacy, this expense has now been assumed by MOHSS. A technical report highlighting the capability of the system and its benefits to CMS is being finalized.

2. With support from USAID/Namibia, SCMS successfully advocated for the transitioning of the five technical staff who are currently on SCMS budget to MoHSS payroll. A letter from the Office of the Permanent Secretary of MoHSS has been sent to the Division of Pharmaceutical Services of the Ministry to initiate the process of absorbing the seconded staff.

Nigeria

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, DOD, CDC, CIHP, IHVN, FHI SIDHAS, HARVARD, APIN +, CRS/AR, CHAN/NiCAB, Jhpeigo/ZAIHAP, the Federal Ministry of Health (FMOH), National AIDS and STI Control Program (NASCP) and Food and Drug Services (FDS), National Agency for the Control of AIDS (NACA), National Blood Transfusion Service (NBTS), Pathfinder, PFD, URC, FGH, ANHi, EFMC, SHT

STTA: Distribution, curriculum development and harmonization, performance management training

Key activities:

1. **At USAID's request, supported NACA in determining drug requirements for the PMTCT program** to be implemented by NACA at primary health care clinics, using relevant data provided by the sub-recipients (SRs). Even though most SRs have activated the PMTCT sites, treatment services haven't begun because of NACA's inability to procure the required drugs. With SCMS support, the drug requirements would be finalized and provided through the UNITAID PMTCT drug donations.
2. **At USG's request, collaborated with the Cazneau Group to hold a public-private partnership (PPP) workshop about supply chain solutions**, which was attended by 51 participants representing 28 organizations (public, private, for-profit and not-for-profit). This workshop was part of an effort to support OGAC's plan to explore PPP options in warehousing and distribution. The effort will further support the USG sustainability plan to ensure business continuity in public health commodity security. Through the workshop, four opportunities were identified, two each for warehousing and distribution.
3. **Conducted a performance management course in Lagos, Nigeria.** Of the 21 participants in the course, 11 were from GON, both federal and state level. Attendees also included development partners and key SCMS staff. The course aimed to equip participants with the knowledge and tools to develop and implement performance management systems that will improve the efficiency of intervention activities and help attain organizational/project goals and objectives. Participants developed a performance development plan to be implemented in their respective organizations.
4. **Supported the USG logistics technical working group (LTWG) in organizing a meeting of the Chiefs of Party (COPs) of PEPFAR implementing partners in Nigeria**, to build COP support and agree on plans for the supply chain unification pilot scheduled to begin in July in five southern states. Key issues discussed were the background and rationale for the supply chain unification pilot, roles and responsibilities of each partner and key performance indicators

(all of which had been previously discussed and fine-tuned with the IPs' supply chain personnel). The meeting allowed COPs to provide feedback and the LTWG to address concerns raised.

5. **Conducted PEPFAR-wide quantification of RTKs for FY13** based on the targets for FY12 and FY13. This will provide information for USG to use in budgeting decisions.
6. **Developed a roadmap for the pre-service training initiative with input from key stakeholders.** This was a follow-up to the sensitization meeting held in May on pre-service training with heads of selected schools of pharmacy. The schools were requested to nominate faculty members who will work with SCMS to drive the initiative. This activity was the first step toward institutionalizing supply chain management in the training of health professionals so they are equipped with essential skills upon graduation. The initiative ultimately aims to address human resources gaps being experienced in supply chain management operations.
7. **Held an HIV/AIDS supply chain unification pilot steering committee meeting** involving GON, SCMS and IPs. Participants discussed the follow-up actions from the May monitoring and supervisory visits and other supply chain issues affecting the unification pilot. It was resolved that there is a need to take MOH and the state action committee on HIV/AIDS on subsequent visits. The follow-up actions discussed will ensure that the gaps identified in the sites visited will be addressed.

Challenges:

1. Late submission of reports by IPs and incomplete reports from some sites prevented the timely aggregation of ARV/OI LMIS data, which is used to update the supply plan, place orders and inform resupply of commodities to the IPs. The IPs' logisticians were contacted to ensure that the reports would be submitted without further delay.
2. Delay in submitting the draft options report by various groups working on developing the national medicines and health commodity logistics (NMHCL) master plan is slowing the development process. New members have been drafted into the groups to re-energize them.

Results:

1. The field office placed the first order for CD4 pooled procurement, worth \$2 million. This is a direct outcome of the CD4 quantification workshop facilitated by SCMS in April.
2. The Minister of Health finally approved the proposed warehousing upgrade planned for CMS Oshodi, funded by USG with technical assistance from SCMS. In addition, the Minister approved MOH providing funds to construct the loading and unloading bay at the CMS as its own contribution as documented in the proposal (since USAID funds cannot be used for that activity).
3. A harmonized curriculum for training personnel on logistics management of HIV/AIDS commodities, based on the GON-approved LMIS SOP, is now available for use by all HIV/AIDS programs. The curriculum was finalized with the active participation of all stakeholders. A TOT on using the curriculum is scheduled for July, with site-level rollout planned tentatively for early August to late September.

Rwanda

Emergency Orders/Stockouts: Numerous emergency orders placed, including:

- ARVs — Lamivudine/Zidovudine 150/300 tablet; Abacavir 300 mg tablets.

- OIs — Cotrimaxozole 960 mg tablet; Cotrimaxozole 480 mg tablet.
- Laboratory supplies — EDTA tubes; blood collection needles.

Stockouts of the following: Cotrimoxazole 960, Dapsone 100 mg, Lamivudine syrup 20 mg/ml, Lamivudine tablet 300 mg, EDTA tubes, Vacutainer needles G21.

For ARVs and OIs, delays in the 2011 and 2012 joint tender and procurements led to stockout at MPD. For EDTA tubes, despite purchase orders submitted to local vendors, the vendors were not able to deliver the goods as agreed.

Key Clients: RBC (Medical Procurement and Distribution Division [MPD], National Reference Laboratory [NRL] Division, HIV Division), Pharmacy Task Force (PTF)/MOH, MOD, Global Fund, PEPFAR Implementing Partners (FHI360, ICAP, EGPAF, Intrahealth, CRS, Drew University), CDC, USAID

STTA: Procurement

Key activities:

1. **Supported MPD in developing a revised approach for joint tendering/procurement mechanisms** to address delays stemming from lengthy processing. The revised approach will shorten the tender process and present greater opportunities for harmonizing Federal Acquisition Regulations (FAR) and USG-inspired standards and regulations with GOR standards and regulations of procurement. Outputs of this TA were SOPs and working instructions for joint tendering practices; an ownership and coaching/mentorship action plan to implement the SOPs and working instructions; and a process map for ensuring adoption of new processes.
2. **The SCMS and MOH HIV and lab team updated the HIV commodity procurement plans** with the most recent consumption information from ART sites, shipment status and stock on hand at central and peripheral levels. The team reviewed procurement plans for 2012 and 2013 and made adjustments to maintain stock levels between the pre-defined maximum and minimum levels throughout the period. SCMS recommended that the coordinated procurement and distribution system (CPDS) team strictly follow these revised procurements for all shipments. All shipments planned through December 2012 will be made via direct procurement through SCMS and will not be procured under the revised joint tender process.
3. **PEPFAR funded direct procurement of ARVs, OI drugs and laboratory commodities** to mitigate the delayed and lengthy joint tender. MPD requested that SCMS proceed with the procurement of all planned shipments through December 2102, and approved PQs. Also worked with MPD to finalize the joint tender documents as per the work instruction (developed in April) to ensure compliance with FAR, quality assurance standards, source eligibility requirements and procurement best practices. The joint tender was issued in mid-June.
4. **Worked with MPD to develop a restructured staffing plan for its procurement unit** to strengthen its procurement processes. Together we defined the responsibilities of the procurement unit, required staff numbers and their profiles, the organizational and reporting structure, and proposed staff duties and responsibilities within the organizational structure.
5. **Developed a contract negotiation framework and action plan to support the Government of Rwanda's negotiations with the eLMIS vendor.** This plan included sending an invitation letter to the vendor, setting up a negotiation team, developing a framework for conducting the

negotiation and leveraging a contract format from the World Bank to develop an eLMIS draft contract.

6. **MOH approved the eLMIS contract.** SCMS completed contract negotiations, developed a final contract and participated in contract review with the Rwanda Development Board (RDB). We raised issues regarding defining an exit or continuation strategy after the three-year licensing period and developing a mitigation strategy to address concerns raised by RDB in the contract. The Minister of Health approved contract execution, and the vendor (One Network) will be in country by mid-July to start the project kickoff planning process in collaboration with all stakeholders.

Challenges:

1. Because of delays in processing 2011 tenders for the 10th CPDS, some shipments needed before end of September 2012 would not have been received in time through the normal procurement method (i.e., joint tender between SCMS and MPD). The CPDS implementation committee advised SCMS and MPD to separately tender for these commodities. In collaboration with MPD, SCMS revised the tender procurement process — in addition to separate processing of 10th CPDS tenders for commodities needed before end of September, all products in this category whose first shipment was previously assigned to MOH/SPIU were assigned to SCMS, leveraging the quick turnaround of SCMS procurements. This revised tender process was applied to the rest of the 10th CPDS commodities.
2. Difficulty is being experienced in availing a minimum six months of stock nationwide for ARVs and OI drugs because such large quantities of commodities are not immediately available through vendors or the RDC and cannot be shipped by air due to the weight and freight costs. The national program is constantly running below its minimum safety stock (three months) for a number of commodities. Emergency orders have been placed regularly to maintain an adequate stock level at MPD. With the help of emergency orders and improved lead times negotiated with vendors and the RDC, stock levels will likely be back to normal by the end of August.

South Africa

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, National Department of Health (NDOH), South African National Defence Force (SANDF), CDC, Phidisa (Program within SANDF)

STTA: None

Key activities:

1. **Initiated an assessment project at the Gauteng provincial depot** in response to an urgent request for assistance from the Gauteng provincial authority to improve depot operations and performance. The project initiated with a meeting attended by all depot supervisors and managers, along with SCMS and Department of the Treasury representatives. In the first two weeks of the assessment, a team of consultants conducted interviews, surveys and process exercises with members of each depot department. This data collection will inform a final report and recommendations based on assessment findings.

2. **Attended discussions to initiate pooled procurement for PEPFAR IPs.** SCMS co-facilitated and presented the results of the ARV Bridging Assistance program to illustrate the benefits and best practices of pooled procurement. Representatives of USAID, CDC and IPs participated, with discussion focused on IPs' current procurement activities, prospects for continuing to increase the number of patients on government-supplied drugs and the unique challenges around third-line ART and buffer stock procurements. The conclusions of the pooled procurement meeting illustrated the complexity of the procurement environment for PEPFAR IPs. Procurement of third-line regimens and the unpredictability of the need for buffer stock will increase the difficulty of driving price savings through pooled procurement. SCMS is formulating a strategy that responds to the current environment.
3. **Created a plan with the South African Catholic Bishops' Conference (SACBC) to avert impending stockouts** in June at six sites serving 3,800 ART patients. SACBC shared its current model of outsourcing procurement, dispensing and distribution of ART for these sites and described the ordering process. SCMS worked with USAID to formulate a mechanism to continue the model in the immediate term. We are working to identify a long-term solution to stockouts while this temporary solution is in place.
4. **Collaborated with Scriptworks (wholesaler) and SACBC to define the process for delivery of patient-ready ARV packs** to six sites for four months. ARVs are procured and prepared by the wholesaler each week according to patient scripts (prescriptions) and delivered to the sites on weeks patients are scheduled to collect their medicine. USAID requested that SCMS fund the contract to cover a four-month funding gap (CDC previously funded this activity) and avoid a break in continual provision of medicines to patients. It is expected that this short-term contract will continue through next year.
5. **NDOH approved the Limpopo provincial depot assessment proposal.** A task force comprising technical advisors from NDOH and from three USAID/PEPFAR-supported programs — SCMS, Systems for Improved Access to Pharmaceuticals and Services (SIAPS) and Foundation for Professional Development (FPD) — developed a proposal to assist NDOH in the following areas:
 - Conduct an assessment of the stock situation and consumption patterns in the province, with focus on 43 hospitals and one sample district (Mopani).
 - Support the development and implementation of a Provincial Medical Procurement Unit (PMPU) under the aegis of the Central Procurement Unit (CPU).
 - Ensure depot stabilization.
 - Strengthen medicines supply management at the facility level.
 - Promote rational use of medicines.

The proposal was submitted to NDOH and approved. The three-week assessment will begin at the end of July.

Results:

1. Presented the Bridging Assistance Fund report and executive overview documenting the lessons and legacy of the initiative to the USAID Mission for approval to post on the SCMS website.
2. Completed a four-week assessment of Gauteng depot operations. Data analysis and detailed process mapping have identified major constraints that require re-engineering to enable process improvement for the depot to achieve its desired service levels. Presented recommendations for approval to MOH and the Mission for implementing a capacity strengthening program. Gauteng

manages about 30 percent of all ARVs in South Africa, so improved operations at this depot could have significant impact on South Africa's HIV/AIDS program.

Swaziland

Emergency Orders/Stockouts: In June, Central and SDP-level stockout of Amoxicillin/Clavulanic acid 875 mg/125 mg, as all existing stock expired May 31, 2012. Incoming shipment was delayed by lack of visibility in arrival and newly imposed import permits, which further delayed clearance. Unable to stock sites for more than seven days, SCMS worked with PSI to bridge this gap.

Key Clients: USAID, MOH, CDC, Jhpiego, JSI, MSH, PSI, National Reference Laboratory (NRL), Family Life Association Swaziland (FLAS), The Luke Commission (TLC)

STTA: Quality assurance

Key activities:

1. **Planned for transition of SCMS activities to PSI, scheduled for end of September 2012.**
SCMS met with PSI senior management to discuss handover of supply chain activities, including forecasting, quantification, procurement, warehousing, distribution, LMIS, site operations, human resources and MC program waste management. A collaborative effort is underway to develop a comprehensive workplan that details timing of activities, trainings, SOPs and other critical components necessary for a successful handover.

Challenges:

1. In planning for transition of SCMS activities to PSI, SCMS has continued to emphasize the need for early planning and transition of supply chain activities to PSI. Handover discussions are still underway, but SCMS is concerned that concrete steps have not yet been taken within the existing short planning horizon. With three months left, we are seeing limited traction and worry about having enough time to put contracts and agreements in place to avoid disruption of MC services. Unfortunately, the onus of the transition is on PSI, and other than making ourselves available, it is not a process we can heavily dictate.
2. Challenges continue with the customs clearing agent, and we continue to face barriers to visibility of commodities upon arrival in country. Faced with imminent stockout of Amoxicillin, SCMS communicated the urgency of getting the goods cleared quickly and delivered in country three weeks prior to their arrival. The F&L team also took action to immediately locate the shipment and get it cleared as quickly as possible. We are awaiting the shipment to clear and working with partner organizations to bridge the current gap.

Results:

1. Detailed planning ensured successful rollout of the April/May back-to-school (BTS) campaign, a two-week initiative aiming for 3,100 male circumcisions. After stocking six new sites and re-supplying the nine permanent and outreach sites, the campaign took off the last week of April without any supply-side delays. The campaign's first week surged with healthy numbers in regard to predetermined targets for school-aged boys. In addition, all sites passed QA checks led by the MOH and Jhpiego, and all minor QA issues were resolved in less than 24 hours.

2. A multi-partner evaluation of the BTS campaign was held two weeks after the campaign's completion to discuss original plans, successes, challenges and suggestions for the next BTS. SCMS presented on supplies and logistics and notably remarked on strong collaboration among partners, delivery of supplies as planned, flexibility to changing plans and ability to resolve any supply-side issues within a 24-hour period. SCMS worked with Jhpiego, PSI and FLAS clinical teams to close down operations at two BTS sites and two outreach sites, and kept open six sites for June for outreach.
3. After a number of legal, contractual and administrative delays in the reconstruction of the Mbabane Government Hospital (MGH) incinerator house, it was finished in late April and an SA Incinerator Company (SAIC) representative trained MGH staff on incinerator operations.
4. Throughout the quarter, ensured uninterrupted supply of MC commodities to six sites through a simple push system, whereby the central-level warehouse issues the supplies and determines quantities based on monthly site consumption data.

Tanzania

Emergency Orders/ Stockouts: No stockouts reported.

Key Clients: Ministry of Health and Social Welfare (MOHSW), Zanzibar Ministry of Health (ZMOH), National AIDS Control Program (NACP), Medical Stores Department (MSD), US Agency for International Development (USAID), PEPFAR Implementing Partners, Tanzania Food and Drug Authority (TFDA)

STTA: ERP implementation, warehousing and distribution, laboratory, quality assurance

Key activities:

1. **In collaboration with USAID | DELIVER PROJECT, conducted a three-year national forecast and supply plan for ARVs, HIV test kits, and malaria, family planning and reproductive health care commodities in Zanzibar**, following a request from the Zanzibar Ministry of Health (ZMOH) to address an identified gap in information for funding and procurement quantities due to unavailability of concrete information on national requirements. In addition to making available information on quantities required for the next three years, focal persons identified by ZMOH attained skills in conducting quantification and pipeline monitoring. These initiatives support ZMOH in strengthening overall supply chain management of health commodities in Zanzibar through an SCMS and USAID | DELIVER PROJECT integrated approach.
2. **Responded to an urgent MOHSW request received in April by revising the supply plans for ARVs and laboratory supplies and reagents for three years beginning 2012.** This followed a GF query about country requirements resulting from MOHSW's submission of estimates for a costed GF Round 8 Phase 2 Year 1 extension to fast-track release of GF funding. These efforts — involving NACP, the Tanzania Commission for AIDS (TACAIDS) and the USAID Commodity Advisor — aimed to avert a potential ARV stockout.
3. **Trained 201 staff from laboratories in five regions, including Moshi, Mbeya and Tanga regions, on the laboratory logistics system** as part of the system's nationwide rollout. This training brings the cumulative number trained countrywide to 367 laboratory staff. The new

system has been rolled out to all except one region. Implementation of the system will improve lab commodity data quality, support central-level decision making and ensure availability of lab supplies.

4. **Collaborated with the Tanzania Food and Drug Authority (TFDA) in conducting a sensitization workshop on regulatory requirements for pharmaceutical manufactures, importers and wholesalers.** This workshop, facilitated by SCMS and a WHO technical expert, brought together pharmaceutical wholesalers and manufacturers and FDA authorities from the East African Community, including Tanzania, Kenya and Uganda. This activity is believed to have set the pace for harmonization of medical regulatory systems, a move that would help check the quality and standards of medical products manufactured, imported and circulated in the region. Some 45 participants from the pharmaceutical manufacturing and distribution industry benefited from this capacity-building workshop.

Challenge:

1. Although MSD's Epicor 9 ERP system is ready to go live as planned on July 2, the actual go-live date has been postponed to July 16 due to MSD's delay in completing its annual stock-taking activity. This stock take directly impacts data cleansing and migration, as inventory and customer account data need to be reconciled as part of MSD's fiscal year end in June. The process of reconciliation is expected to take about two weeks from July 2, so data cannot be migrated into Epicor 9 until July 14. In addition, the new functionality afforded by Epicor 9 includes details about product location by pallet and by carton, enabling much greater inventory control. However, operationalizing this functionality requires labeling over 650,000 cartons in stock, which requires a significant level of effort to print and attach the labels in every warehouse. This will be done concurrently with data cleansing through July 14.

Results:

1. Concluded the first phase of technical assistance to MOHSW's Procurement Management Unit (PMU), started in October 2009. Among other activities, this TA was concluded by development of an operational manual that will guide the implementation of PMU activities. SCMS also provided inputs for developing MOHSW's procurement plan, which is to be presented in the ongoing government budget session, thus streamlining PMU's procurement activities in the upcoming GOT fiscal year. We also provided hands-on practical training to PMU staff involved in procurement processing. Our support will help PMU fast-track and streamline its procurement processes through procurement of goods of an acceptable quality in transparent processes.
2. Fast-tracked delivery and clearance of 7,000 Determine kits of 100 tests each worth more than \$600,000, procured as an emergency order to replace the defective SD Bioline kits. SCMS facilitated distribution of these kits to 47 sites supported by PEPFAR IPs. This was crucial to ensure continuation of key testing and counseling interventions implemented by the IPs. SCMS is working with GOT to secure additional funds to procure more test kits, which will bring the national stock level to the required level.

3. Handed over the state-of-the-art prefabricated warehouse-in-a-box (WIB) facility in Keko (MSD Central) at a formal ceremony in Dar es Salaam. This is the first of three planned WIB facilities. The other two warehouses are under construction in Dodoma and Mbeya and are due to open later this year. With a size of 4,282 square meters, this new facility will greatly expand storage space and replace rented warehouse facilities, thus saving GOT funds. The WIBs feature fully modern technology, including CCTV for security. Equally important, SCMS has been training MSD staff in warehouse management so they are fully prepared to use the new facilities to their greatest benefit. This milestone highlights SCMS's efforts to provide sustainable solutions to GOT.



Keith Hummel of USAID hands over a plaque of the new Keko WIB facility to Joseph Mgaya, Director General of MSD. On the right is a side view of the completed WIB.

Uganda

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: Uganda Ministry of Health, National Drug Authority (NDA), Inter-Religious Council of Uganda, Joint Clinical Research Centre (JCRC), Joint Medical Stores (JMS), National Medical Stores (NMS), Northern Uganda Malaria, Tuberculosis and AIDS Program, Uganda Peoples Defense Force/Department of Defense, Makerere University/Walter Reed Project, Strengthening TB and HIV&AIDS Responses in East, East Central and South West Uganda Programs, Strengthening Uganda's Systems for Treating AIDS Nationally (SUSTAIN), Baylor Uganda Children's Centre of Excellence

STTA: None

Key activities:

1. **In April, placed an order for 92,860 sterile MC kits for USAID implementing partners.** USAID approved the price quotations worth \$1,349,840, and the shipments for delivery May to July 2012.
2. **Processed NDA verification documents and importation waivers for part of the MOH ARV emergency commodity fund order for commodities worth over \$4 million.** These waiver documents were for adult first-line and second-line formulations. SCMS escalated this

order to avert a central-level stockout at NMS due to delay in delivery of ARVs ordered through Quality Chemicals Uganda and Global Fund ARVs for Round 7 Phase 2.

3. **Continued processing NDA verification documents and importation waivers for USAID-supported implementing partners' consolidated ARV order for commodities worth \$412,953.** These waiver documents were for adult first-line formulations. National stock levels of Nevirapine 200 mg and Efavirenz 600 mg are low, hence the need to escalate SCMS orders to provide buffers at MOH and PEPFAR-supported sites. This will facilitate timely delivery of medicines to JMS.
4. **Processed importation waivers for 62,900 sterile MC kits for USAID implementing partners.** The NDA documents were obtained in a timely manner to facilitate delivery of the kits by end of July, as per the approved PQ for 92,860 kits to be delivered by August.

Results:

1. In June, delivered ARV commodities worth \$424,930 as part of the ARV consolidated order for adult first-line formulations for USAID-supported implementing partners.
2. Delivered safe male circumcision kits worth \$508,400 as part of the MC kits consolidated USAID implementing partner order for 92,860 kits.

Vietnam

Emergency Orders/Stockouts: In June, an emergency order for Lamivudine.

Key Clients: Vietnam Administration for AIDS Control (VAAC, within MOH), USAID, Clinton Foundation, Central Pharmaceutical Company #1 (outsourced warehousing/distribution function), National TB Program (NTP)

STTA: None

Key activities:

1. **In support of VAAC's initiative to harmonize distribution nationally, SCMS transitioned from monthly to bi-monthly ARV distribution.** Global Fund also transitioned from quarterly to bi-monthly distribution. SCMS also supports VAAC capacity building for distribution planning by jointly reviewing distribution data with VAAC and finalizing the distribution plan for PEPFAR sites.
2. **Developed a concept paper on comparative supply chain models for USAID.** PEPFAR is using this document as a basis for discussion with MOH and VAAC on transitioning from donor-funded supply chains to a Vietnamese Government-funded supply chain for HIV/AIDS commodities. These discussions are looking at how future HIV/AIDS care and programs will be financed, which will impact the type of supply model the government adopts as it moves away from donor-supported projects.
3. **Worked with Mylan to revise the package insert (PI) for Tenofovir-based fixed-dose combination (TDF FDC).** Held several phone calls with Mylan in India and Vietnam, reviewing several versions of the English and Vietnamese PI to ensure it was translated consistently and met the Drug Administration of Vietnam (DAV) requirements; DAV had rejected the first Mylan PI submission. Because we don't have an approved PI, PEPFAR stock

of TDF FDC that arrived in April is still sitting in the warehouse, and we are placing an emergency order for Lamivudine to cover the increased demand for individual tablet usage during the transition to the Tenofovir-based protocol.

4. **Assessed two potential satellite methadone maintenance therapy (MMT) dispensing sites in Dien Bien, in collaboration with FHI and USAID.** Held discussions with hub clinics and the provincial AIDS committee on two possible distribution and management models. The province preferred a direct central-to-satellite distribution system rather than a hub clinic-to-site model. Remaining issues include identifying human resources at one potential satellite site and assessing the hub clinics' ability to reach the patient load required for opening a satellite site. VAAC will have final approval.
5. **At VAAC's request, reviewed and provided comments on VAAC's latest version of the national ARV management guidelines.** These guidelines outline the roles and responsibilities for commodity management at the central, provincial and site levels for a national ARV commodity system. This document has been in development since 2010.

Challenges:

1. The first shipment of the highly anticipated TDF FDC arrived in Vietnam on April 30. However, DAV has not approved the Vietnamese drug insert, holding up distribution to sites. SCMS worked with Mylan (the TDF FDC manufacturer), DAV and VAAC to resolve this issue so the product can be distributed.

Zambia

Emergency Orders/Stockouts: Central-level stockout of BD FACSCalibur Trucount controls and ABX Pentra reagents Basolyse and Eosinofix. Trucount controls were received with a low shelf life, while ABX Basolyse and Eosinofix were stocked out because the commodities expired as a result of low facility usage due to unexpected broken-down equipment. We are expecting shipments for these products to arrive in country by mid-July.

Key Clients: USAID, CDC, CHAI, UNDP, Ministry of Health (MOH), Chest and Infectious Diseases Research in Zambia (CIDRZ), Zambian HIV/AIDS Prevention, Care and Treatment (ZPCT II) Project, Elizabeth Glaser Pediatric AIDS Foundation (EGPAF), Boston University, Churches Health Associations in Zambia (CHAZ), Medical Stores Limited (MSL), NGOs

STTA: None

Key activities:

1. **Completed the first quarterly review of the laboratory commodities annual quantification in April.** This meeting identified a funding gap of \$4.6 million in supporting diagnostic scale-up. USG's contribution using COP11 with early release funding from COP12 will fund about 66 percent of national laboratory commodities. Global Fund allocations to UNDP, via Rounds 8 and 10, constitutes 13 percent of national need, and GRZ contributes three percent. USG and GRZ are working to secure partnership framework funding to help address the gaps.
2. **Supported MOH in evaluating PIMA point-of-care CD4 machines.** Sponsored a workshop and follow-up meeting to evaluate data collected on the efficacy of these machines. Also

provided technical assistance in data analysis tools and techniques for statistical significance. The final decision on whether to adopt these machines for determining CD4 counts will be made by the MOH laboratory technical working group in its next quarterly meeting, to be held in July. Adopting this machine would impact SCMS procurement of CD4 reagents due to an anticipated large increase in demand from HIV/PMTCT sites. The evaluation report will go to the MOH Permanent Secretary for review and final adoption after clearance by the technical working group.

3. **Met with MOH to review the list of 185 ART-related full-supply lab commodities** (commodities that are expected to always be available centrally for ordering by sites) so reagents for newly adopted equipment and other essential lab commodities could be added. Initially, the meeting adapted the list to include 342 items; however, a follow-up meeting is scheduled for mid-July to streamline the list from 342 to a more realistic, essential and manageable number of products. Given the current funding gaps in the lab commodities logistics system, increasing the number of products may simply lead to a larger gap in the country's ability to meet the demand.

Results:

1. USG officially handed over an SCMS-procured storage-in-a-box unit to the Zambian Government. At a ceremony in Kafue, the US Ambassador to Zambia, Mark Storella, handed over to the MOH Permanent Secretary, Peter Mwaba, two storage solution units for Kafue and Gwembe districts. SCMS purchased and installed the units in November 2011 to address storage shortages in the districts. With the units, the districts are now able to store health commodities at one secure location where they can be properly tracked. In Gwembe district, the installation resulted in resumption of physiotherapy services at the district hospital, which had been suspended to use the space for commodity storage.
2. MOH launched a first-ever national laboratory strategic plan. The plan was developed with support from CDC and the Association of Public Health Laboratories (APHL) as part of the WHO and Global Health Initiative (GHI) requirement to increase governmental leadership in health system strengthening. SCMS provided technical support in the strategic planning by incorporating procurement and supply chain harmonization, part of SCMS's global laboratory strategy.

Zimbabwe

Emergency Orders/Stockouts: In June, stockouts of standard first-line ARVs: Stavudine/Lamivudine/Nevirapine for adults (6.5 percent of ART sites), Tenofovir/Lamivudine/Nevirapine for adults (2.5 percent), and Zidovudine/Lamivudine/Nevirapine for pediatrics (1.9 percent).

Key Clients: Ministry of Health and Child Welfare (MOHCW), National Pharmaceutical Company of Zimbabwe (NatPharm), USAID, DFID, Global Fund (GF), European Commission, EGPAF, PSI, TB CARE, Pharmacy Technician Training School, University of Zimbabwe School of Pharmacy, Harare Polytechnic

STTA: Warehousing

Key activities:

1. **Piloted use of cell phones in 12 remote ART sites to improve on-time reporting.** This pilot follows a successful proof-of-concept phase to demonstrate technical feasibility, which used cell phones to transmit ART patient and logistics data from sites to the central level.
2. **Throughout the quarter, the SCMS-supported NatPharm Roadmap Coordinator continued to assist NatPharm in mobilizing resources and coordinating support from various partners.** SCMS funded a fire assessment at NatPharm that identified all deficiencies and provided detailed recommendations for improving fire safety at all offices and warehouses. Worked with NatPharm to review and develop SOPs for warehousing, with emphasis on establishing procedures that uphold best practices in receiving, dispatch and inventory control.
3. **Floated the ARV dispensing software RFP and received eight proposals from local and international vendors.** SCMS and MOHCW will now select the company that will develop and implement the software to be piloted at three high-volume ART sites. Automation of the dispensing process will allow more efficient use of staff time, improved data quality and more timely reporting.
4. **Collaborated with MOHCW's Directorate of Pharmacy Services (DPS) Logistics Unit (LU) and NatPharm to distribute ARVs and Fluconazole to 151 ART sites,** with an overall 100 percent reporting rate. Also distributed commodities to four MC sites. Despite ongoing economic challenges, MOHCW continues to achieve full ARV availability and now distributes ARVs to 265 static sites that supply to 678 outreach treatment sites. MOHCW also now distributes MC commodities to eight sites.

Challenges:

1. MOHCW has not managed to control the pace at which health facilities are switching from Stavudine-based to Tenofovir-based regimens for first-line ART patients. As a result, MOHCW's target of having 50 percent of patients on Tenofovir by the end of 2012 is likely to be significantly exceeded, since by May 2012, 45 percent of patients were already on Tenofovir. This, coupled with delays in GF and National AIDS Council (NAC) Stavudine shipments at the beginning of the year, caused a Stavudine-based first-line ARV stockout and could result, later in the year, in expiries of unused Stavudine regimens. Another contributing factor was ineffective communication from MOHCW to facilities on the implementation strategy for transitioning from Stavudine to Tenofovir. SCMS is working with MOHCW, USAID and partners to improve communication, increase funding and replace some Stavudine shipments with Tenofovir to reduce stockout and expiry risk.

Results:

1. Together with the local funding agent (LFA), SCMS and MOHCW worked with the Global Fund Round 8 Phase 2 team to review and revise the MOHCW quantification and PSM (procurement and supply management) plan to approve the procurement budget for ARVs and TB medicines. Global Fund has released \$236 million to support Zimbabwe's efforts to combat AIDS, tuberculosis and malaria. Fund disbursements have begun (\$19 million for ARVs), and others are set for rollout in July.
2. Developed a three-year (2012-2014) HIV strategic plan for the Zimbabwe Prison Services (ZPS). The strategy aims to achieve zero new infections, zero HIV-related deaths and zero

discrimination — with universal access to HIV prevention, care, treatment and support for all inmates and prison staff in need — by 2015.

3. In June, signed an indefinite quantity contract (IQC) with Westchase, a local software development company, for the redevelopment of ZISHAC (Zimbabwe information system for HIV/AIDS commodities), the ARV LMIS that will be integrated with NatPharm's warehouse management system and decentralized to Bulawayo for the supply of the country's southern region. This is the culmination of 18 months of work by SCMS, which involved conducting an assessment, developing a business case, creating RFPs and evaluating candidates. The LMIS urgently needed revision to accommodate changes since ARV distribution was decentralized to Bulawayo and an increasing number of ART initiating sites are distributing ARVs to outreach sites. Also, maintenance of the software has thus far been done by UK-based MACS, with mixed results; the new software will be maintained by the local firm Westchase.

5. Innovations

The major innovation activity is the development of the Systems Strengthening Strategy Initiative, built around the concept of a capability maturity model and regular key performance indicator monitoring and evaluation in all aspects of national health supply chains. This innovation is also mentioned in the Project Highlights section under Health Systems Strengthening. Work will continue on this innovation during the quarter, with pilot testing planned for May. The pilot results are under review. It is anticipated that the next stage of this initiative will be agreed with USAID in the coming quarter.

Existing innovative approaches continue to show good progress during this quarter, including:

- SCMS established a process for testing rapid test kits and non-proprietary laboratory reagents. Implemented with the University of Maryland, the program very clearly demonstrated its worth in identifying faulty kits from SD Bionline batches of the HIV 1/2 3.0 kit. The impact of this quality issue is reported elsewhere in this report.
- The inclusion of supply chain education modules in higher education qualifications for pharmacists and other health professional continues to spread to other SCMS countries, with initiatives in Botswana, Guyana, Namibia, Zambia and Zimbabwe being implemented.
- In Tanzania, locally manufactured essential drugs continue to be successfully tested at the Muhimbili University in Dar es Salaam, with further deliveries cleared for delivery under local procurement. This initiative in Tanzania is a pilot application of new approaches to local procurement of pharmaceuticals, which we hope to roll out to other countries with an appropriate-sized local pharmaceutical industry to support the sustainable supply of quality-assured, affordable essential medicines.
- The warehouse-in-a-box and clinic-in-a-box initiatives — to provide a turnkey solution for the supply, delivery, installation, training and handover of new facilities as one package — are gathering momentum. Deliveries of storage-in-a-box were made in Nigeria and Zambia, and the initial frames for the first full-size warehouse-in-a-box was constructed in Tanzania.
- The innovation to improve the search capability of the existing SCMS e-catalog completed final testing within SCMS and will be rolled out in early 2012. This is slightly behind schedule due to the need to clarify PEPFAR categories for products and program activities. The new functionality will improve the search experience for clients and SCMS field offices, reducing the time necessary to agree to the specification of products for procurement. Well-defined supply requests reduce the risk of error and the time needed to identify the specific product required and qualified suppliers. This initiative aims to improve customer experience, efficiency and cost within the SCMS procurement system.
- The USAID-agreed-to initiative to develop a dedicated planning processor linked to Orion and CRM to automate the current manual process of aggregating global demand from individual program and country forecasts also completed final testing for rollout and is now being used on a pilot basis in the PMO. This will enable the demand management team to generate supply plans and restocking orders for SCMS inventory without the need for multiple data entry, thus reducing the risk of error and improving the process's efficiency. Growing demand and the increased number of orders and clients has made it increasingly difficult to effectively manage this process manually.
- Two innovations of note in our country programs are:

- In Zimbabwe, in collaboration with MOHCW, SCMS completed the Delivery Team Topping Up (DTTU) LMIS data capturing tool (AutoDRV) upgrade. The upgrade sought to improve the delivery software used at sites during deliveries to collect data to make it flexible enough to allow recording of additional products. The upgraded software can now handle a larger number of products, which has enabled the project to add primary health care package (PHCP) products and CD4 point-of-care (POC) and early infant diagnosis (EID) products to the laptop-based data collection system instead of using manual forms. This has greatly improved the turnaround time of LMIS reports because they no longer need to be encoded centrally. Even with the rapid MOHCW scale-up of PMTCT sites, the upgrade has prevented the need for an additional staff to encode PMTCT commodities data.
- SCMS Nigeria began using mobile phone technology for data recording, which allows for real-time data uploads and facilitates central-level data quality checks. Data from these collection activities will be used to determine performance and identify weak areas of Nigeria's HIV/AIDS supply chain.

6. Objectives for July – September 2012

		Project-wide Workplan TO3 FY2012 October 1, 2011 – September 30, 2012	
Activity	Deliverable	Target Deadline	Progress
1. Global Supply Chain			
Improve GSC Performance			
Increase number of planned orders (vs. unplanned and emergency), monitor quarterly	Planned at 80%	12/30/2011 3/30/2012 6/29/2012 9/28/2012	Dec. complete. March complete. June complete. September on target.
Implement Procurement Strategy			
Organize vendor summit(s)	Hold 2 or more regional meetings to improve non-pharma performance	4/20/2012, 6/31/2012 9/28/2012	Vendor Summit to be held in September.
Discuss procurement mechanisms (develop global procurement mechanism)	Paper	9/28/2012	OI Strategy paper in process.
ARVs			
Share market intelligence with USG and FDA	Establish quarterly meetings to brief COTR	12/30/2011 3/30/2012 6/29/2012 9/28/2012	Dec. complete. Mar. complete. Jun. complete. Sept on target.
Essential Drugs (OI, etc.)			
Continue to broaden supplier base - International and African manufacturers and wholesalers	ca. 3 new approvals & 5 new IQCs	9/28/2012	All African manufacturers now have MSAs. Met with manufacturers in India to broaden OI capabilities.
Laboratory - Equipment, Reagents, Consumables			
Evaluate strategy for top 100 items (RFP, contracts)	IQCs with top 3 suppliers	7/31/2012	On target.
Develop standardized procedures concerning Maintenance Service Agreements (MSA), including mapping, flowcharts, contractual process and training	SOP	1/31/2012 June 2012 9/28/2012 12/31/2012	Will be completed by the end of the year.
(HIV) Test Kits			
Investigate pricing and procurement strategies to optimize value for money	Implement new RTK strategy in coordination with RDC strategy, if agreed	4/30/2012 12/31/2012	On target. Presenting conclusions at the ASLM in December.

MC Kits			
Issue RFP for MC kits to ca. 5 new suppliers	IQCs with 1 more suppliers and verify we are getting best price	7/31/2012 12/31/2012	On target for new December deadline.
Implement QA and QC measures (flagging all procurements for sampling)	Test results control system (to log vendor compliance and efficacy)	12/31/2012	Ongoing.
Demand Planning & Inventory Management:			
Supply Plans - Quarterly Planning and Updating Process			
Perform ARV quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012 7/31/2012 9/28/2012	January complete. April complete. July on target.
Perform LAB & RTK quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012 7/31/2012 9/28/2012	January complete. April complete. July on target.
Perform COTX & other DRUG quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012 7/31/2012 9/28/2012	January complete. April complete. July on target.
Perform MC Kit quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012 7/31/2012 9/28/2012	No quarterly reviews as MC supply planning still in its infancy.
Integrate elements supply planning and financial budgeting process	Refine the tool for monitoring and tracking data; standard format report	9/28/2012	On target.
Inventory Management - Refine Stocking Strategy			
Refine strategy details (Qtr.) (ARV)	Adequate stocks in RDC	9/28/2012	Ongoing.
Cost to Serve Analysis – BRC review	Regular reviews	9/28/2012	Ongoing.
In-Country Supply Planning/Forecasting Technical Assistance			
Ensure that 12-month supply plans and issues associated PRs/PQs for ARVs, RTKs and Lab Supplies are submitted on a timely basis	Quarterly supply plan updates (10 ARV, 4 RTKs, and 7 Lab.)	1/31/2012 4/30/2012 7/31/2012 9/28/2012	January complete. April complete. July on target.
Hand over quantification and supply planning activities to local counterparts	9 countries planning and conducting quantification and supply planning on their own	9/28/2012	Ongoing.

Quality Assurance			
Operational QC Objectives for all commodities			
QA Advisory Panel meeting	Meeting conducted and recommendations implemented	7/31/2012	Took place in May.
Quality Assurance Summit	Proposals to develop improved pharmaceutical registration systems to help reduce the time it takes for products to become registered in resource poor countries	11/30/2012	May not occur due to participation in September Vendor Summit. Will discuss with USAID if we will repeat facilitation of Wholesaler Forum of October 2011.
Waste Disposal Management			
Tanzania API Recycling Project	Feasibility study	9/28/2012	Delayed until March 2013.
In-Country Due Diligence			
Expansion of Essential Medicines - Local Procurement/Due Diligence Pilot Program to two other countries.	Improved due diligence capabilities	9/28/2012	Ongoing.
Warehousing and Distribution:			
International Freight and Logistics			
Bi-annual review of competitive and reasonable pricing, particularly on heavy volume lanes	Report	3/ 30/2012 8/31/2012	On target for August. March update completed.
Work with F&L Freight Analyst to analyze the top 10 lane pairs for SCMS Core Countries quarterly, by mode of transport (land, sea, air), for both door to door and port to port movements	Analyze and evaluate cost per kg by mode for both door to door and port to port for each of the 10 lanes pairs, to be completed three times a year.	11/30/2011 3/30/2012 7/31/2012	Mar. complete. July on target.
Implement F&L functionality within the data warehouse project. Important outputs include the Inventory reconciliation between RTT's SAP system and Orion.	Working with RTT to send through data feeds to the data warehouse from their SAP system. Deliver an automated stock reconciliation report.	10/30/2012	New project - started in May 2012.

Regional and Local Distribution Centers			
Extend the bond license at the South African RDC to include non-ARV pharmaceutical products. This would enable the RDC to store MC-related medicaments in support of the broader MC program.	Regulatory submission accepted by the Medicines Control Council of South Africa (MCC).	07/01/2012 10/31/2012	Regulatory document submitted to the MCC. Awaiting a response.
Management Information Systems:			
Data Warehouse			
Deployment Phase		12/14/2011 3/16/2012 4/16/2012 8/31/2012	On target for new August date.
Migration Phase		1/17/2012 3/31/2012 5/1/2012 7/31/2012	Completion expected July 2012 .
Implement BI Tool Site			
Implementation Phase		3/31/2012 4/30/2012 5/30/2012 8/31/2012	On target for August.
Implement RFx Tools			
Implement		3/31/2012 5/30/2012	Reviewing status, possible restart warranted.
2. Health Systems Strengthening			
System Strengthening Strategy Initiative:			
Develop framework graphic and narrative content.	Published conceptual framework/narrative	12/31/2011 6/30/12 7/31/2012	Feedback from TAG, TWGs and pilots identified further refinements. New completion date is July 31, 2012.

Update and finalize tools	Updated Logic Model	2/28/2012	On hold.
	SCMS SS PMP	10/31/2012	Draft Framework under review.
	Expanded SCMS PWS	10/31/2012	In process. Data being collected from Country teams.
	Nat'l. Supply Chain KPIs	1/28/2012 10/31/2012	In progress. Awaiting further approval from COR.
	ROI Framework	4/30/2012	On hold at request of COR until FY13 Q1.
Develop Capability Maturity Assessment tool and associated methodology documentation that defines the benchmarks and assesses the supply chain function's potential to perform but not performance itself.	Capability Maturity Assessment Tool Capability Maturity Monitoring Tool	3/31/2012 10/31/2012	Pilots completed in South Africa, Botswana and Paraguay. Outcomes are being incorporated into tool. TAG planned for September.
Develop SCMS Technical Service Offering: a compendium of systems strengthening “tools” and interventions that are available to SCMS, USAID, and local counterparts to address capability and performance gaps of in-country supply chain systems. (Best Practices, Standards, Methodologies, Tools, Technical Briefs and Website content in priority SCMS supply chain functional areas and cross-cutting domains outlined in the conceptual framework.)	Technical Services Offerings in: Warehousing and Distribution, MIS, HRCDD, Labs, Forecasting and Supply Planning, Systems Strengthening Strategic Plan	1/31/2012 3/31/2012 4/30/2012 8/31/2012	In process, receiving feedback from field offices.

Develop updated technical assistance Operating Model	TA Quality and Risk Management	Ongoing	Templates have been developed. Further refinements in process. We will discuss the TA process with the COR team.
	Updates FPS RASCI	4/30/2012 9/28/2012	In progress for all of FPS, completed in the STTA SOP.
	Updated FPS JDs	4/30/2012 9/28/2012	In process.
In-Country Assistance with Strategic Planning and Coordination:			
Support the capacity of national governments in the development of national strategic plans for supply chain management through participation in SCMS strategic planning exercises, results oriented trainings and workshops	2 National Supply Chain Master Plans (Nigeria, Mozambique)	9/30/2012	MZ - MoH currently updating Pharmaceutical Logistics Masterplan.
	Support Technical Working Groups and stakeholder workshops in 3 countries HT - Operate TWGs for Laboratory Services, OI Drugs & Pediatrics, RW - Support laboratory harmonization workshop, ZM- Support national TWG on laboratory services and technical sub-committee on laboratory logistics and procurement	9/30/2012	Zambia and Rwanda complete. Haiti in progress.
	National strategic plans focusing on specific technical areas: BW - National Condom Strategy, CI - Strategy on PSP Autonomy, HT - Strategy for integration of USG supported supply chains, NG - National warehousing & distribution strategy, HIV-AIDS commodity strategic plan, ZA - USG IP pooled procurement strategy, TZ - Commodity distribution strategic plan, VT - CD4 commodity strategic plan, ZM - Launch and implement HIV-AIDS commodity security plan.	9/30/2012	CI - PSP transformation task force established, NG - warehousing and distribution harmonization strategy being piloted, VT strategy under review in light of funding.

Support the development of strategies or policies with organizations that drive increased reliability, predictability, efficiency of financing for short and long-term supply needs based on long term forecasts for ARVs	5 year forecasts for ARVs, RTKs and lab in all countries that procure these products (this will be achieved by extending time horizon of current commodity forecasting exercise from 2 years to 5 years) (HT, RW, NG, MZ, NM, ET, GY, CI, VN, BW, ZW, UG, ZA, ZM, KE and TZ)	9/30/2012	5-year forecasts completed in CI and MZ.
In-Country Supply Planning/Forecasting Technical Assistance:			
Ensure that 12-month supply plans with associated PRs/PQs for ARVs, RTKs and Lab Supplies are submitted on a timely basis	4 to 10 countries where quantification performed by local counterparts (e.g., countries that have LMU or related type of accountable structure/have plans to institutionalize this capacity - ZA, Zim, BW, GY; other possible countries - CI, ET, HN, MZ, NA, RW)	9/30/2012	CI developing a plan for transition of this function. Already included as a PMP measure. On target.

In-Country Data Management and Technical Assistance:			
Support and guide the in-country MIS teams with System Development Life Cycle-based project management support, advice, consultation, documentation, and general compliance review during all phases of each initiative	Tanzania: new ERP rolled out	6/30/2012 9/28/2012	Progress on track for Phase 1 roll out by Sept. 2012.
	Ethiopia: LMIS in development (HCTS)	Rolled out 9/30/2012	Acquisition Phase: ADS package and Neg Memo developed and under review.
	Ethiopia: new ERP in development	9/30/2012	USAID Contracts Officer and SCMS COR have asked SCMS to discontinue funding of the ERP.
	Haiti: new WMS in design	9/30/2012	No longer applicable.
	Haiti: additional EDT site implementations	9/30/2012	13 sites piloted. Planned Evaluation postponed until Deputy CD is on board.
	Zimbabwe: Dispensing software requirements, acquisition, rollout	9/30/2012	Initiation Phase: RFP near completed. It is likely that completion date will be Feb 2013 (Syst Development) and Jul 2013 (Post Production).
	Guyana: MACS transfer to new MMU warehouse	12/31/2011 8/1/2012	On track for a July-August, 2012, relocation.
	Zambia: LMIS planning, acquisition	9/30/2012	USAID Contracts Officer and SCMS COTR have asked SCMS to discontinue funding of the eLMIS work.

Develop a SMIS capability maturity assessment tool	SMIS Capability Maturity Assessment tool component	9/30/2012	MIS capability will be integrated throughout supply chain functional areas.
Redefine and refresh the SMIS technical assistance capability in accordance with the new conceptual framework	MIS Technical Standards and Services Document	12/31/2012	Review-ready version incorporating Feb MIS retreat outputs complete.
In-Country Procurement Technical Assistance:			
Strengthen procurement systems in national entities	Policies and SOPs strengthened in Botswana, Mozambique, Namibia and Rwanda	9/30/2012	Completed in Botswana and Mozambique.
Provide training to Government entities as requested	Training provided in Namibia and Rwanda	9/30/2012	Training complete in Namibia. In Rwanda, have completed on-site sensitization to FAR SOPs. Training is planned.
In-Country Warehousing and Distribution Technical Assistance:			
Evaluate training and technical assistance impact of W&D interventions and implement mentorship/coaching/skills transfer as needed to ensure quality and compliance	A. In conjunction with HRCD workplan activity 5, adapt training/skills impact assessment tool and implement for attendees of WOM (Warehouse Operations Management). B. In conjunction with HRCD workplan activity 3, adapt HR skills transfer toolkit to W&D technical areas and implement where needed based on results of training impact assessment.	2/1/2012 and 9/1/2012 respectively	1. May delegates are in progress with WOM Course assignments due 3 months after return. 2. Pre-course activity under review to establish delegate alignment with areas of responsibility.

Publish warehouse compliance tests for inventory management capability assessment - the test is designed to be applied by non-technical personnel	Tool and supporting material.	2/1/2012 and 9/1/2012 respectively	Pilots identified further review of functional areas. This is underway capability level and create checkbox listing.
Build Warehouse in a Box (WiB) Installations	3 x WiBs complete in Tanzania by end of FY 12 & 1 x WiB in Rwanda - 50% complete by end of FY 12	9/28/2012	First WIB Keko handed over June 2012. Dodoma and Mbeya on track to complete Phase I&II.
In-Country Quality Assurance Technical Assistance:			
Develop policies, plans and SOPs for managing expired products and medical and/or human waste	Policies, plans or SOPS in Côte d'Ivoire and Haiti	9/30/2012	CI - in progress, HT - Proposal to be submitted to the COR on July 18th.
Improve access to quality pharmaceutical by evaluating and supporting local pharmaceutical manufacturers and wholesalers to meet international standards	Standardized model of procuring from local pharmaceutical manufacturers and wholesalers in Tanzania	9/30/2012	TZ model established by GSC.
Human Resource Capacity Development:			
Establish baseline data/situation on HR/Capacity in SCM for at least 7 of the SCMS program countries (ET, NB, MZ, Zim, Rwanda, Cote d'Ivoire, Guyana, Vietnam)	HR for SCM Assessment Country Reports; Global Analysis of HR for SCM in at least 7 SCMS Country Programs	3/31/2012 8/31/2012	HR for SCM assessments completed in Rwanda, Zimbabwe, Ethiopia, Namibia, and Mozambique- with possibility in South Africa. Completed through HRCD retrospective data analysis. Results to be communicated by Aug 2012.

Assist Country Programs in development of HR for SCM in-country strategy based on assessment results (ET, NB, MZ, Zim, Rwanda, Cote d'Ivoire, Guyana, Vietnam)	7 SCMS HR for SCM Country Strategies	9/31/2012	Will use HRCD data and new workplanning year to re-energize field offices around this area.
Compile & disseminate existing best practices, standards, methodologies in capacity building for SCM (At least 13 SCMS FO's to be conducting capacity building activities)	Complete listing of existing SCMS Best Practices, Standards, and Methodologies in capacity building for SCM available on SCMS internal and external websites; resources to be made available at Field Office Conference	1/1/2012 & ongoing	Complete - to be "soft launched" and disseminated in July 2012.
Facilitate Self-Directed Learning (SDL) Modules (as developed by DELIVER) for key Technical FO Staff (particularly for FO's with constrained budgets for capacity building); Within Vietnam, Haiti and CI WPs; could be offered more widely	Completion of 8 SDL Modules by a minimum of 10 Anglophone FO Staff per year	Ongoing	Focus of HRCD Technical Working Group call in August 2012.
Research and compile resources on best practices in skills transfer methodologies (including OJT/Mentoring/Coaching and technology) (8 SCMS countries are seconding staff and will need proven methods/activities to transfer skills in more day-to-day interactions; at least 13 SCMS countries are working in informal relationships to build skills and will benefit from the Toolkit that comes out of this research)	Research completed	3/31/2012 August 2012	Not yet started due to staff travel; primary focus of work in Aug/Sept 2012.
Promote Pre-Service Training Initiatives in additional SCMS countries	PST groundwork included in at least 3 more SCMS countries (Tanzania, Nigeria, new programs in Zambia & Zim)	10/31/2012	Nigeria, Tanzania and Botswana in progress.
Participate in the "People that Deliver" Initiative Steering Committee; Support PtD/SCMS Focus Countries: Support Ethiopia, Namibia, and Mozambique in pursuing PtD work	1 SCMS staff person to participate in Steering Committee Calls; EH to lead Technical Working Group (CORE LOE support);	Ongoing	Erin H is current Technical Working Group lead for PtD and thus a de facto member of the overall Initiative's Board.

Lab System Strengthening:			
Pilot model (RW, CI, NG)	STTA trip report, draft way-forward strategies and established tool kit modifications	RW December 2011; CI March 2012; NG March 2012	CI Complete. RW Planned. NG, TBD.
Active participation in the review of the new CHAI multi-methodological forecasting tool. Collaborate with JSI/DELIVER/USAID/CDC in training material development and rollout.	Release of the new CHAI multi-methodological forecasting tool	Review to commence in September, 2011. Application updates in November, 2011. Training material development in December to January 2012.	Completed initial review. Tool outputs established. SCMS leading validation, testing in June. Pilot and rollout to follow.
Work with partners to adapt and expand existing Lab Logistics training curriculum to create a course in Lab Systems Logistics and Supply Chain Management and build capacity within a capable laboratory skills training institution to conduct	Course Goals and Objectives, competency-based curriculum, MOU with training institution, TOT curriculum.	10/1/2012	October ACILT training approved 5-day lab logistics training module. On target.
3. Global Collaboration			
Global Collaboration:			
Quarterly Meeting of CPP Steering Committee	Updated risk schedule and meeting report	12/13/2011 3/12/2012 6/11/2012 9/7/2012	Quarterly meetings held Oct and December 2011 and exceptional teleconferences on GF and UNITAID funding transitions.-March and June quarterly meetings held.

Contribute to WHO AIDS Medicines and Diagnostic Service network			
Submit quarterly procurement data to GPRM	Data report	9/28/2012	On target. Quarterly updates submitted.
Prepare SCMS Lessons Learned White Paper for publication		1/9/2012 9/28/2012	Still in drafting stage.
Maintain Regular Contact with Key Partner Organizations		9/28/2012	Ongoing.
Attend international conferences and ad hoc meetings as agreed with USAID, OGAC, CDC and/or organized by other global partners		9/28/2012	Added ICASA Conference to our schedule. Submitted 12 abstracts, of which one was accepted for oral presentation and three for posters.
4. Knowledge Sharing and Communications			
Communications Products			
Supply Lines	4 issues	1/10/2012 3/6/2012 6/6/2012 9/4/2012	First issue distributed in October. March on target. March complete. June issues to be published in July.
Six-year report	Report	11/30/2011 7/31/2012	Publication in July.
5. Operations			
Operations			
Develop cross-project close-out plan	Close-out workplans including internal and external deadlines	9/28/2012	In process.
Complete extension cost proposal for TO3	Cost proposal with attachments	8/31/2012	On target.
Complete subcontractor compliance reviews for relevant SCMS subcontractors	Compliance review reports for each reviewed subcontractor with action plans	9/28/2012	On target.

Performance Management			
Work with Field staff, clients, host country counterparts and other development partners to develop and/or strengthen performance management systems	SSSI: At least 12 performance management systems, including PMPs or some other type of performance management framework that reflect SSSI	8/17/2012	1. Cote d'Ivoire, Ethiopia and Mozambique draft PMPs developed. 2. Nigeria and Botswana PMP refresh underway. 3. Zambia PMP development underway.
Meet with all PMO units to evaluate and revise strategy and performance measures to reflect TO3 performance requirements, particularly related to Field Office demands	PMO performance framework of goals and measures to manage global supply chain operations and country program support services	10/31/2012	Draft framework under review.
Finance			
Management and monitoring of ACF and procurement surcharge rates	Monthly reports	9/28/2012	Ongoing.
Management and monitoring of Blended Rate Cost (BRC) for RDC operations	Quarterly reports and Annual reconciliation (with COTR approval)	9/28/2012	Ongoing.