

# Supply Chain Management System

*Providing Quality Medicines for People Living with and Affected by HIV and AIDS*

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## SCMS Update March 2007

### **In Mozambique, SCMS training in supply planning leads to immediate results**

Accurate supply plans are essential to determine which drugs—at what quantity and when—should be procured. In early February, SCMS conducted a two-day training on supply chain monitoring and procurement planning for 23 participants from Mozambique's Ministry of Health (MOH) and other partners, including the Association of Public Health Laboratories, the Clinton Foundation, and the US Centers for Disease Control and Prevention (CDC). As part of the training, participants learned to use a computer software program called PipeLine to analyze data and generate reports for monitoring the stock situation of supplies.



Participants in an SCMS procurement planning training develop supply plans for drugs for AIDS treatment

The training proved immediately valuable. SCMS and MOH staff trained in PipeLine later used the tool to update the country's supply plan for antiretrovirals. As a result, they cancelled orders for medicines no longer part of the standard treatment guidelines and increased orders for others whose consumption has rapidly increased. The exercise also helped SCMS coordinate with the MOH and Clinton Foundation to phase in the supply of antiretrovirals to be donated by UNITAID to the national program.

Looking forward, SCMS, the MOH and other partners will use PipeLine to

improve the supply planning for rapid HIV test kits to prevent shortages or overstocks. Ensuring a reliable supply of tests is crucial so that Mozambicans can learn their HIV status, providing an entry point to HIV/AIDS care and treatment.

### **A change in HIV tests increases access in Tanzania**

Tanzania is undertaking an important change in the type of HIV test kits it procures. In the past, the country's protocol for screening for HIV included rapid test kits that require cold chain storage (constant refrigeration at 2-8 degree centigrade). Facilities without refrigerators were unable to use the tests.

#### **SCMS Project Team**

Affordable Medicines For Africa • AMFA Foundation • Booz Allen Hamilton • Crown Agents Consultancy, Inc. • The Fuel Logistics Group (Pty) Ltd. • IDA Solutions  
JSI Research & Training Institute, Inc. • Management Sciences for Health, Inc. • The Manoff Group, Inc. • MAP International • NetI UEPS Technologies, Inc.  
North-West University • Northrop Grumman • Program for Appropriate Technology in Health (PATH) • UPS Supply Chain Solutions™ • Voxiva, Inc. • 3i Infotech, Inc.

Working with the Centers for Disease Control and Prevention, the Ministry of Health selected Bio-line which does not require cold storage to replace the previous screening test. The US President's Emergency Plan for AIDS Relief (PEPFAR)/Tanzania placed an order with SCMS for Bio-line test kits to support HIV testing in the public sector. Since they do not require cold storage, these test kits will be available at more facilities, increasing access to HIV testing. SCMS will be delivering these shipments.

### **In Vietnam, building a more efficient supply chain**

SCMS and the World Health Organization (WHO) partnered to help shape legislation on the distribution of antiretroviral drugs in Vietnam. The proposed legislation called for a distribution chain that would supply antiretrovirals (ARVs) from the central level to the provincial level, and then from the provincial level to local facilities. Currently, ARVs are distributed from the central level directly to sites.

SCMS and WHO discussed with the Ministry of Health the benefits of distributing directly from the central level to local facilities, while maintaining reporting from sites to both provinces and the central level. As a result, the legislation was successfully altered and approved. Eliminating an extra link in the supply chain while maintaining supervisory relationships will help speed essential medicines to the people who need them.



Taking samples of antiretrovirals that SCMS shipped to the central pharmacy in Vietnam

### **Global collaboration for local results**



A pharmacist in Guyana, where the Global Fund, PEPFAR and World Bank have coordinated the procurement of antiretrovirals

Donor coordination is a key ingredient for an uninterrupted supply of essential medicines and other health commodities. An important initiative is underway between the Global Fund, the World Bank and the US government. These three major donors have made a commitment to coordinate national level procurement plans and other supply chain management functions as much as possible, starting in Ethiopia, Guyana, Haiti, Mozambique, Rwanda and Vietnam. At the request of the donors, SCMS is serving as technical secretariat, facilitating the coordination of the procurement working group.

The working group aims to use resources more efficiently, providing care and treatment to more people living with HIV/AIDS. As a first step of coordination, the donors agree on a national quantification (forecast) of antiretrovirals and other pharmaceuticals. Next, the donors decide who will buy

what, when and how. Finally, by comparing the prices paid for drugs last year versus this year, donors are able to determine how many additional people can be enrolled in treatment and purchase accordingly.

Although in its early stages, the procurement working group is being recognized as a model of donor coordination. The UN's Global Implementation Support Team (GIST) recently asked SCMS to share with its members lessons learned in coordinating the procurement working group. GIST was established a year ago to align donors and providers of technical support, as well as find ways to use country-driven problem solving to unblock obstacles to accelerated grant implementation. GIST members include UNAIDS, WHO, UNICEF, UNFPA, UNDP, World Bank and the Global Fund.

### **Reducing waste and inefficiency by standardizing laboratory equipment and supplies**

Laboratories across Africa use multiple makes and models of equipment for HIV/AIDS testing and diagnosis. There are more than 15 kinds of CD4 machines used to determine when a person with HIV/AIDS should begin antiretroviral therapy, operating differently and requiring their own replacement parts and supplies. If parts or supplies are unavailable, expensive equipment sits unused. And if laboratory technicians move to a different location they often need to be trained on unfamiliar equipment. The end result: wasted time, money and human resources.

Coming together to create a solution, representatives from the CDC, WHO and SCMS formed a laboratory technical working group to develop recommendations for the tests, techniques and technology used for HIV/AIDS testing and diagnosis. The working group recently created a standard list of basic laboratory supplies of non-branded consumable items for local, district and regional laboratories. Defining what supplies and equipment are appropriate for laboratories at each level will significantly help with procurement planning, inventory management and staff training.

### **In Rwanda, saving money and improving lives**

SCMS has forged an important partnership with CAMERWA, the Rwandan national essential medicines procurement organization, to build in-country supply chain capacity and drive down the costs of medicines for the country's HIV/AIDS program. In December, SCMS placed an order of antiretrovirals in coordination with CAMERWA. Because SCMS is able to pool procurements across many countries, purchase generic pharmaceuticals whenever possible, and establish long-term contracts with suppliers, SCMS and CAMERWA were able to agree on prices with suppliers to save the Rwanda program about 23 percent compared with previous orders for the same commodities. The cost savings are enough to potentially treat an additional 3,000 adults for one year.



Staff members from CAMERWA and SCMS discuss customs clearance procedures for antiretrovirals

With the assistance of SCMS, CAMERWA will be enhancing its procurement and warehouse management systems to meet its goal of being able to procure health commodities directly with US government funds. In order to do so, CAMERWA must first be able to ensure

compliance with US federal acquisition regulations, and Food and Drug Administration (FDA) quality, safety, and efficacy standards for antiretrovirals. As part of a strategy for building sustainable systems, SCMS is supporting CAMERWA in its goal, transferring the skills and procedures to procure PEPFAR-supported health commodities that can improve the lives of Rwandans living with HIV/AIDS.