

# Supply Chain Management System

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

1616 N. Fort Myer Drive, 12th Floor • Arlington, VA 22209-3100 USA  
+1.571.227.8600 (phone) • +1.571.227.8601 (fax) • www.scms.pfscm.org



## SCMS Update November 20, 2006

### Vietnam increases access to antiretrovirals for AIDS treatment



*A child living with Stage 3 HIV is seen by a doctor for her oral fungal infection. Medicines for her and other children in Vietnam will save their lives.*

In Vietnam, an estimated 280,000 people are living with HIV/AIDS, including about 37,000 people that became infected last year. About one in 60 households includes an HIV-positive person.

Until the Ministry of Health launched its national AIDS treatment program in 2003, very few people had access to life-extending antiretroviral (ARV) treatment. Now, more than 4,000 people receive treatment through the President's Emergency Plan for AIDS Relief (PEPFAR) funding, including about 450 children.

With PEPFAR support, the Supply Chain Management System (SCMS) project has been working with the government of Vietnam to procure ARVs in support of the national AIDS care and treatment program. In August,

SCMS delivered its first shipment to Vietnam of generic ARVs, and in November its first shipment of pediatric ARVs.

The average prices for ARVs have decreased significantly in the past year, largely because of the availability of generics. Based on the cost savings that SCMS has been able to obtain, an estimated 30 percent more people could be treated within the existing budget over the next year. As Vietnam scales up its care and treatment program to reach additional people, SCMS will continue to support the program by strengthening existing supply chain through technical assistance, procuring and delivering ARVs, and sharing supply chain-related information to improve decision making.

Vietnam has also been selected as one of the first countries for the World Bank, the Global Fund to Fight AIDS, Tuberculosis and Malaria, and US government joint procurement supply chain initiative. SCMS serves as the technical secretariat of the initiative. The three donors are exploring ways to best coordinate procurement commodities for HIV/AIDS prevention, care, and treatment to minimize duplication and maximize efficiency.

### Faith-based organizations play critical role in scaling up care and treatment

In much of Africa, faith-based organizations provide about 40 percent of the health care. In many communities, there are no post offices, pharmacies, or clinics, but there is a place of worship. The Ecumenical Pharmaceutical Network (EPN) is the leading representative and advocate for the faith-based pharmaceutical market in Africa. The network includes 76 member organizations in 29 countries, including Christian Health Associations and hospitals, non-profit drug supply organizations (DSOs),

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and ecumenical agencies. DSOs supply pharmaceuticals to faith-based providers in seven of the PEPFAR focus countries: Kenya, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia.

SCMS was established to strengthen local supply chain efforts in the field, not to build parallel systems. Sustainability is a guiding principle in all our activities. SCMS has been in frequent dialogue with EPN; together, we have set up an EPN/SCMS joint task force which met for the first time in September in South Africa. We will continue to collaborate with EPN and its members, and to ensure that our actions lead toward national supply chains that are equipped to handle the rapid scale-up needed to meet the unprecedented HIV/AIDS prevention, care and treatment challenge, particularly in Africa.

## **SCMS and USAID finalize agreements with Rwandan drug procurement and supply agency**



*Ambassador Zephyr Mutangua, Director General of CAMERWA signs the SubAgreement and MOU while Mme. Caroline Kayonga, Permanent Secretary of the Rwandan Ministry of Health witnesses.*

In Rwanda, on November 13, the Partnership for Supply Chain Management—the non-profit organization that leads SCMS—signed a landmark sub-agreement and Memorandum of Understanding (MOU) with the Centrale d’Achats des Médicaments Essentiels Consommables et Equipements Medicaux du Rwanda (CAMERWA), the national public sector drug procurement and supply agency. The sub-agreement enables SCMS to contract with CAMERWA to provide port clearance, storage and distribution services for all Emergency Plan commodities in Rwanda. The MOU defines the roles and responsibilities of both CAMERWA and SCMS in a collaborative relationship that will promote sustainable improvements to the HIV/AIDS commodity supply chain in Rwanda. In addition, SCMS will provide technical assistance to enhance the capacity of CAMERWA to enable them to qualify to become direct recipients of US government funds in the future.

## **Zambia receives HIV test kits, ARVs, and conducts national quantification of lab supplies**

HIV test kits are in high demand as more and more people are interested and willing to know their HIV status. Over the past three months SCMS delivered more than 4,000 HIV-test kits (400,000 HIV tests) for use at PEPFAR-supported testing sites in Zambia. The test kits were delivered to the Ministry of Health’s Central Medical Stores. By delivering kits in smaller shipments on a monthly basis, rather than in one bulk shipment, clients are able to receive test kits with a longer shelf life, and space-constrained warehouses are able to keep a smaller amount of inventory on hand. SCMS received a total order for 9,000 test kits and expects to receive another order for three different types of test kits in the coming days. In addition, the first shipment of a large order of ARVs arrived in Zambia on November 17th. These drugs will be provided to patients served by the Ministry of Health’s AIDS treatment program.

In September, SCMS provided short-term technical assistance to the Ministry of Health’s laboratory staff and other partners to conduct the national level laboratory quantification of lab commodities. This produced an estimate of the quantities needed to meet short- and long-term planning. Based on this exercise, the Ministry will produce a procurement plan for lab commodities supported by the US government.

## **SCMS establishes long-term contracts with manufacturers**

Establishing long-term relations with vendors is an important part of the SCMS supply chain solution. SCMS is in the process of negotiating long-term contracts with manufacturers of antiretrovirals and rapid HIV test kits. These indefinite quantity contracts (IQCs) will greatly facilitate the procurement process by strengthening relationships with vendors and enhancing communication, thus enabling manufacturers to better plan their production and increase efficiency. Items procured under the IQCs will be stocked in the SCMS regional distribution centers, ensuring a rapid and regular supply when needed. Also, as a result of the IQCs, the pricing mechanism will be established, reducing the time spent negotiating prices. Clients will also be better able to plan and budget for their ARV needs with realistic and more affordable prices.