Reproductive Health Supplies Coalition

Survey Report

Manufacturer Input to AccessRH Design

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Reproductive Health Supplies Coalition

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# Survey Report: Manufacturer Input to AccessRH Design

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Acronyms

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<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>JSI</td>
<td>John Snow, Inc.</td>
</tr>
<tr>
<td>LOC</td>
<td>letter of credit</td>
</tr>
<tr>
<td>MDA</td>
<td>market development approaches</td>
</tr>
<tr>
<td>MVG</td>
<td>minimum volume guarantee</td>
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<tr>
<td>PGH</td>
<td>Pledge Guarantee for Health</td>
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<tr>
<td>RH</td>
<td>reproductive health</td>
</tr>
<tr>
<td>RHSC</td>
<td>Reproductive Health Supplies Coalition</td>
</tr>
<tr>
<td>SSWG</td>
<td>Systems Strengthening Working Group</td>
</tr>
<tr>
<td>UNFPA</td>
<td>United Nations Fund for Population Activities</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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Introduction

Background

AccessRH is the product of an effort by a multi-stakeholder donor group engaged, in large part, due to their participation with the Reproductive Health Supplies Coalition (RHSC). This new mechanism seeks to address procurement challenges in being able to secure competitive pricing, reliable and quality assured product, and/or favorable delivery terms. It is envisioned that AccessRH would help alleviate inefficiencies that are caused by current practices of one-off procurements and funding variability, which ultimately lead to lack of predictability of orders to manufacturers. This is one contributing factor to inefficient supply provision, which AccessRH hopes to address in order to strengthen capacity at a global level.

An important component to addressing global level capacity to manage reproductive health (RH) supply chains is to ensure that all stakeholders are included in the design of AccessRH, including contraceptive manufacturers.

The goal of this manufacturer survey is to involve this key stakeholder group in a discussion of both the incentives and constraints to providing responsive service to developing country buyers. This is being done in order to establish AccessRH as a mechanism that will serve the needs of various stakeholders, including manufacturers and host country governments. The partnership, which is being created through AccessRH, will improve the efficiency and effectiveness of procurement of RH commodities. Data gathered through this survey provides input from manufacturers into the design of AccessRH, ultimately strengthening global-level availability of contraceptives.

The objectives of this survey are three-fold:

1. To solicit manufacturer input into the AccessRH operational design.
2. To solicit and include RHSC Working Group input into this aspect of the design of AccessRH.
3. To provide recommendations to the operational design of AccessRH based on findings from the manufacturer survey.

Methodology

In April 2009, in preparation for designing the Minimum Volume Guarantee (MVG) mechanism, which was a pre-cursor for AccessRH, UNFPA/Copenhagen conducted a two-page written survey of nine current UNFPA vendors of contraceptives. All manufacturers responded positively to this survey. Some of the themes identified among the respondents included:

- Strong enthusiasm for establishing such a mechanism
- Positive experiences working with UNFPA, whom they regard as a trusted partner
- Probable cost implications to carrying of extra inventory for quick response and concerns about shelf-life and the need to keep fresh stock in inventory
- The payment mechanism that they would require from customers would need to be an irrevocable letter of credit (LOC) due to concerns regarding inherent risk of interactions with developing
countries and potential for corruption and political risk (e.g., a change in government which may cancel a contract)

- While the majority of respondents agreed that some information could be posted on the web, including production lead times, there was hesitancy to post price information for public consumption. One respondent went so far as to state that posting solid prices may be contrary to industry standards; others stated that prices could be posted if certain safeguards were established.

In April 2009, a meeting was held jointly by UNFPA and JSI to begin designing process flows that would define AccessRH.

It is important to note, though, that the 2009 written survey was based upon an earlier design paradigm for AccessRH (i.e., the MVG mechanism), which was based upon the concept of minimum quantity contracts. Therefore, as a result of this previous survey, and further discussion amongst RHSC partners, the concept shifted away from a minimum-guarantee contract with the vendors, to the concept of UNFPA managing upstream processes by owning and managing reserve stocks, warehoused by the vendors themselves, for faster responses to orders. In order to gather information for this new AccessRH concept, and to fine-tune the operational design of AccessRH, this project was carried out to elicit additional vendor/manufacturer responses and enhance the initiative’s understanding of supplier interest, capacity, and requirements.

This second research initiative included the following activities:

1. Review documents related to the design of AccessRH, including the process flow documents
2. Discuss the purpose and content of the survey with key stakeholders including:
   - The Deputy Director of the RHSC
   - The lead of the RHSC Market Development Approaches (MDA) Working Group: a particular concern about being responsive to customers regarding the availability of condoms packaged in custom foils arose from the lead of the MDA Working Group. This resulted in discussions during interviews with condom manufacturers about lead times for custom foils, and the possibility of stocking custom foils for commonly ordered condoms
   - The lead of the Systems Strengthening Working Group (SSWG)
   - The lead of Pledge Guarantee for Health (PGH)
   - Selected key informants from UNFPA Procurement in Copenhagen
3. Interview eight manufacturers. Of the original nine manufacturers who responded to the e-mailed survey in 2009, there were two substitutions at UNFPA’s request, and one did not respond to this request.

In preparation for the interviews, the original written responses were reviewed. Clarification questions were prepared, and a set of additional questions were written in order to garner further detail on vendors’/manufacturers’ perspectives regarding a mechanism such as AccessRH, and to elicit new ideas and opinions for potential operations of AccessRH. The interview questions were sent via e-mail to the manufacturers prior to phone interviews. For the two new, substitute vendors, the original questions from 2009 were also included in the e-mail that was sent to them. A sample of the interview questions is attached as Appendix A.
After the interviews were completed, the preliminary results were put into a PowerPoint presentation, sent to UNFPA/Copenhagen, and discussed with UNFPA during a conference call on March 31, 2010.

**Responsiveness of Manufacturers to the Survey**

All but one of the manufacturers responded. Telephone interviews were set up very quickly; the manufacturers were sensitive to time differences and established appointments that were convenient to both parties.

The manufacturers’ respect for the work of UNFPA’s Procurement Services Branch was clear. The manufacturers participated eagerly, and were very cordial and open with their responses. They all considered UNFPA a valued partner, and were enthusiastic about AccessRH and its potential for improving their businesses as well as responsiveness to customers in the field.
Findings

“Upstream Issues”

The term “upstream issues” was chosen to describe issues having to do with the business operations and activities of the manufacturers themselves, as opposed to the operation of AccessRH per se.

Forecasting and Production Stability

All manufacturers unanimously request periodic and dependable forecasts of potential demand and timing of orders. Such forecasts would enable them to efficiently plan production, contain costs and be more responsive to purchases by clients through AccessRH. Respondents indicated that, sometimes, very large, unplanned orders are made with little or no advance notice. This can result in long lead times, and dissatisfaction on the part of purchasers. Lack of forecasting for demand and periodicity of orders has also led to higher costs for manufacturers. If AccessRH could serve to provide advance warning of large orders, as well as general estimates of demand over a period of time, the manufacturers could provide more efficient and effective service to clients.

Opinion: The Pareto Principle, often known as the 80/20 rule, suggests that 20 percent of the customers of AccessRH would purchase 80 percent of the commodities. While there is nothing special about 80 percent, mathematically, many business and natural systems approximate this number. Therefore, if AccessRH set up a system to interact regularly with the highest volume customers, demand forecasts could be kept current, and it could provide early warnings for impending large orders. Smaller customers and clients would not need as careful monitoring as larger clients since the sizes and volumes of their orders are less disruptive.

Ability to Carry Inventory

Those developing the AccessRH initiative are interested in manufacturers being able to carry inventory in both finished form, ready to ship, as well as in partially finished form. For example, pills could be inventoried in blister-packs, without inserts and external packaging, therefore shortening lead times when an order arrived. The ability to do this varied considerably from manufacturer to manufacturer. The variation can best be understood by referencing Table 1 below.

Table 1: Variations in Manufacturer Ability to Carry Inventory

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>Item</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schering Plough</td>
<td>Marvelon Pills</td>
<td>Easy to store in blister packs.</td>
</tr>
<tr>
<td></td>
<td>Megestron</td>
<td>Difficult to inventory partially finished. The assembly line is set up as</td>
</tr>
<tr>
<td></td>
<td>Injectables</td>
<td>a seamless manufacturing process; it would be difficult and expensive to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>interrupt.</td>
</tr>
<tr>
<td></td>
<td>Implanon</td>
<td>The process is seamless from start to finish. Cannot inventory partially</td>
</tr>
<tr>
<td></td>
<td>Implants</td>
<td>finished product because all are on the strip.</td>
</tr>
<tr>
<td>Bayer Schering</td>
<td>Blue lady</td>
<td>Packaged product can be inventoried because inserts are in English, French,</td>
</tr>
<tr>
<td></td>
<td>Microgynon</td>
<td>Arabic, and Spanish. Portuguese would cause only minor delays.</td>
</tr>
<tr>
<td>Manufacturer</td>
<td>Item</td>
<td>Comments</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Famy Care</td>
<td>Generic Pill</td>
<td>99% of production customized. Therefore, it is made to-order and cannot be easily inventoried. If a standard UNFPA “brand” were developed, then it would be easier to inventory this new “brand;” Special language inserts only add 15 days lead time.</td>
</tr>
<tr>
<td>SMB Corporation</td>
<td>IUD</td>
<td>Currently carry 4-8 weeks of semi-finished product (i.e., unpackaged IUDs). The long shelf life (7 years) of IUDs also allows carrying significant inventories of finished (i.e., packaged and sterilized) product. However, new standards do not allow the manufacturer to carry more than one year of packaged IUD inventory. Inserts (available in Spanish, French, English, Russian, Turkish, and Bahassa) are added by the distributor or customer in-country.</td>
</tr>
<tr>
<td>Female Health Company</td>
<td>Female Condom</td>
<td>Could inventory generic packaging. 25-30% of their packaging is custom. For large customers, custom packaging foils are kept in-stock but, for Fiji (example of a small order), stock is not held, which adds 5 weeks lead time. Inserts available in English, French and Spanish; could add 3 more languages on the other side.</td>
</tr>
<tr>
<td>Helm Pharmaceuticals</td>
<td>Petogen Injectables</td>
<td>Cannot keep unlabeled, and various countries require different labeling. A relatively short shelf life (3 years), so difficult to carry inventory. Very important to have accurate projections.</td>
</tr>
<tr>
<td>Indus Medicare</td>
<td>Condoms – most through UNFPA generic</td>
<td>Keep 150,000 gross of generic condoms in inventory. Special foils (approved) add 4-6 weeks to the lead time; new foils add 6-8 weeks.</td>
</tr>
<tr>
<td>Qingdao Double Butterfly</td>
<td>Condoms</td>
<td>Have to package after 7 days, so condoms are not kept without packaging. Lead time for custom foil is 2-3 weeks longer. Can keep generically packaged condoms in inventory.</td>
</tr>
</tbody>
</table>

**Opinion:** An interesting fact was that the branded pill manufacturers are able to inventory their product (Marvelon and Microgynon) more easily than the generic manufacturers, since they produce their copyrighted, standard brand, which they then register in countries. The generic manufacturer, on the other hand, produces all custom packaging, and therefore would not be able to inventory stock in blister packs. This would mean that the generic manufacturer would not be able to take advantage of any support for semi-finished inventory that UNFPA could offer. UNFPA may want to consider the ethical decision to fund branded inventory (because it is possible), while not funding un-branded inventory (because it cannot be stored in branded blister packs, but must be made to order).

**Who Should Own the Inventory?**

The original concept for the design of the AccessRH initiative was that UNFPA would own a certain amount of inventory, in specific lots, to be held by the manufacturer for quick response. In the initial 2009 written survey, respondents indicated that they believed this mechanism was possible (and welcomed it), but most also indicated that there would be cost implications inherent in maintaining this inventory. They
also wanted to be sure to maintain fresh stock, especially for products with relatively short shelf lives (such as injectables and implants).

The downside of such an arrangement would be that UNFPA would then accept responsibility for that inventory, and as it aged, if there were no counterbalancing orders, UNFPA would be burdened with trying to sell product with a limited shelf life.

The manufacturers were queried about another option—carrying a rotating inventory, owned by the manufacturer, based upon a deposit from UNFPA or a third-party funder. While some manufacturers (see Table 1 above) might not be able to take full advantage of such an arrangement, they all felt that such an arrangement would be superior to the option of UNFPA-owned inventory, since it would ensure fresh product being held in reserve. The benefit to UNFPA would be that they would not have to worry about specific, owned lots of product that they would be pressured to sell. The caveats mentioned were that the deposit would need to be able to be truly used as operating capital. One manufacturer went as far as to say that, under this option, they would “need to work it out with the accountants” to determine how such a deposit would be carried on its books.

A further caveat for this option is that establishing such a deposit with a manufacturer would need to be within the regulations of UNFPA or a third-party funder.

**Possibility of Inventory of Specialty Foils**

The original concept of AccessRH was to inventory only “generic,” off-the-shelf products. So, for example, condoms in special foils would not be carried in inventory. However, there was some concern expressed by the lead for the MDA Working Group that this would conflict with UNFPA’s traditional stance that its customers should have “choice” in product selection. However, in the past, the cause of delays for condoms in special foils has been the procurement and printing of those foils. One manufacturer estimated that the extra delay in printing an established foil was 4-6 weeks, and a newly designed foil was 6-8 weeks.

**Opinion:** While carrying an inventory of finished stock in specialty foils is probably not a viable option, carrying commonly ordered foil, itself, may have merit. This could save 4-6 weeks of extra lead time. Obviously, UNFPA would only want to stock specialty foils with a history of regular consumption. The issue is: “Who would own the inventoried foil?” If the inventory were owned by the manufacturer, it would put them in a monopoly position for that particular foil unless all condom manufacturers were required (or decided on their own) to inventory the foil. If the inventory of specialty foils was owned and warehoused by UNFPA, this would add another task to UNFPA’s mandate. This is clearly a decision that merits further discussion.

It should be noted that buyers would still have the same choice of specialty foils as before, but stocking of regularly purchased foils would shorten lead times.

If the issue is resolved, the AccessRH catalogue would carry a choice of foils with an established record of repeat procurements in volume.

**Dealing with the Customers**

Potential positive incentives to manufacturers in the use of AccessRH as a tool were discussed during the interviews. Specifically, there were a number of positive incentives in the use of AccessRH identified:
UNFPA’s ongoing and reliable involvement in procurement orders
- Assistance with in-country registration, particularly with regard to utilizing UNFPA’s infrastructure and staff
- Addressing post-shipment testing (i.e., in-country testing)

“UNFPA Needs to Stay Involved”

In the 2009 survey, some of the written responses showed considerable vendor concern with having a direct business relationship with developing country governments or NGOs. Their concerns were identified as being greater than the issue of payment guarantees; they also had concerns related to corruption and/or government stability. When, during the interview, the Pledge Guarantee for Health (PGH) concept was described to those manufacturers, this mechanism was considered a positive step in the right direction. All respondents recently interviewed identified the PGH as a way to alleviate payment risk. They did have a number of other concerns however, including:

- Countries would choose the lowest priced product, regardless of quality
- Outright corruption, such as demands for kickback payments, would occur in a marketplace without the transparency and moderating effect of UNFPA as a trusted multinational organization
- Changes in government would lead to fickle decision-making not based on real data and demand needs. A high probability of incoming governments repudiating commitments of the outgoing governments purely for political reasons
- As in-country testing has become more common, it has also been an opportunity for added corruption. The involvement of UNFPA in testing and mediating conflicts over quality is becoming even more important in this day and age
- A generic pill manufacturer said, “communications, language difficulties, political risks all add to uncertainty and increased costs when dealing with 100 small countries”

All of the respondents interviewed wanted UNFPA to stay involved. Only one of the manufacturers had some comfort dealing directly with some developing country nations. Manufacturers held UNFPA in high regard based on an ongoing relationship built on trust and UNFPA’s ability to mitigate risk in developing countries.

Registration Issues

Product registration has become an increasingly difficult problem for some manufacturers as developing countries have become more stringent and have developed new laws and regulations for registration. These new regulations have, to some degree, resulted in delays in being able to ship and import contraceptives in a timely manner. As part of the effort of AccessRH to facilitate availability of contraceptives, facilitating registration may be key. Country registration seems to be more of a difficulty for manufacturers from the emerging nations, such as India. Large, multinational manufacturers headquartered in Europe had few complaints about registration, noting that they usually had local representatives based in developing countries. However, younger, smaller manufacturers from emerging nations mentioned that registration was sometimes difficult due to lack of establish local representatives and a lack of confidence in newer manufacturers.

A question was asked about the advantage of having contact information for the officials and offices involved in registration supplied by local UNFPA offices directly to manufacturers. Some of the manufacturers said that this would be helpful, particularly in smaller countries. That said, while clearly UNFPA has to be careful about engaging its local offices in seeming to represent manufacturers, they could be helpful in supplying contact information for registration offices.
The female condom manufacturer noted that UNFPA had been helpful with registration in Mexico, which was an issue for that particular manufacturer, since it is the sole manufacturer, globally, and there are no benchmarks for comparison. They also noted that registration of female condoms in Ethiopia took almost three years. Another manufacturer noted that registration had been a problem, also in Mexico, and they “didn’t know who to talk to.”

**Opinion:** UNFPA offices, particularly in small countries, are often well-connected with government officials, and could be of assistance in providing contact information for registration. If a decision is made by UNFPA to provide such assistance, it should probably be managed centrally to ensure UNFPA’s appropriate role in-country is not compromised. As a multinational organization, UNFPA should not be directly involved in what is essentially a commercial process.

**Testing Issues**

The manufacturers did note that post-shipment testing had become more of an issue in developing countries. Many laboratories doing in-country testing are poorly equipped and trained to carry out tests. The manufacturer of female condoms noted that they had problems with testing that was conducted using the same procedures used for testing male condoms. This vendor had actually participated in training lab personnel in client countries. Once they were trained, there were no further problems.

Several respondents noted that in-country testing of product quality provided an opportunity for corruption.

However, a specific question about different standards in some countries yielded a “no problem” response, since the standards between countries are only slightly different. There were complaints identified by some of the respondents against “smell tests” and “packaging integrity tests” in some countries, since these tests are subjective in nature.

**Information on the Website**

The original written survey asked a question about whether the manufacturers would be willing to have the following information posted on the AccessRH website:

- Unit prices
- Production lead times
- Estimated total delivery times

The question about price elicited the most negative response from respondents. Currently, UNFPA posts a range of prices for their contraceptive procurements. The manufacturers, when interviewed, agreed with this approach.

The investigator learned, only after most of the interviews were carried out, that the purpose of the AccessRH tool was to post a “catalogue price” (definition to be determined) for generic products.

The fear of the manufacturers is that total transparency in pricing would lead to cut-throat competition, compromising quality and service (as well as profit margins). Respondents were assured during the interview process that the purpose of AccessRH was not to drive limited profit margins down, but rather to establish a win-win situation for both manufacturers and customers alike.

One notable suggestion of information that should be included on the web site was “registration status.”
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Opinion: As the website is developed, options for publicly listing prices should be investigated, and manufacturers queried about their acceptance of the various options.

Other Opportunities

Several other opportunities, though mentioned only by a minority of the manufacturers, nevertheless, deserve to be mentioned as part of the operational design of AccessRH:

- The two biggest purchasers of condoms, UNFPA and the United States Agency for International Development (USAID), have slightly different standards for foils, and different inner box quantities: 144 per box for UNFPA versus 100 per box for USAID. Agreement by these two dominant agencies on a common standard would yield better response times and cost savings. Separately from this survey, it would help avoid confusion in supply chains of countries that receive both UNFPA and USAID condoms.
- A condom manufacturer stated that the requirement for shipping an entire order (usually an annual procurement) to a country in one bulk shipment causes delays due to both production and pre-shipment inspection. Although outside of AccessRH itself, allowing partial, multiple shipments would allow the manufacturer to be more responsive, as well as alleviate overcrowding of warehouses that a single-year delivery often causes.
- One manufacturer mentioned that UNFPA local offices could be helpful in providing information about land transport. The specific case was a cross-border shipment to the Central African Republic through Cameroon.

Summary Conclusions

All of these conclusions have been discussed above. However, to reiterate and summarize:

1. All of the manufacturers’ interviews were highly favorable to the concept of AccessRH design.
2. All manufacturers consider UNFPA a trusted customer and partner, and would welcome a system to improve responsiveness to customers in the field.
3. All asked for better forecasting of overall demand, and advanced or early warning for large, unplanned orders. With advanced warning of needs, production plans could be made to respond to orders in a timely manner.
4. The ability of each of the manufacturers to carry inventory varied. Condoms could be stored in generic packaging. Branded pills could be stored. The one manufacturer of pills for custom specification could not store inventory. IUDs, with their long shelf-lives, could be stored in complete packaging. Female condoms could be stored in generic packaging. Branded injectables could be stored, while generic injectables often had specific labeling needs by country.
5. Most felt that a deposit for inventory, which would be regularly rotated, would be a better option than UNFPA owning specific lots.
6. Condom manufacturers believe that storing commonly ordered specialty foils (the packaging material, itself, not packed condoms) was a viable option for shortening the lead times for condoms packed in specialty foils.
7. All manufactures asked for the continued involvement of UNFPA in the management of AccessRH. They had reservations about dealing directly with developing country governments and NGOs, and felt the continued involvement of UNFPA in the effort would help lessen their concerns about corruption and political risk.
8. **In-country issues were sometimes problematic.** Registration and in-country testing (sometimes by untrained laboratory staff) continue to be a problem. UNFPA involvement could help lessen some of these bottlenecks.

9. **All manufacturers were willing to post certain information on the web, but were concerned about very specific pricing data.** However, they did seem to feel comfortable about sharing information in the form of ranges or catalogue prices.

10. **A condom manufacturer suggested standardizing inner boxes across procuring organizations, to either one gross (144) or 100 per box.**
Appendix A: Sample Interview Guide
UNFPA Procurement Services Branch
AccessRH: Supplier Questionnaire

UNFPA is currently in the process of designing a new internet-based mechanism to streamline the procurement process for contraceptive products. In conjunction with this initiative, known as “AccessRH”, a number of changes to the current contracting regime are being contemplated. To assist us in evaluating alternatives, we would very much appreciate receiving your feedback on the following points:

1. a) Would your firm be interested in entering into a contract which would guarantee that UNFPA would purchase a minimum volume of product, on agreed pricing terms, over a fixed time period (one year or more)?

   YES ☒ NO

   b) What would you see as the advantages and disadvantages of this approach to contracting?

   The advantage of such an arrangement is that at the beginning of a contract year, as a supplier we will be aware of the minimum quantity for your organization so that our planning department can make that capacity available for you in advance and thus largely guarantee sampling and delivery dates as pre-agreed with your organization. We believe that this should be the key advantage, but such a contract should better be signed on a year-to-year basis because if it is longer than one year, it will be much more difficult for us as a supplier to deal with the fluctuations in foreign exchange rates and raw materials prices.

2. a) Provided that the necessary financial and contractual arrangements are in place, would your firm be willing to produce and hold (warehouse) commodities for subsequent delivery within the contract period (standard products and packaging only)?

   YES ☒ NO

   b) If so, what conditions would apply:

   • Cost implications ☒
   • Time limitations ☐
   • Space limitations ☒
   • Other?
c) What inventory management reports would you be able to provide us with, and at what intervals?

We can provide you with detailed inventory management reports once a month, like those we now provide for the GCCP stock, including batch numbers, manufacturing date, expiry date, delivery, starting and closing inventory level, etc.

3. a) Consideration is being given to granting developing country Ministries of Health access to the Access RH website to place orders directly with suppliers. In this case the purchaser would be required to put in place appropriate financial arrangements (e.g., irrevocable letter of credit) to cover the entire cost of the commodity plus all shipping and other costs. Would this sort of arrangement be acceptable to your firm?

YES ☑ NO

b) Under what conditions?

30 days irrevocable letter of credit.

c) What contract information would you be prepared to see published on the AccessRH website:

- Unit prices; - No.
- Production lead times; - Yes.
- Estimated total delivery time; - Yes.
- Other?
Follow-up questions on the original responses:

You stated that you were not interested in having prices posted on the AccessRH web site. Would there be any way that you might be able to share some pricing information on the web site.

a) Ranges of prices?

b) Cut points for prices? i.e. a% discount for about 50 million, b% discount for about 200 million. Etc. This information may be helpful for purchasers, and may result in larger orders

c) Would security measures, i.e., restricted for AccessRH customers, only, be helpful in allowing you to post prices.

NEW QUESTIONS:

1) How many days/weeks of production do you keep in inventory now? What proportion is in bulk (not in foil) versus packaged, generic condoms.

2) AccessRH has not yet decided whether it should own stock to be kept on inventory with you, or place a deposit to guarantee a minimum stock for rapid supply. The latter arrangement would allow rotation stock according to FEFO to other purchasers, assuring the freshest stock in inventory. What do you see as the advantages and disadvantages of each approach.

3) AccessRH has envisioned only purchases of generically packaged condoms. However, some customers may want to purchase large quantities of condoms in custom foil. This generates several questions:
   - Do you now keep inventory in bulk, unpackaged in foil? If not, then what are the issues that preclude you from doing this?
   - Would you be willing to store custom foils in order to be able to respond quickly to a new, custom foil order?
   - Would storage or immediate availability of custom foil significantly affect your ability to respond to a custom foil order?
   - What is the shelf life of custom foils?

4) Do you now sell condoms in custom packaging (boxes)?
   - Do you print and cut that packaging in-house?
   - What is the lead time for custom packaging?
5) Have you had difficulties in registering your products in developing countries? If so could you discuss?

- UNFPA has a local office in most countries. Would it be helpful if the local UNFPA office could provide you with registration information, such as contact information, regulations and forms?

6) UNFPA will test product in-country using WHO protocols. However, certain locations, such as Mercosur, which include much of South America (including large countries such as Argentina, Brazil, and Venezuela) have slightly different testing protocols. What are your suggestions for dealing with different testing protocols?

7) The UN Foundation (a separate organization from UNFPA) is working on a payment guarantee mechanism to assure that suppliers are paid. What are your main concerns in dealing with developing country governments or NGOs as a direct customer, other than payment guarantee?

8) Please give us any other comments that would help us in designing a system that will help you as a supplier to developing countries.