Reproductive Health
Supplies Coalition

Reproductive Health Supplies Coalition
2008 Membership Meeting

Meeting Report

May 22–23, 2008
Brussels, Belgium

Table of Contents

Executive Summary

The 2008 Reproductive Health Supplies Coalition membership meeting was held on May 22–23, 2008 in Brussels, Belgium. Hosted by the European Commission, the meeting was the largest of its kind ever held by the Coalition. Over 100 participants attended, representing approximately 70 percent of the Coalition's institutional members. The event also completed the cycle of semi-annual meetings to be hosted by institutions seated on Executive Committee. Henceforth, membership meetings will take place annually, with the next meeting scheduled for mid-year 2009.

The focus of the meeting was Europe's role in development assistance, particularly as it relates to funding for reproductive health supplies. European funding accounts for the largest share of international development aid. Coalition partners from Brussels and across Europe provided an overview of the Commission, the Council, and the Parliament, and discussed the realities of advocating within Europe for funding of RH supplies.

The Coalition has made significant progress in translating new concepts and policies into reality. Dalberg Consulting, for example, presented designs of the new Minimum Volume and the Pledge Guarantee mechanisms, which could fundamentally change how agencies aggregate demand and address the nonalignment of funding and procurement cycles.

The Coalition's three Working Groups provided updates on their activities. The Market Development Approaches Working Group has greatly expanded in membership and is conducting its work through workstreams on market segmentation, total market approaches, development of indicators, advocacy, prequalification, working with manufacturers, and demand creation. The Systems Strengthening Working Group (SSWG) is shifting ownership of the Reproductive Health Interchange to the United Nations Population Fund. It is also producing a review of supply chain software to identify program needs and gaps. Other workstreams within the SSWG address prequalification, procurement strengthening, and essential medicines lists. The Resource Mobilization and Awareness Working Group has finalized its Advocacy Toolkit, which is now available on the Coalition website. In addition, it has been working to support advocacy efforts in several countries, to increase the number of integrated reproductive health/HIV proposals submitted to the Global Fund, and to examine and update the supply gap analysis advocacy tool.

Director John Skibiak emphasized the need for the Coalition to achieve long-term sustainability. He shared the work of consultant Bo Stenson, who carried out a review and proposed recommendations to ensure the sustainability of the Secretariat. The Secretariat is currently supported by a grant from the Bill & Melinda Gates Foundation, which ends in September 2009.

Finally, the Bill & Melinda Gates Foundation unveiled its new reproductive health strategy.

The meeting concluded with a fond farewell to Margret Verwijk whose term as Co-Chair had just ended. Wolfgang Bichmann, who will carry on as Chair until mid-2009, thanked participants, noting that the meeting was extraordinary in terms of its size, participation, and dedication.

DAY 1: May 22, 2008

1. Welcome

Speaker: Dominique Dellicour, Acting Director, Directorate on Quality of Operations, Directorate-General – Europe Aid Cooperation Office
PowerPoint: Welcome

Dominique Dellicour welcomed participants to the 2008 annual membership meeting. The European Commission has been an early member of the Coalition since 2004 and active on the Executive Committee since 2005.

The Commission and the European Union (EU) are strongly committed to sexual and reproductive health (SRH), and to realizing the objectives of the 1994 International Conference on Population and Development (ICPD). The EU is also committed to achieving the Millennium Development Goals (MDGs), particularly MDG5 on maternal mortality and SRH. In 2005, the Commission mandated a study on reproductive health (RH) commodity security,[1] which complements studies carried out by two other Coalition members—the Netherlands and the UK's Department for International Development (DFID). This is an example of how the Coalition can improve coordination between donors.

With the EU contributing to 60% of all development aid globally, it is important to understand the role that Europe plays. The European Consensus on Development, accepted in June 2006, commits the 27 member states of the EU to common principles, even if member states and the Commission maintain separate financing mechanisms. The principles are based in large part on the Paris Declaration on Aid Effectiveness. The Paris Declaration calls for harmonization between donor and country policies, and most importantly, increased country ownership.

Ms. Dellicour noted that the way the EU collaborates with donors and countries is moving away from an emphasis on *how* to achieve development goals, and more toward identifying which development goals can be achieved, particularly relating to health systems. Europe has played a strong role in strengthening health systems and promoting a common approach to improving them.

Even with sufficient financing, country health systems are often too weak to absorb the additional responsibility of implementing those funds. Without strengthening the basic health structure, one cannot expect RH commodity security. The EU and its member states will continue to contribute to RH supplies and will stay committed to that goal.

2. Report on the Executive Committee Meeting

Speakers: Wolfgang Bichmann and Margret Verwijk, Co-Chairs

Wolfgang Bichmann highlighted four main issues discussed at the Executive Committee Meeting on the previous day:

1. Maximizing the benefits of the recent increase in membership. The Executive Committee discussed the importance of maintaining an effective and efficient division of labor among the Executive Committee, Working Groups, and the Secretariat.
2. Increasing developing-country participation in the Coalition.
3. Ensuring the financial sustainability of the Secretariat.

[1] This report was included in participant packets: *Reproductive Health Commodity Security Study: Key Findings and Recommendations for the European Commission*. August 2007.

4. Departure of Margret Verwijk, whose term of office as Co-Chair ended with the current meeting. She expressed how much she has enjoyed working with the Coalition and noted the impressive progress made—particularly since the establishment of the Secretariat.

A summary of the Executive Committee meeting is available here.

3. The Coalition Since Washington

Speaker: John Skibiak, Director, Reproductive Health Supplies Coalition
PowerPoint: The Coalition Since Washington

John Skibiak updated members on the state of the Coalition, structuring his comments around the Coalition's three broad strategic goals and the Coalition's ability to bring added value by: 1) serving as a forum for shared knowledge (i.e., a "brain trust"), 2) convening key players in the supplies arena, 3) creating awareness, and 4) forging consensus.

Update on Coalition activities

Goal 1: Increase the availability, predictability, and sustainability of financing for RH supplies.

- The Secretariat and Executive Committee have worked strategically to heighten awareness of the supply challenge and to advocate for increased financing by targeting key supply stakeholders.
- The Coalition has played a significant role in expanding the resource base for RH supplies and especially in facilitating the United Nations Population Foundation's (UNFPA) largest-ever annual increase in donor funding.
- Coalition members have contributed more than $1.3 million toward Coalition-sponsored initiatives. This amount effectively matches the annual contribution by the Bill & Melinda Gates Foundation to the operations of the Secretariat.

Goal 2: Strengthen the capacity of health systems to deliver RH supplies in a sustainable manner.

- The Secretariat assumed management of the Countries at Risk (CAR) group, resulting in more regular meetings, better and more reliable supply data, and quicker follow-on decisions. This year, the CAR group addressed stock-out threats in Bangladesh, Kenya, and Mozambique; overstocks in Ethiopia; and shortages in Ghana and Zimbabwe.
- Members have contributed more than $640,000 toward the design and pilot testing of a global financing and procurement mechanism, otherwise known as the Minimum Volume Guarantee and Pledge Guarantee (MVG/PG). After seven months, the preliminary results of that exercise are available.
- Another example of success in strengthening global supply systems is the Reproductive Health Interchange (RHI), the only comprehensive source of current information on global supply procurements. The database was recently expanded to include procurement information from at least twelve additional funding sources.
- In the past six months, the Coalition has completed a technical review of software tools for supply chain management (see discussion below on Day 2).

Goal 3: Assure the added value of the Coalition as a productive and sustainable global partnership through support for efficiency, advocacy, and innovation.

- This year's financial commitments were more than matched by the institutional buy-in of the RH community as a whole. Since the Coalition membership was opened up to the broader RH community, its numbers have grown to more than 66 institutions. More than 70% of all institutional members have chosen to attend this Coalition meeting, nearly all at their own cost.
- Communications is essential to forging and sustaining new partnerships, and the Coalition has made great strides in this area. The Coalition website has been launched; it emphasizes the Coalition's added value and allows readers to grasp and understand its work. The website helps make supply security more accessible to a broader audience, and includes links to the RHI, the CAR group, and soon, a host of new Coalition-sponsored tools, such as the Advocacy Toolkit and a new Supply Information Database (SID) database of country-specific reference materials.
- A consultant was hired to explore options for assuring the financial sustainability of the Coalition. The results were presented to the Executive Committee.
- Earlier this year, the Secretariat submitted for review a draft monitoring and evaluation plan, comprising indicators to be monitored across 14 focus countries.

Next steps

The Coalition has closed an initial chapter of forging new systems and policies and embarked on another, in which the impact of those systems is beginning to take shape. The expanding membership, the formulation of a new Strategic Plan, and the search for financial sustainability represent windows of opportunity. But addressing these issues will require new ways of seeking available resources, managing a more diverse membership, and ensuring that the Coalition's work remains relevant and meaningful. To maximize these opportunities, the Coalition will focus its energies in the next several months on four priority areas, which were included in a work plan that was recently submitted to the Executive Committee.

The four key priorities include:

1. Fully operationalize the strategic plan. In 2008, the Secretariat will reinforce efforts through more focused communications, intensive interaction with Working Groups, and informal efforts to reinforce linkages between the strategic plan and the work being done.
2. Manage a new and expanded membership. Increase in membership places greater demands on the Secretariat. In the past, personalized face-to-face working relationships have been important to the Coalition's success. As the Coalition grows, it will be necessary to reassess the way members communicate and work.
3. Engage developing-country partners. Only 20% of new members are from low- and middle-income countries, none of which represent country governments. The new work plan addresses this issue and is designed to encourage greater input from developing countries.
4. Ensure the Coalition's financial sustainability. Although the Secretariat has funding through September 2009, now is the time for donors to programme funds for 2009 and beyond. Next year will be a period of stock-taking and financial review, seeking new opportunities and preparing proposals.

4. Financing of Development Assistance in Europe: An Overview

Speaker: Vicky Claeys, International Planned Parenthood Federation (IPPF) European Network Regional Director
PowerPoint: Development Assistance of the European Union: Setting the Scene

Vicky Claeys described development aid within the EU as "multi-layered and complex". Her presentation outlined how development aid is managed within the EU. She also provided an update on funding commitments and the various funding streams and budgeting instruments used to distribute them. Finally, Ms. Claeys described the challenges inherent in such a system and the steps needed to address them.

The European Union

The EU includes 27 member states and 3 European institutions: the Council, the Parliament, and the Commission. Each member state has its own development policy and the European Commission has a separate development policy. Thanks to the adoption of the European Development Consensus in 2005, all of these policies now have a common vision.

The policymaking process

Overview of the institutions that make up the EU and their roles in decision-making:

- European Council: A legislative body representing 27 member states. The Council has a system of rotating presidencies every 6 months. One member state presides over the EU, sets priorities and represents the EU internationally. The heads of states meet in EU Summits twice a year, while the Ministers of each sectoral domain (e.g., Development or Foreign Affairs) meet quarterly. Ongoing work is conducted in Brussels by the permanent representations.
- European Parliament: A legislative body comprising 785 directly elected parliamentarians who have co-decision power with the Council. This body represents the voice of the citizenry. The parliamentarians play an important watchdog role over the Commission and its budgets. Ongoing work is done in Parliamentary committees and political parties. Committee work takes place in Brussels and plenary voting in Strasbourg once a month.
- European Commission: The main executive body that implements and manages common policies. The Commission is composed of a college of 27 Commissioners and a President. The Commission initiates legislative proposals and represents the EU in international fora. Ongoing work is conducted in Brussels in Directorates General by civil servants.

Policymaking in the EU requires input from all three institutions. This creates a complex decision-making environment, particularly on controversial topics such as SRH. It also makes it difficult for civil society to advocate for development issues. Europe accounts for the largest share of international official development aid.

Official development aid

Responsibility for managing development aid in Europe is divided between member states and the Commission:

- Member states manage about 80% of all development aid originating in Europe. States provide varying amounts of aid, reflecting differences in the sizes of their economies and political will.
- The Commission manages the remaining 20% of European development aid. Aid managed through the Commission is allocated in two different ways: 56% is for the Commission's budget and 37% is for the European Development Fund. (The remaining 7% is for administrative costs.) The European Development Fund is for partnerships with African, Caribbean, and Pacific (ACP) countries, and is

funded by the member states themselves. It has its own financial rules as specified in the Cotonou Agreement.

Commitments by member states

All member countries have committed themselves to reaching a development aid level of 0.7% of their gross national income by 2015. The European Commission was charged with monitoring these commitments. Despite excellent performance by four leading countries and large increases from other countries, European aid fell by €1.7 billion in 2007. The Commission has encouraged member states to establish national timelines to reach their targets. Ms. Claeys displayed a graph illustrating the state of advancement toward these targets by country.

Budget instruments

Since 2006, the Commission has used two main budget instruments—the Development Cooperation Instrument and the European Neighbourhood and Partnership Instrument. These instruments determine the way the Commission's budget is used for external affairs.

Geographical scope

In terms of geographical scope:

- The EC budget funds programmes in Latin America and Asia to the tune of €17 billion for the period 2007–2013; and in European neighbourhood countries (Caucasus, North Africa, and parts of Middle East) via the European Neighbourhood and Partnership Instrument in the amount of €12 billion for the same period.
- The European Development Fund is responsible for funding a specific group of 78 countries in the ACP countries and is guided by the Cotonou Agreement. The current fund is effective between 2008 and 2013 and amounts to €22.8 billion. It is a major increase compared to the previous fund, which was €13.5 billion.

Funding streams

Funds are distributed thematically and geographically for both the Commission and the European Development Fund. However, there is an effort to limit thematic funding, as the idea is to provide funding to the countries according to the principle of ownership.

Thematic funding streams:

- One of the six large thematic programs in the EU development assistance framework is called "Investing in People." Half of the budget in this category is dedicated to health (about €600 million in 2007–2013). Fifteen percent of this health funding is dedicated to SRH (about €12 million), which is less than in the previous period (€18 million). Additional funding for SRH include areas such as gender, education, youth, and children.
- There are large amounts of thematic funding in the European Development Fund, however, the priorities are vague and unclear.

Geographic funding streams:

- Aid is mainly distributed through country strategic papers, which are documents between the Commission and recipient countries on priority areas where aid will go (80% to 90% of the funding is distributed in this way).
- The Development Cooperation Instrument includes a benchmark of 20% for health and education, versus the European Development Fund, which has no such target.

Challenges

The Commission seeks to increase country ownership by increasingly channeling funds via direct budget support. While admirable in theory, there are concerns when it comes to issues such as SRH. These include difficulty in monitoring direct budget support, ensuring that contractual relationships with countries are transparent, and ensuring that funding reaches the social sectors where it is needed most. Also, there is a lack of democratic scrutiny from civil society and local parliaments, which cannot play their watchdog role, especially on controversial issues such as SRH. Thus, direct budget support is not necessarily the best instrument to reach the most vulnerable. A mix of funding is crucial, direct budget support as well as sectoral support, and calls for proposals for civil society.

In addition to direct budget support, the Commission also decentralizes development aid via its in-country delegations, which are more in-tune with the reality on the ground. Although this is a positive move, it is important to ensure that SRH issues do not get lost. With decentralized aid, there are concerns about monitoring funding and concerns about staff capacity. Many delegations lack staff generally, especially staff that specialize in SRH. This leads to a lack of engagement with civil society. Civil society in countries is often weak in advocacy and non-governmental organizations (NGOs) are not always prepared to push for health issues including SRH. There is a great need for capacity building in countries.

The complex structure of the EU also presents many challenges when trying to advocate for issues such as RH supplies. Challenges include:

- The complexity and multiplicity of players and difficult decision-making processes.
- Multi-layered development assistance structure with several instruments and parallel systems according to geographic areas and lack of democratic scrutiny.
- Disappointing achievements in reaching official development aid commitments.
- New funding trends (direct budget support and decentralization to country level) make monitoring and implementation difficult and can be counterproductive for social issues.

Next steps and key issues to address include:

- Ensuring a large advocacy network that covers all players, including national governments, Europe, Brussels, capitals of member states, and the South.
- Focusing on geographic instruments and improving monitoring for social issues, including better democratic scrutiny.
- Advocating for inclusion of guarantees/benchmarks for SRH in new funding instruments.
- Increasing levels of official development aid.

Countdown 2015 Europe

Countdown 2015 Europe is a consortium of 18 European NGOs advocating for increased European donor support to RH supplies in the South by honouring commitments to support implementation of the ICPD Plan of Action and supporting implementation of MDGs (particularly MDG5 on universal access to RH). The goal of the consortium is to help close the gaps between the need, demand, and availability of supplies that are integral to RH programs. Specifically, the consortium aims to increase financial and political support and commitment among European policymakers and decision-makers on RH supplies and to expand the support base among European civil society.

5. European Perspectives on Reproductive Health Supplies

The European Commission

Speaker: Antoinette Gosses, European Commission, Directorate General Development (DG Dev)

PowerPoint: The Role of the European Commission: RH Supplies and commodity security

Antoinette Gosses described the role of the European Commission and shared the results of a study carried out by the Commission on RH commodity security.

Overview

The DG Dev is responsible for the formulation of EU development policies for ACP countries, in accordance with the Cotonou Agreement and the European Development Fund. For the first time, member states have decided on a common development policy—the European Consensus on Development. This means a huge shift in thinking, acting, and operating.

New study on reproductive health commodity security

In 2005, DFID and the Netherlands Ministry of Foreign Affairs commissioned a series of studies to inform dialogue and action on RH commodity security. These included a review of the international market for contraceptives and condoms, and country assessments on RH commodity security in four low-income countries (Cambodia, Nigeria, Uganda, and Zambia), which encompass a range of aid, financing, and health reform environments, and a mix of RH donors and supply channels.

Based on the recommendations from these studies, a new study was commissioned in 2006 by Ms. Gosses' predecessor, Lena Sund, of the European Commission. The title is "Reproductive Health Commodity Security Study: Key Findings and Recommendations for the European Commission" and is available for download here. Ms. Gosses highlighted a few common themes and recommendations that were most appropriate to the work of the Coalition.

Country-specific recommendations:

- In India, there seemed to be parallel distribution systems that need greater rationalization. There was a need to focus on quality, not only on price and capacity.
- In Mozambique, procurement was done well, but forecasting was lacking.
- Coordination was needed—a common fund approach to include all donors and a more stable financial basis for acquisition of RH supplies.

General recommendations:

- Policy and legal framework recommendations (and coordination with donors).
- Financing and budget recommendations.
- Addressing gaps in management of the supply chain and procurement.

Common areas of improvement that were identified include tendering procedures and transparency in procurement; forecasting; and working with health sector programmes for RH supplies; and mainstreaming RH commodity security in the policy and budgeting documents.

The European Council

Speakers: Karen Hoehn, Vice Executive Director, and Renate Baehr, Executive Director, German Foundation for World Population (DSW)
PowerPoint: SRH Advocacy under EU Presidencies: German Presidency Jan-Jul 2007

Karen Hoehn described the role of the European Council, and how DSW works within the Council and the German Permanent Representative on development issues. Renate Baehr spoke about DSW's advocacy efforts at the national level.

The European Council

The Council is arguably the most powerful of the three EU institutions. It has the power to make decisions on proposals, and together with the Parliament it has co-decision-making power on development cooperation. This means that the Parliament and Council can amend, accept, or reject a proposal. The Council can also initiate new policies in development cooperation or can instruct the Commission to look at an issue more closely or to initiate a proposal in a new area. The Council is the budgetary power of the EU. In the context of development cooperation, the Council and the Commission work together and have authority over European Development Funds. In collaboration with ACP ambassadors, the Council and Commission decide how to allocate funding. The General Affairs and External Relations Council (GAERC) are ministers from member states who make decisions that affect development cooperation.

The Council Presidency rotates every six months among member states. Three member state presidencies in succession (a "troika") work together toward a common agenda, as defined at the highest level. DSW's work within the European Council was done in close collaboration with the German Permanent Representative. DSW responded to specific requests and coordinated with colleagues in Brussels and in member states by presenting advocacy opportunities to NGOs and working with SRH colleagues. DSW kept advocates around the world alerted to opportunities and events through a biweekly newsletter called "Presidency Alert" that was sent to more than 300 NGOs.

Advocacy for SRH under the German presidency

Between January and July 2007, Germany held both the European Council and G8 presidencies. During this time, DSW played an important role in advocating for SRH. For example, DSW contributed to the Health Ministers Conference in March 2007 by advocating for prevention and making explicit the linkages between HIV/AIDS prevention and SRH. The outcome of the conference was the Bremen Declaration. The advocacy efforts of DSW also potentially contributed to the inclusion of SRH and HIV/AIDS into the Presidency's agenda. DSW works with the Countdown 2015 Europe consortium and is a member of the Ministry for Economic Cooperation and Development's theme team on SRH and the German Roundtable on SRHR.

Lessons learned on advocacy for SRH under the Council presidency include the following:

- Start early.
- Provide partners (especially in countries) with up-to-date information at all times and identify advocacy opportunities together.
- Work to increase the number of civil society organization networks prioritizing population issues and SRH.
- Intensify contacts among parliamentarians, political parties, and government officials.
- Keep the momentum for SRH issues.
- Evaluate outcomes.

The European Parliament

Speaker: Neil Datta, Secretary, European Parliamentary Forum
PowerPoint: Working with donor country parliamentarians on reproductive health supplies

Neil Datta of the European Parliamentary Forum, an advocacy network in 15 European countries, described the role that parliamentarians play in advocating for RH supplies. He explained what decision-making power parliamentarians have, how to work with them most effectively, and what it will take to create and sustain parliamentary structures for RH supply advocacy. The European Parliamentary Forum is a member of the Countdown 2015 Europe consortium, and parliamentary advocacy features as a central part of the work.

Working with parliamentarians

It is important to work with parliamentarians because they play a number of specific roles that are significant for RH supplies policy. As legislators, parliamentarians can establish the legal or policy base for funding priorities. Parliamentarians also have the ability to allocate funding through their role in the budget procedure. Finally, parliamentarians can express political will and hold governments accountable for their commitments, and can help create an enabling political environment.

It is important to understand the needs and motivations of parliamentarians as it is an important aspect of parliamentary advocacy. Many parliamentarians are generalists who sit on many committees, so they rely on external expertise, such as civil society organizations. Parliamentarians have a commitment to improving society, but they need "actionable" solutions. Also, parliamentarians are ambitious and need experiences to cultivate visibility.

Suggested methodologies for working with parliamentarians include providing them with teaching materials and briefings, workshops, or documentation; learning and applying new knowledge through study tours or training; tactical support during a procedure (i.e., budget, legislative lobbying); and community building through conferences or peer education.

The road to parliamentary leadership on RH supplies includes the following steps:

1. Determine whether parliamentarian has an interest in SRH.
2. The European Parliamentary Forum educates parliamentarians through traditional and experiential methods (conferences, seminars, written materials, study tours, and workshops).
3. The European Parliamentary Forum fosters parliamentary activism through speaking engagements, media visibility, etc.
4. Parliamentarians become recognized leaders within their Parliaments, sitting on or heading key committees, initiating changes in policy and mobilizing resources.

Lessons learned in parliamentarian advocacy for RH supplies:

- Where there is an All Party Parliamentary Group on RH, funding for RH has never decreased.
- Governments appreciate support for RH in Parliament.
- Parliamentarians in 14 out of 17 donor countries report having been personally involved in ICPD resource mobilization efforts.
- Medium-term: a number of parliamentarians involved in RH supplies advocacy have become Ministers for Development.

European bilateral perspective: RH funding by European donors

Strategic Options for Greater European Investment in Reproductive Health Supplies

Speaker: Felicity Daly, Senior Policy and Advocacy Manager, Interact Worldwide
PowerPoint: Strategic Options for Greater European Investment in Reproductive Health Supplies

In November 2007, Interact Worldwide commissioned a study entitled "Strategic Options for Greater European Investment in Reproductive Health Supplies." The report was included in participant's folders and is available for download here. Felicity Daly outlined the results of the report, including funding needed for RH, funds from international and European donors, and the performance of European donors in delivering funds.

European investment in RH supplies

In advocating for SRH in national settings, Interact Worldwide often finds it difficult to track spending on RH supplies. Budgets and expenditure reports may not disaggregate SRH services and supplies within overall health spending. Although donor spending on SRH services lags behind the target set by ICPD in 1994, it has increased since 2004 (primarily due to additional expenditures to address the HIV/AIDS crisis). Health spending data suggests that 42% of expenditure on SRH services and commodities is out-of-pocket, which is a major concern among members of Countdown 2015 Europe since it impacts access among the poor and most marginalized.

To achieve universal access to RH and comprehensive HIV and AIDS services, an estimated $29.8 billion will be needed by 2010, rising to $35.8 billion by 2015. International donors need to provide one third of these funds—$9.9 billion by 2010 and $11.9 billion by 2015. The EU's development policy includes strong commitments to the ICPD Programme of Action. Just over one third of the expected funds for SRH activities under the ICPD Programme of Action for 2006 were expected to come from EU member states.

Findings show that the European Commission has provided inconsistent support to SRH. Total funding for SRH between 2003 and 2006 was €70.1 million. The Commission has pledged that it will make the same amount of funds available during the seven-year period 2007–2013.

The aid environment has become increasingly complex with a shift away from specific SRH programmes toward sectoral and general budget support. There has been an increase in funding for SRH through global health partnerships, such as the Global Fund to Fight AIDS, TB and Malaria ("Global Fund"). All member states are working toward implementing the Paris Declaration on Aid Effectiveness, which lays sets forth principles for providing aid more effectively. A good example of cooperation among donors is the International Health Partnership (IHP), which was launched by the UK in September 2007 and is now implemented by the World Health Organization (WHO) and the World Bank. The partnership aims to improve coordination among donors and focuses on strengthening health systems.

The Global Fund has provided significant funding for HIV/AIDS. Countdown 2015 Europe calls on it to be more explicit in its support for SRH/HIV and AIDS integration. In 2007, the European Commission's entire health envelope within 'Investing in People' was allocated to meet the Commission's commitment to the Global Fund. It is important that donor contributions to the Global Fund should be in addition to, not a replacement of, existing funding.

Funding for Reproductive Health Supplies

Speaker: An Huybrechts, Countdown 2015 Europe Coordinator
PowerPoint: Funding for Reproductive Health Supplies: Analyzing European Countries' ODA

An Huybrechts provided further detail on the realities of funding commitments from specific European donor countries on RH supplies. She noted that advocacy for RH supplies funding with bilateral governments is complicated because of the diversity of the funding targets and the complexity of the funding streams to monitor. Nonetheless, she gave figures on RH supplies and funding trends for member states based on data gathered by Countdown 2015 European partners in seven countries.

European bilaterals provide a large amount of funding to international organizations involved in SRH, but it is mainly core funding. This makes it very difficult to disaggregate data for RH supplies. Exact figures for RH supplies were mainly for UNFPA's Global Programme for Enhancing RH Commodity Security. Significant funding was also allocated to the International Partnership for Microbicides. Sweden currently shows the most detailed data for spending on RH supplies, with funding going to the UNFPA Campaign to End Fistula, WHO Making Pregnancy Safer, WHO Three-by-Five Initiative, and Ipas.

The scarcity of exact figures on RH supplies does not mean that European donors are not doing anything related to RH supplies funding, but that it is included in larger funding streams, mostly on SRH. For each of the countries analyzed, there is specific data on spending for RH and RH supplies. This data can also be found on the Coundown 2015 Europe website: www.countdown2015europe.org

6. The New RH Strategy of the Bill & Melinda Gates Foundation

Speaker: Susan Rich, Senior Programme Officer

Recently, a new RH strategy was approved by the Foundation's co-chairs, Bill and Melinda Gates, and the executive team of the Foundation. The Foundation made a strategic decision to develop two separate strategies: one focused on family planning and another focused on maternal, newborn, and child health. Ms. Rich described the development process and the rationale for key decisions, and outlined the four major initiatives under the new strategy that the Foundation plans to carry out over the next five years.

Strategy development

The Bill & Melinda Gates Foundation has a long-standing commitment to family planning and RH. A few years ago, the Foundation decided to forge a new path. Rather than continue to fund discrete service delivery programs, the Foundation chose to move towards a strategic, results-oriented approach to grant making. Based on research and consultations, the Foundation prioritized family planning in light of its uniqueness among public health interventions with regards to the breadth of its potential impact. It is a preventive public health measure, is upstream, and has the potential to prevent many maternal and infant deaths.

The Foundation considered both health and demographic aspects and used them to develop a theory of change. The theory of change identified three strategic levers that can increase contraceptive use—supply, demand, and development of new contraceptive technologies. All three contribute towards increasing contraceptive use and reducing maternal and infant mortality and the total fertility rate.

The Foundation concluded that activities at both global and country levels are vital for progress. At the country level, the potential return on investment is greater in urban compared to rural settings because of the concentrations of population and existing infrastructure. Also, the proportion of urban populations

living in slums is growing. Slum dwellers exhibit higher fertility, lower contraceptive prevalence, and higher unmet need.

Another dimension the Foundation considered was supply and demand. A recent report by Mercer Consulting suggests that supply-side issues represent only 30% of barriers to use, while demand issues comprise 70%. Investments in demand generation have slowed significantly in the last decade. It is important that investments are made in both supply and demand—they are dependent on each other.

Supporting its theory of change, the Foundation will invest in four initiatives over the next five years. These initiatives comprise the five-year strategy with a budget envelope of $603 million.

The new strategy

Initiative 1: Global advocacy ($70 million)

Initiative 1 is designed to revitalize family planning through advocacy. It will mobilize funding, improve donor coordination, and enhance the efficiency of contraceptive procurement. The Foundation hopes the following interventions will be "game-changing" and will produce more money, better money, and more coordination:

- Support the Eurongos Consortium and expanding to the 10 new European member states.
- Support advocacy in Japan and extend reach to new donor nations such as Thailand and Turkey.
- Cultivating RH champions at global and country level.
- Possibly support an updated version of the RAPID model that can be used by advocates in sub-Saharan Africa and South Asia to build political commitment.
- Support research and action to remove policy barriers that hamper contraceptive access.
- Support the RHI and the RH Supplies Coalition to facilitate donor coordination.
- Possibly support financing mechanisms to smooth funding and aggregate procurement to address the volatility of donor funding flows.

Initiative 2: Country action ($300 million)

The country work addresses health inequities by focusing on communities that appear to be "ready for change." The Foundation identified urban slums as areas of tremendous need. In this area, the Foundation intends to:

- Prepare municipalities to address future population growth and serve the needs of the poor.
- Integrate family planning into high-volume service sites and focus on postpartum, post-abortion, and HIV-positive women to address the needs of the most vulnerable.
- Extend distribution networks, including the private sector, and strengthen supply chain management to fully harness the private sector.
- Support demand generation to increase contraceptive use by providing client information and education; community outreach and mobilization; and targeted mass media messages to ensure that women have correct information about pregnancy risk and contraceptive side effects.
- Build capacity of civil society; cultivate RH champions, and use media to advocate for family planning.
- Increase government funding and improve policies to facilitate provision of family planning.
- Establish a City Challenge Fund to create an incentive for replication and scale up successful urban interventions.
- In all areas, focus on capacity building, innovation, and participation of beneficiaries in programme planning, design, and implementation.

Initiative 3: Contraceptive technology ($100 million)

New contraceptive technologies could significantly increase and sustain contraceptive use, provide beneficial side effects, facilitate use, cost less, last longer, and minimize side effects. Through this initiative, the Foundation will:

- Develop and launch a global alliance to improve contraceptives for developing countries—this public-private alliance could revitalize a research field that has suffered from lack of interest and market incentives. Convening key stakeholders and coordinating activities to identify promising technologies can accelerate both the scientific field and global commercial interests.
- Improve existing contraceptives.
- Identify novel candidates for potential new contraceptive compounds by using "new science" of genomic and proteomic discovery.
- Increase the number of research scientists specializing in contraceptive development by investing in modest scholarship and research programs at universities for young scientists.

Initiative 4: Learning agenda ($100 million)

The Foundation proposes specific topics that can benefit this strategy and the larger field:

- Delay of first birth could have enormous health benefits for young adolescent girls, and also reduce the rate of population momentum which is fueled by young age structure.
- Integration of family planning with HIV centers could provide synergy, reduce stigma, and create efficiency by combining supply chains and using the same providers.
- Other key topics that come up and need further study.

Conclusion

The Bill & Melinda Gates Foundation remains committed to reducing maternal and infant mortality and ensuring that its programs reach the most vulnerable. The time to act is now to revitalize family planning. The Foundation has prioritized family planning because of its enormous potential to influence the health of individual women and improve global development. There is an urgent need to revitalize family planning at both the global and country level. The Foundation would like to collaborate with other donors and stakeholders.

Discussion

1. You mentioned the Foundation's desire to identify novel candidates for new compounds—does this include clinical research or only Phase 1 identification of new compounds?
    - At this point, it is only Phase 1, but will most likely be built out as the programme goes on. The Foundation was recently re-organized into three divisions: Discovery, Delivery, and Development. We fit in Development, but are also doing a bit of Delivery. Colleagues in Discovery will be supporting work on upstream research.

2. How is RH work organized in the Foundation and how does it relate to the Maternal Health group?
    - Maternal, neonatal, and child health (MCH); nutrition; RH; and vaccine preventable diseases are under the Integrated Health Solutions Division. RH worked on a joint strategy last year with maternal and child health, but RH was fast-tracked and finished its strategy. MCH is still working on their strategy. RH will work with them on some things; but they are also working on some separate products. RH and MCH are trying to integrate.

3. Has the Foundation already selected the countries where it will work?
    - The Foundation is beginning to work in Nigeria and Uttar-Pradesh, India. It is also looking at Tanzania and/or Kenya, and Senegal. The Foundation plans to work in highly urbanized areas.

4. Could you comment more on the global alliance for improving contraceptives?
    - The alliance has yet to be invented and the Foundation is glad to take part in discussions about this. It will be part of the Discovery division. The president of global health at the Foundation, Tadataka Yamada, was the head of research at GlaxoSmithKline and is very knowledgeable about the pharmaceutical world.

5. Recently the Foundation appointed Joerg Mass as the representative for Europe. How do you share activities between your team and the representative in Europe?
    - Oying Rimon will be working on European advocacy with Joerg Mass. They will be working together but Joerg's responsibilities are for all of global health—liaising with governments and civil society on all health issues such as HIV, TB, and Malaria. He will be interfacing with Foundation staff and European parties. The Foundation is trying to be more strategic and efficient in the way it works with European partners.

7. An Expanded Coalition Membership

Speaker: Steve Kinzett, Technical Officer, Reproductive Health Supplies Coalition
PowerPoint: An Expanded Coalition Membership

With the expansion of the Coalition and the emergence of new supply issues, it is an exciting time in the field of RH supplies. Indeed it could be said that the two issues are related—there are many changes in the supplies field, particularly in the funding environment, which has led to an increased interest in being part of the RH Supplies Coalition. Now more than ever, there is a need for good communication and the sharing of ideas, information, and expertise in the work surrounding RH supplies.

Prior to October 2007, when the last Coalition meeting was held, there were less than 20 organizational members of the Coalition, mainly bilateral and multilateral agencies, and a few NGOs. Now there are 66, with the biggest increase coming from technical agencies, NGOs, and the private sector—including several manufacturers.[2] Generic and R&D pharmaceutical companies have also joined the Coalition as well as a laboratory testing company. It is important to recognize that those in the private sector are also development partners and are a valuable addition to the Coalition.

The increased membership has also increased in the diversity of perspectives surrounding the availability and use of RH supplies. This brings management challenges, especially with respect to the private sector. Some workstreams may become subgroups of a Working Group. There is also a need to ensure collaboration among members, particularly if they are working under their own organization's funding on similar aspects of the same area.

Mr. Kinzett concluded his presentation by calling on selected participants to describe the work of their organizations and their expectations of Coalition membership.

[2] Descriptions of each new member can be found here:
http://www.rhsupplies.org/fileadmin/user_upload/May_2008_meeting_Brussels/New_members_to_the_Coalition.pdf

Aida Cancel, Family Health International
Ms. Cancel represents the Research Division of Family Health International (FHI). They are implementing a project involving a generic, Chinese-manufactured contraceptive implant. FHI is working to ensure the quality of the product and heighten awareness of the WHO prequalification programme at country level, especially in terms of the modalities of responding to Expressions of Interest. They are also trying to understand the process for distribution, and what players are in procurement.

Ed Oosterman, Helm Pharmaceuticals GmbH
Helm Pharmaceuticals is a supplier of generic drugs. Mr. Oosterman said he had spent most of his 25 years in this business "peering-in", trying to know what the kinds of people in this room were talking about. It has been exceptionally difficult to be recognized as part of the system, as opposed to someone consulted after the fact. Helm is focused on the development of new generics and has the added benefit of working together with manufacturers to develop products. Helm's main product is generic DMPA. As a member of the Coalition, Mr. Oosterman expects to be part of the dialogue and impart the experience of his company into the whole process. He hopes that it will be possible to improve efficiency in delivering the supply of products to the final recipient. This is currently causing immense problems, with signing of contracts, clearing of goods, payment delays—all leading to higher costs.

Jeffrey Barnes, Abt Associates, lead on PSP-One
PSP-One is pursuing private-sector approaches in RH. They have joined the Coalition because of its opportunities for match-making. He said it was an interesting "development experiment" and would like to be on people's "dance cards." PSP-One can contribute a rich history of trying to engage the private sector, addressing both public- and private-sector gaps. He is aware of the limitations of the private sector as well as those of the public sector.

Janet Vail, PATH
PATH is working on building procurement capacity at the country level. They are working on two specific initiatives. The first is the development of a procurement toolkit in collaboration with WHO and many members of the Coalition, looking at such issues as writing specifications, payment delays, clearances, etc. They are field-testing the toolkit now with plans to revise and disseminate it. The second initiative is to address capacity building by developing a decision-making framework that donors and governments or other investors could use to decide how to invest in capacity building for RH supplies.

8. Breakout Session 1: An Expanded Coalition Membership and New Issues

During this breakout session, the Coalition's three Working Groups engaged with new members, discussed ways of working more effectively as a group, explored possible future work.

Goals of session:
- Provide a forum for new members to meet with colleagues in the Working Groups.
- Enable group leaders to provide an update to all members on Working Group achievements and to enlist the support of new members in carrying out these activities.
- Identify critical issues that could be addressed by the Working Groups and could become new workstreams.
- Explore ways in which Working Groups can operate within the new realities of the Coalition or ways in which the goals and/or critical issues can be addressed.
- Identify solutions, including wish-lists of support from the Secretariat, which could be incorporated into new funding proposals, etc.

DAY 2: May 23, 2008

9. Market Development Approaches Working Group Update

Speaker: Benedict Light, UNFPA, Brussels
PowerPoint: Market Development Approaches Working Group Update

Ben Light described how the goals of the Market Development Approaches Working Group (MDA WG) align with the Coalition's strategic plan. He also provided an update on the general activities of the Working Group, including its exponential growth in membership. This raises the challenge of managing a significantly larger group and ensuring that different perspectives are incorporated. Mr. Light then called on members of the Working Group to provide an update on each of the seven workstreams.

Workstream 1: Market segmentation toolkit

- Promote more effective market segmentation approaches in order to identify different RH consumer segments that can drive supply and demand creation strategies.
- Improve efficiency and reduce unneeded subsidies by directing public and non-public market players toward appropriate market segments.
- Develop an inventory of approaches and segmentation bases.
- Identify strategies for matching sources of supply to consumer segments.
- Disseminate tools, case studies and data on effective market segmentation.

Workstream 2: Indicators to measure total market development

- Reach consensus on indicators for measuring the success of total market approaches as a means of better informing programme design and evaluation.
- Develop indicators to assess market size, accessibility, equity, and sustainability.
- Provide guidance on issues of measurability, reliability, and cost.

Workstream 3: Targeted Global Advocacy for Market Development Approaches

- Formulate and field-test reliable indicators for measuring private-sector contributions to contraceptive delivery, programme sustainability, and effective market segmentation.
- Advocate for the inclusion of these indicators in national-level demographic and health surveys.

Workstream 4: Facilitating the availability of good-quality generic supplies

- Focus on prequalification of RH products as part of ongoing efforts with WHO and UNFPA.
- Assist potential suppliers of hormonal methods to ensure good manufacturing practices and complete dossiers for the prequalification programme.
- Advocate for and disseminate information on the WHO prequalification programme.

Workstream 5: Facilitating an enabling environment for the non-public sector

- Emphasize the stewardship role of the government in ensuring the health of the whole population.
- Recognize the significant role of the non-public sector in health service provision.
- Enhance cooperation and collaboration between public and non-public bodies at the national level.

Workstream 6: Involving manufacturers in MDA work

- Focus on concerns raised by manufacturers, including: procurement mechanisms, registration processes, import duties/procedures, access to reliable data, market segmentation and targeting; and marketing and market growth.

Workstream 7: Demand creation

- Via a total market intervention—to conduct a broad-based demand creation effort benefiting all players in market: manufacturers, NGOs, etc. Members of this workstream welcome input on how and where to do this.

Finally, the MDA WG is exploring options to undertake a total market initiative at country level. The aim would be to facilitate market segmentation with a broad range of in-country stakeholders from public and non-public sectors. Next steps include building consensus, drafting the plan and methodology, selecting a target country, and securing funds for implementation. The WG also wants to ensure there space to integrate the work of other Working Groups, for example advocacy efforts. Possible components of the initiative include formative research, advocacy, demand creation, targeted subsidy schemes, and evaluation and lessons learned.

10. Systems Strengthening Working Group Update

Speaker: Alan Bornbusch, USAID

Alan Bornbusch gave a brief overview of the Systems Strengthening Working Group's (SSWG) work in the last six months.

The SSWG focuses on:
1. Information systems to strengthen use of standardized data for aligning financing/supply systems with programme needs.
2. Financing systems to increase the predictability and efficiency of financing, particularly public-sector financing, for RH supplies and supply systems.
3. Supply systems to effectively and efficiently manage products, from the manufacturer to user.

Most of the SSWG's work aligns itself with the second goal of the Coalition's strategic plan; though it also, to some degree, helps further the achievement of goals one and three. Below are some examples of what the SSWG has been doing and latest developments in certain workstreams.

Information systems

The RHI is a web-based source of contraceptive ordering and shipment information. It is managed by subgroup of the SSWG. The RHI's current phase of funding will end in August 2009, so the management group is planning for the next three-to-five-year phase. The planning involves the identification of financing needs, priorities, and the transition to UNFPA/Copenhagen (from JSI) as the next host.

The RHI is an example of what the Coalition can achieve when it successfully coordinates, collaborates, and harmonizes. The RHI can be accessed at http://rhi.rhsupplies.org. A recent review of the RHI endorsed the value and public good that it provides. It demonstrated the tool's flexibility at addressing the needs of diverse communities: supply chain managers, the advocacy community, researchers, and manufacturers. The second phase of the review is ongoing and will consider how the RHI is meeting the needs of country stakeholders. The results will be available later in the summer of 2008.

As a result of recent data expansion, the RHI now covers 15 funding sources and 140 countries. It provides information on all US Agency for International Development (USAID)-, UNFPA-, and IPPF-funded contraceptive shipments. It also includes shipments funded by 12 additional sources, including the World Bank and country ministries who use UNFPA as a third-party procurer. The RHI team provides customized reports upon request and has done this for over 30 countries. More information is available from Mimi Whitehouse, Jane Feinberg, and Carolyn Hart.

Financing systems

The SSWG's financing work falls into two areas:

1. The first workstream seeks out sources of "more money" that can be used to finance RH supplies.
2. The second workstream focuses on making more efficient use of that money: "better money". This aspect will be addressed more fully in a subsequent presentation on the MVG/PG mechanisms. The SSWG is also engaged as an informal advisory group for work by KfW to assess the feasibility of a regional financing mechanism for RH supplies in West Africa.

Another focus of the SSWG is to improve the efficiency of public financing to address emergency needs. Although the Coalition and SSWG work to create stable, sustainable systems, there is always the potential that something will go wrong to interrupt supply availability. There is a need to manage risk situations and provide some kind of "fire fighting" response. The CAR Group is a subset of the SSWG that meets monthly by teleconference to share information about the stock status in different country programmes, identify potential shortages or stockouts, and develop coordinated responses to them. The CAR is another good example of how the Coalition can facilitate more joint, coordinated efforts for RH commodity security. The CAR improves visibility into country programmes, and uses that visibility to help Coalition members avert and/or redress supply disruptions. People can request assistance from the CAR directly from the Coalition's website: www.rhsupplies.org. An annual report on CAR is available from Alan Bornbusch.

Strengthening supply systems

With USAID and UNFPA funding, the SSWG commissioned a review of six software packages to support the management of RH supplies. The genesis of this work were concerns by UNFPA that a proliferation of software has produced confusion among supply chain managers and technical assistance providers as to what software is appropriate for what function.

A team of consultants from the University of Maryland used several methods to review the six software programs. They found that there is not much overlap, and collectively they approximate end-to-end support for supply chain functions, although there are gaps. Most critically, there is limited or no inter-operability among the software. Whereas supply chains need to operate seamlessly, there are seams between the different software. Users complain about the need to enter and re-enter data for different software. This can be a real "killer" for supply chains and introduce errors and inefficiencies.

The consultants also found that as information technology systems improve in countries, these advances need to be better anticipated and leveraged to provide more real-time visibility up and down the supply chain. Altogether, there is a need to look at the "legacy" that has been created by these multiple software programs and identify the potential to move towards more state-of-the-art software support for supply chain management. The current work will produce a user's guide for the six software programs. The guide will help users, technical assistance providers, and others to know which software does what and where there are gaps.

There will also be an internal document outlining existing deficiencies and possible next steps. What is needed is a "game-changing" approach to working jointly on future software development. A legacy of fragmentation has been created by working separately. There is now an opportunity to redress that through collaboration, which the Coalition can facilitate. There is an expressed political will to change the approach to software development, which will be tested in the coming months as a collaborative software development group is built.

Workstreams

Other workstreams within the SSWG address prequalification, procurement strengthening, and essential medicines lists. The SSWG focuses on systems, including prequalification, to ensure that markets are providing safe and effective products, whether public or private. SSWG focuses not so much on strengthening the capacities of manufacturers to be prequalified; that is more a function of the MDA WG. The SSWG focuses more on the standards expressed by prequalification and on how to sustain the prequalification "system." The SSWG works in a decentralized manner, with the "engines" being the workstreams, each with its own point person and members.

Workstream point persons are:
- RHI – Mimi Whitehouse, Jane Feinberg
- MVG/PG – Sangeeta Raja
- West Africa – Sandra Rolet
- CAR – Kevin Pilz
- Software review – Alan Bornbusch, Jagdish Upadhyay
- Procurement strengthening/prequalification/essential medicines – David Smith

Breakout session results

In the previous day's breakout session, the SSWG brainstormed about how to strengthen current workstreams and potentially add new ones. Ideas for new workstreams include:
- Standardizing how forecasting, quantification, and procurement planning are carried out. There needs to be public consensus on defining terms that are being used too loosely and to do good forecasting, good procurement planning, etc.
- Professionalization of public health logisticians. There is widespread concern that logisticians are undervalued in many countries. There is a need to look at promoting more professionalization through developing and raising awareness of training programmes, certification programmes, etc.
- Role of the private sector in supply chains. Where does the private sector have a role to contribute to more effective and efficient supply chains?

Conclusion

There are other initiatives, in addition to the Coalition, that address issues of access to medicines and health systems strengthening. The Coalition and SSWG might consider how they can dovetail with these initiatives/agendas by coordinating with them and ensuring that RH supplies are on their agendas.

With this meeting, Mr. Bornbusch stepped down as WG leader, having served in this capacity for the last three years. David Smith of UNFPA/Copenhagen will be the next SSWG leader.

Discussion

1. Have you thought about "borrowing" systems from other health areas? We are facing the same problems with essential drugs and stock-outs.

- There is a need to continue and strengthen ties with others, whether this is within the WG or at a higher level of the Coalition. Stop TB, GAVI Alliance, Roll Back Malaria, etc.—these entities are natural allies and partners. SSWG does not work at the country level, but it works through respective partners who have offices, and works to feed work into those efforts (i.e., promoting and raising awareness in country programs to use RHI). We expect our partners at different levels to be working in an integrated environment.

2. Is there a performance indicator such as number of stock-outs addressed or resolved?
    - CAR tracks efforts to see if we truly do avert stock-outs. RHI has a number of indicators and a monitoring plan, but stock-outs are not an indicator because there is a long thread between using RHI and averting a stock-out. Although we agree stock-outs are a critical indicator, it must be used in the right away and applied to the right initiative.

3. Would the SSWG try to introduce RHI in a CAR country to demonstrate that it works successfully?
    - Absolutely. RHI is currently working with seven countries to support communities of practice among supply chain managers and others. It is helping people to use RHI data to address their needs at the country level. We want to promote the RHI more aggressively and raise awareness of it and its utility.

4. The Coalition has a number of focus countries where initiatives are happening, such as the RHI, RMA, and Global Programme. There is overlap and one of our priorities in the coming year is to look for synergies among Working Groups and activities of the Coalition to make a difference. We have a number of representatives from those countries today. Focus countries for Coalition initiatives are as follows:
    - RHI – Burkina Faso, Ethiopia, Ghana, Rwanda, Guatemala, Honduras, and Nepal.
    - Project RMA – Ghana, Tanzania, Uganda, Mexico, Nicaragua, and Bangladesh.
    - Global Programme – Burkina Faso, Ethiopia, Mozambique, Nicaragua, and Mongolia.

5. From the RHI website, it looks like there are sources of procurement financing that you are not capturing, notably KFW-financed supplies procured through local social marketing organizations. Do you have plans to integrate them?
        - Yes, we plan to expand RHI in a phased approach. IPPF, UNFPA's own procurements, and USAID were integrated. This has now expanded with UNFPA's third-party procurements. There is active work with Crown Agents, and plans are in place to see how KFW's funding can be included in the database, as well as data from PSI. We need to incrementally grow this database. The database now includes a little over 70% of donor-funded procurements and shipments, so we have come a long way.

11. Resource Mobilization and Awareness Working Group Update

Speaker: Mercedes Mas de Xaxás, Population Action International (PAI)
PowerPoint: Resource Mobilization and Awareness Working Group

Mercedes Mas de Xaxás provided an update on each of the four workstreams in the Resource Mobilization and Awareness Working Group (RMA WG), including the advocacy toolkit, Project RMA, integration of RH and HIV/AIDS, and the supply gap analysis. She represented the two Co-Chairs in their absence—Carolyn Vogel and Suzanne Ehlers of PAI. The group was pleased to welcome many new members, including World Population Foundation, Interact Worldwide, Marie Stopes International, Hewlett Foundation, Packard Foundation, UN Foundation, Engenderhealth, Planned Parenthood Association of Ghana, MEXFAM, and Family Planning Association of Bangladesh.

Goals

The work of the RMA WG aligns primarily with the Coalition's strategic goals 1 and 3. The two main goals of the Working Group are to 1) create an environment conducive to political support for RH supplies at the global, regional, and national levels; and 2) secure increased financial resources for RH supplies at country, regional, and global levels. To achieve these goals, the RMA WG reaches out to and engages civil society, develops core messages to be used by the Coalition to advocate for RH supplies; and will move to a country focus and promote southern participation and ownership of the Coalition's work.

Workstream 1: Advocacy Toolkit

An example of the added value of the Coalition is the Advocacy Toolkit, produced by Constella Futures. Since the Coalition's last membership meeting, the RMA WG has worked to make the toolkit more user-friendly. Users include the Coalition and its partners as well as other advocates of RH supplies. The main target audience is decision-makers at country level. The toolkit has been finalized and will soon be on the Coalition website and available on CD-ROM.[3] The toolkit includes an advocacy guide, advocacy messages for different target groups, PowerPoint templates, policy briefs, fact sheets, press releases, and media alerts.

Workstream 2: Project RMA

Project RMA came into being, in part, as a vehicle to implement some RMA WG objectives. Project RMA is a joint effort to increase political and financial support for RH supplies at the global, regional, and national levels. It is a three-year project (2007–2009) and is implemented by three partners at national, regional, and global levels:

- IPPF is supporting national advocacy in Bangladesh, Ghana, Mexico, Nicaragua, Tanzania, and Uganda by working to influence national essential drugs lists, finance mechanisms, national budget lines, and country coordination mechanisms for RH supplies.
- DSW is coordinating regional efforts to improve RH supplies through strategic communication on national activities, best practices and lessons learned in five regions of the global south.
- PAI is supporting global advocacy through small grants to civil society organizations and networks; coordinating global civil society advocacy; and supporting the Coalition.

[3] The Advocacy Toolkit is now available on the Coalition website: http://www.rhsupplies.org/resources/advocacy_toolkit.html

Workstream 3: Integration of RH and HIV/AIDS

A number of Working Group partners are engaged in a project called "Mobilizing for RH/HIV Integration." These include the Global AIDS Alliance, Interact Worldwide, the International HIV/AIDS Alliance, IPPF and its Africa Regional Office, Friends of the Global Fund Africa, and PAI. All are working to increase the number of integrated RH/HIV proposals submitted to the Global Fund and approved by them. They are advocating for the inclusion of RH supplies, since this would free up government resources to provide for other comprehensive RH services.

In February 2008, the initiative was launched at a meeting was held in Addis Ababa, Ethiopia. Plans include work in ten focus countries: Burkina Faso, Burundi, Cameroon, Ghana, Madagascar, Mozambique, Namibia, Nigeria, Tanzania, and Zambia. Country teams have formed and global and regional advocacy is also taking place.

Workstream 4: Supply Gap Analysis

Since it was first introduced in Meeting the Challenge: Securing Contraceptive Supplies, the supply gap analysis has been an effective advocacy tool for highlighting the shortfall between public-sector demand for contraceptive supplies and the availability of donor resources to procure them. But the passage of time and uncertainty over the use of key gap figures and terms has prompted some to question the tool's long-term utility.

At the last membership meeting in Washington, DC, a number of Coalition participants met to discuss the strengths and shortfalls of the current gap model; and examine its potential to reflect a broader range of considerations. Although recent studies have also explored the shortfall between supply and demand (Achieving the ICPD Goals and Donor Support for Contraceptives and Condoms for STI/HIV Prevention), participants concluded that a focused review of the gap statistic was important. They also highlighted the potential value of calculating gap figures for individual countries should the funds to do so become available.

Futures Institute was contracted by USAID | DELIVER to review the gap analysis. Under their scope of work, Futures is assessing the demand for contraceptives in countries that primarily depend on donor supplies. The demand will then be compared with current and projected levels of future funding to highlight the 'donor gap'—the expected shortfall in commodity funding unless resources for commodities are increased.

Preliminary findings were presented in March 2008. Findings outlined options for estimating supply and demand (composition of country sample, sector definitions, calculation of costs, inclusion/exclusion of condoms for HIV, etc.), and the results of those estimates, depending on the option(s) chosen.

New potential workstreams

The RMA WG is considering several new workstreams:

- Effective translation, dissemination, and use of the advocacy toolkit.
- Strengthen communications capacity and message development for Coalition.
- Mapping of existing advocacy around supplies at all levels.
- Linking pro-poor policies to RH supplies.
- Ensuring supplies are on the agenda for ICPD +15 process.

Discussion

1. Regarding the effort to integrate RH supplies into proposals to the Global Fund, can RH supplies be funded by the Global Fund?
    - The Global Fund can finance any RH supplies that are part of an integrated programme to impact on HIV/AIDS prevalence.
    - There is also a lot of work going on with respect to gender equality, particularly the linkages and benefits to RH supplies. There are also new and growing areas in the HIV/AIDS epidemic and inequity with tuberculosis.

2. From personal experience, RH supplies are rarely included in proposals to the Global Fund. The Global Fund has been challenged on this and their response has always been that it is a country-driven exercise. Do advocacy as strongly as you can. It is happening but needs a lot more work.

12. Financing and Procurement Mechanisms for RH Supplies

Speaker: Daniella Ballou-Aares
PowerPoint: The Pledge Guarantee (PG) and Minimum Volume Guarantee (MVG): A Path Forward for Action and Impact

Daniella Ballou-Aares provided a detailed overview of two new financing and procurement mechanisms for RH supplies— the Pledge Guarantee and the Minimum Volume Guarantee. These new mechanisms could fundamentally change how agencies aggregate demand and address the nonalignment of funding and procurement cycles.

Background

The design of the MVG/PG mechanisms builds on previous studies and initiatives funded by the Bill & Melinda Gates Foundation, DFID, and USAID, under the guidance of the Coalition. The current assignment of detailing the technical design, organizational structure, and level of investment was contracted to Dalberg Global Development Advisors by the World Bank on behalf of its funders, DFID, KfW, and The Netherlands Foreign Ministry. The final product will be publicly available on the Coalition website.

Dalberg's efforts were focused on supporting goals of the SSWG in particular, especially its first goal related to financing for RH supplies. The MVG and PG are focused on addressing financing and procurement inefficiencies, two of the many challenges that contribute to poor RH outcomes. Previous studies framed the problem and proposed an MVG and PG. [4,5,6,7] The effort by Dalberg focused on a practical design ready for implementation.

Design of the financing mechanisms

The design of the PG and MVG mechanisms were governed by a set of guiding principles. The design and implementation plan *should* respond to user needs, support country ownership and health systems, support quality products, contribute to or complement existing global health mechanisms, support market development, and create incentives for suppliers to participate in developing countries' RH market. It

[4] DFID. *RH Commodity Security: Adequacy of the International Architecture for Finance and Supply*. 2005.
[5] Mercer Consulting. *Contraceptive Availability Study: Methodology and Key Findings.* 2005.
[6] McKinsey. *Reproductive Health Financial Mechanism Analysis*. 2006.
[7] JSI/DELIVER. *Synthesis of Field Advisor Observations on MVG and PG Draft Report*. 2006.

should not duplicate existing efforts or initiatives, create a burden to recipient countries, impede entry of new products, create a new organization, or create health initiative.

This study focused on moving from concept to action. The design and organizational requirements of the MVG and PG financing mechanisms were driven by an analysis of the market and customers.

Minimum Volume Pledge Guarantee

The MVG is a procurement mechanism that provides a quantity guarantee to manufacturers in exchange for improved pricing and delivery terms. It is applicable for contraceptives that have large as well as small volumes. The MVG aims to achieve three objectives: 1) increase access to favorable pricing and delivery terms; 2) improve product quality consistency; and 3) minimize supply chain complexity.

The need for a MVG for RH supplies arises from a gap in the global health landscape. Many players in global health are expanding procurement operations and tools. However, no organization offers framework agreements for RH. This presents an opportunity for the RH community to act now and take the lead.

An MVG open to all procurement agents and country-level public and private buyers would have up to a $414 million market. The MVG locks in delivery terms and prices, which can be shared with a broad base of customers.

How it works:

1. A customer is interested in purchasing a type of supply. They generate demand forecasts and present those forecasts to the MVG mechanism.
2. By collecting those forecasts over time, the MVG would better understanding of the size of the market so that it can establish realistic master contract(s) with manufacturer(s) based on subset of demand. Framework agreements would be negotiated by a centralized mechanism. Low initial guarantees would increase based on appetite for risk.
3. The customers would then procure from the manufacturers in their normal manner or through existing channels using the terms of the MVG master contracts.

This study looked at which organization would potentially manage and implement this mechanism, based on its fit with the guiding principles and implementation costs. UNFPA was identified as a strong fit with those criteria and principles.

From an organizational viewpoint, the MVG could operate as a new business line within the existing procurement operation. It eliminates the need for capital reserve, because the initial guarantee is based on existing volume. There would be a small fee for users not committing volume. In addition, the MVG could be potentially web-enabled.

The MVG would enhance procurement effectiveness and achieve efficiency benefits, which outweighs its modest costs. From a cost perspective, the estimated net costs (over three years) are $3 to 5 million, whereas cost benefits would be $4 to 13 million.[8]

[8] These are preliminary cost estimates only. Actual costs will be determined through exploration with commercial and development banks.

Pledge Guarantee

The PG is a financing mechanism that allows recipients of donor funds to access credit for commodity purchases. It aims to improve access to supplies and increase ability for long-term planning and supply chain management.

The PG can address a range of circumstances when funds are not available in a timely manner. It aims to address two areas:

- Fill funding shortfalls:
    - The PG must be linked with some kind of pledge. If a donor has not made a pledge, this mechanism cannot be used.
- Providing credit to speed/smooth procurement:
    - The PG can address the flow of funds between donor and recipient (which is relatively low risk) as well as the flow of funds within a country (e.g., between the MOF/MOH), which is riskier.

Potential PG customers extend beyond RH products, with a market of up to $2.6B a year in health commodity purchases.

How it works:

1. Donor makes pledge to a country or organization.
2. Country/organization requests mechanism to cover product cost.
3. Mechanism verifies pledge with donor, establishes repayment agreement, and notifies country/organization of approval, and issues PG credit certification.
4. Country procures through existing process (i.e., may involve procurement agent), receives shipment, and pays manufacturer.
5. Mechanism payment (by donor or guarantor).

The PG could be operated by a bank, with programme management and governance conducted by another organization. It must assess risk, interest, and provide capital using resources or credit it has established. The PG has low fixed costs; incremental costs occur only with usage. If it gets used, it will be charged interest. If not used, it stays at startup costs. Assuming a modest volume, cost would be $4 to 8 million over three years. The cost benefit over three years would be $4 to 10 million.[9]

Next steps

Successful implementation will require focus on customer needs and preparing managing organizations to launch. Teams went to Tanzania, Ethiopia, Ghana, and Zambia. The response from customers was quite favorable, especially those increasingly taking on their own procurement.

Next steps include:

- Validate country-level customer needs and support, and refine design of MVG and/or PG as necessary.
- Work with implementing organizations to build capacity and create new business lines.
- Plan for implementation, including strategy to select supplier(s) and financing provider(s).
- Prepare for launch of MVG and PG.

[9] These are preliminary cost estimates only. Actual costs will be determined through exploration with commercial and development banks.

What does it require to succeed?

- Keep the customer first—sustain focus on PG and MVG "customers" who make RH purchasing and financing decisions at country level.
- Be entrepreneurs—take risks and test out new approaches.
- Collaborate—work with each other in new ways.
- Advocate—keep the pressure on all partners to act (donors, implementing organizations, and other partners).

This is a unique opportunity to demonstrate leadership in innovative financing and procurement, which will help increase the visibility of RH. To achieve this, however, the mechanisms must be used. Entrepreneurship, collaboration, and advocacy will be necessary get through decision-making processes and implementation requirements.

Discussion

1. How does the MVG find its way around international requirements for competitive bidding?
    - This question has come up a number of times. At the heart of the issue is how the managing organization of the MVP goes about establishing framework contracts with suppliers. If it is done in an open competitive atmosphere, the comfort level of institutions such as the World Bank and others donors will be high. Countries will also be free also to decide how they procure supplies.

2. It is interesting that the mechanisms have evolved from one hybrid to two separate mechanisms, although they are still tightly linked. Could you address how they are linked and how they can be jointly managed?
    - The two mechanisms can be bundled together for the customer, but capabilities to run them are distinct. Joint collaboration and distribution are critical, but separating them provides more flexibility and opportunities for distinct marketing.

3. One of the basic ethical principles underlying the Coalition is broad method choice. It is nice to see that the MVG in particular will provide a mechanism to increase access to lower volume methods. Many people here are interested in methods that are not high-volume methods. The MVG will be critical in making them more accessible to people.

4. Regarding the PG, could you comment more on the capabilities for programme administration (i.e., is a distinction between the banking function and programme administration function)?
    - The programme administration function will need to sit between donors and banks. It will also need a marketing function that enables the bank to link with MVG and do broad outreach to customers, as opposed to specific customer relationship from the bank. There will be a fairly strong financial capability requirement as well.

5. The benefits to derive from the MVG will depend in large part on the estimate of minimum volume and how that relates to actual demand. Working on the demand and demand forecasting side will be important to strengthen benefits that will flow from this. Also, it would be interesting to look back at what has been done with the Clinton Foundation when it was working on antiretrovirals (ARVs). They worked with producers on volume reach, prequalification, and good manufacturing practices.
    - The Clinton Foundation's work with ARVs took a strong negotiating stance with suppliers, but also worked with them to reduce their cost base and give them a broader market. That delicate balance can be instructive. The very public profile was a value, and they very publicly shared what types of prices they negotiated and helped reduce prices in the market.

Also, they had Bill Clinton who created an element of political mobility with negotiations that were happening and suppliers wanted to be part of that. It is useful to think about ways of maximizing visibility in a way that pushes everyone—suppliers in particular—to become part of the mechanism.

6. One of the core concerns of demand forecasting is its reliability. The MVG could be a catalyst for strengthening country capacities to improve forecasting and supply chain management. We will need high levels of political support to make this work.

13. Sustaining the Coalition's Work

Speaker: John Skibiak, Director, Reproductive Health Supplies Coalition
PowerPoint: Coalition Strategies for Achieving Financial Sustainability

The Coalition is pursuing a systematic effort to achieve long-term sustainability. This effort builds on discussions within the Executive Committee extending back more than a year. Mr. Skibiak shared the results of these discussions. He noted the work by Sandra Rolet on financing opportunities for RH supplies (*Financing Mechanisms Phase I: Solutions Options Identification)* but focused this presentation on the results of a more recent consultancy to explore strategies for ensuring the sustainability of the Secretariat, carried out by Bo Stenson.

Background

Core Secretariat costs are currently covered by a three-year grant from the Bill & Melinda Gates Foundation. Coalition activities, outputs, and many Working Group workstreams are covered directly by members. Many existing (and potential) workstreams are hindered by lack of funding.

The following critical questions were addressed by Mr. Stenson:

- What can the Coalition learn from other health partnerships in achieving financial sustainability?
- What strategies should be adopted to ensure medium and long-term funding for the Secretariat?
- Are there key Coalition activities that would enhance the Secretariat's attractiveness to potential donors?
- Is there demand for or value in establishing a Coalition-managed fund to finance new strategic opportunities?

Lessons learned

The Coalition can draw on the lessons of many other health partnerships. All health partnerships are different, however, with financial mechanisms tailored to their circumstances. Their experience cannot be taken as a blueprint for the Coalition. One important lesson is that the expansion of many new health partnerships is leading to donor fatigue and thus, donors are now demanding measurable results, evidence of efficiency, and clarity of purpose. They are demanding evidence of clear added value. Another key lesson is that many partnerships have forged strong connections with the national governments that are ultimately responsible for health services, including RH supplies.

Key recommendations

- Keep the Secretariat lean and mean.
- Engage developing countries in Coalition activities and decisions.
- Seek collaboration and exploit synergies with other global health partnerships.
- Heighten visibility of the Coalition.

- Sharpen the focus of the Coalition based on its convening and advocacy functions and ensure that its Strategic Plan is closely aligned with its added value.
- Financing strategy should seek out a "focused" diversity of funding sources.
- Core support is critical to maintaining the Coalition's strategic focus.
- Flexibility is critical to meet donor diversity.
- Establish a pool of resources that would facilitate the identification and implementation of innovative ideas and activities not funded by other means.

Conclusions/next steps

The timing of the Coalition's current donor support demands a two-pronged approach: 1) address immediate financing needs first and 2) look at broader issues that may enhance longer-term sustainability. By the end of the summer, the Secretariat will prepare a concept paper for submission to key donors. The Secretariat will then incorporate feedback into proposals that meet donor requirements by the end of the year. The Secretariat will seek opportunities for financing of workstreams (either separately or with Secretariat support).

14. Breakout Session 2: Identification of Member Support to the Coalition Using the Sustainability Framework

During this breakout session, Working Groups considered how they might contribute to the sustainability of the Coalition. Participants divided into one of three Working Groups, in addition to a fourth group, or "caucus", focusing on new technologies.

Goals of session:
- Consider sustainability concerns for current Working Group workstreams.
- Consider ways of bolstering sustainability of current and future Working Group work.
- Consider how Working Group members can contribute to Coalition and Working Group sustainability.

15. Looking Ahead to Next Year

Speaker: John Skibiak, Director, Reproductive Health Supplies Coalition

At the October membership meeting in Washington, the Executive Committee voted on transitioning from semiannual to annual membership meetings. This membership meeting, therefore, brings to a close a cycle in which each member of the Executive Committee hosts the event. Although the membership meeting will be once every year, the Executive Committee will continue to meet every six months and the expectation is that Working Groups will probably also continue to meet on an ongoing basis. The Secretariat is available to support Working Groups with the coordination of any meetings.

In closing, Mr. Skibiak asked the rapporteurs of each of the previous session's breakout groups to share any especially salient points regarding unanswered questions. Of note was the discussion around new technologies and the formation of the New Technologies Caucus:
- Identification of individuals in the caucus was based on a review of the matrix on the Coalition website that lists members and their interests.
- Caucus discussed specific technologies (emergency contraception, cycle beads, female condom, diaphragm, and contraceptive ring) and agreed to raise awareness of this issue within the Coalition and Working Groups.
- Will put together matrix of these technologies and will share with Coalition.
- The audience is the Coalition—it is a wholly internal effort.

- Discussed other RH technologies to open discussion beyond contraceptives such as HPV vaccine, mifepristone, misoprostol, and manual vacuum aspiration.

17. Closing Remarks

Speaker: Wolfgang Bichmann, Co-Chair

This was an extraordinary meeting, not only in size and participation, but also in the dedication of participants in making real achievements. This meeting also provided an important opportunity to network with other members and partners. Mr. Bichmann bid a fond farewell to Margret Verwijk whose term as Co-Chair had just ended. He also thanked the European Commission for hosting the meeting and for their continued collaboration and dedication.

Mr. Bichmann requested that participants continue to be advocates for RH supplies issues, and to advocate for the Coalition itself.