



SHAPING THE MARKET

The Challenge

Since the establishment of the modern supplies movement early in the last decade, few images have resonated more widely than that of the looming “donor gap”— the ever-growing chasm between increased global demand for family planning (FP) and the threat of a stagnant or even decreasing resource base¹. However, in reality, the challenges facing global contraceptive security derive as much from disarticulations in the global market as they do from the actions of the donor community. These challenges relate to the availability, affordability, and quality of products, and to the information that is provided to the market. These forces work in concert — limited information on user demand and donor funding leads to inadequate production levels and higher prices; and a limited number of quality-assured products further constrains supply and the ability to negotiate price reductions.

There is little doubt that the future of contraceptive security rests with low-income countries and, in particular, on action by national governments, civil society, and the private sector. It also rests on a more effective and efficient market — a market that encourages new entrants and minimizes unnecessary risk, but that also yields benefits in cost, quality, access, and choice.

What is the Coalition doing?

A fundamental premise underlying the Coalition’s work — and indeed its role within the supplies movement — is that no single institution or entity can, on its own, confront the obstacles that constrain the ability of women and men

to obtain or use the contraceptive methods of their choice. This premise stands in sharp contrast to decades past, where the prevailing assumption was that commodity security was, at its core, largely a technical arena, where attribution was clear, and interventions mutually exclusive. In this new environment, the Coalition has emerged as a critical forum for promoting collaboration and coordination.

Under an ambitious new phase of work, the Coalition will improve global market dynamics that lead to improved availability, affordability, information, and quality of contraceptive methods. This goal has been endorsed by the Coalition’s more than 200 members. At the Coalition’s 2012 Annual Membership Meeting, members called upon the Coalition to:

- Ensure quality and choice across a wide range of FP methods.
- Use markets to encourage equitable access and sustainability.
- Support and align market-shaping approaches that are currently underway.
- Address national registration issues as an important constraint on global market development.

Using its considerable global network, convening power, and neutral space, the Coalition will :

- Get people speaking the same language. Convene key stakeholders to forge a common understanding of the market shaping arena and to define roles and areas of intervention by the RHSC and partners.
- Reduce key information gaps by consolidating and disseminating critical data about the market., Facilitate discussions with manufacturers on key issues such as price, quality, production volumes, market entry, and registration.

¹ Solo J. Access for All—Supplying a New Decade for Reproductive Health: A Report on the 2011 conference in Addis Ababa, Ethiopia. Brussels: Reproductive Health Supplies Coalition; 2002

- Support opportunities to expand innovative financing, total market initiatives, method detailing, and other related member-driven activities.
- Develop and manage country-level initiatives to eliminate stockouts; and where they have been eliminated, use consumption data to inform analyses of product demand.

Why the Coalition?

Neutral convener

The Coalition is uniquely placed to pioneer and drive the improvement of market dynamics. By not having a vested interest in the success of any one product, it can defend the position of all, providing a forum to share manufacturer concerns among donor and buyer communities, transforming “zero-sum” into “win-win”, and serving as a vehicle to formulate coherent procurement strategies.

Reliable, tested partnerships

The Coalition’s partnerships trusted and time-tested, providing a secure backdrop from which to push the frontiers of innovation, attract commitments, and honour promises.

Robust track record

- The Coalition counts among its successes, groundbreaking accomplishments in improving market dynamics. The Implanon Access Initiative (IAI), for example, was an innovative partnership with Merck/MSD, aimed at increasing access to the contraceptive implant, Implanon. The IAI generated savings sufficient to provide more than a million additional women with Implanon. More recently, Merck/MSD, together with other key partners ², has pushed the goalposts out even further, announcing a 50 per cent price cut valid until mid-2016. The new price of US\$ 8.50 per implant represents an astounding plunge from US\$ 20 just two years prior, a remarkable, heady journey kicked off by a simple conversation initiated by the Coalition.

² The Bill & Melinda Gates Foundation as direct party to the agreement, the Clinton Health Access Initiative, the governments of Norway, the United Kingdom, the United States and Sweden, the Children’s Investment Fund Foundation, and the United Nations Population Fund (UNFPA) as facilitating parties.

- The Coalition continues to be a key player in market dynamics. In February 2013, the FP2020 Steering Committee invited the Coalition to co-lead the FP2020 Market Dynamics Working Group (MD2020) alongside the Clinton Health Access Initiative (CHAI). MD2020 aims to ensure healthy markets through better data collection, better visibility into the market dynamics arena, and improved coordination of market interventions.
- Given the multiplicity of actors engaged in this arena, and recognizing the importance of moving toward common goals, the Coalition has commissioned a landscape analysis of efforts currently underway to address market dynamics in family planning and the many gaps that still remain. This landscaping exercise seeks to provide a common definition of market dynamics that incorporates the overall goals of choice, equity and better health outcomes. The analysis will serve as a public good for the market development community.
- In 2011, the Pledge Guarantee for Health (PGH), developed under the auspices of the Reproductive Health Supplies Coalition ³, enabled the Zambia Ministry of Health to procure US\$ 4.8 million of insecticide-treated bed nets before the rains, and in so doing, avert an estimated 100,000 cases of malaria. In addition, PGH closed a US\$ 12M deal in 2012, enabling the Ethiopian Ministry of Health to accelerate the delivery of more than 600,000 contraceptive implants. By combining financial support from both the World Bank and DFID, the deal—the largest such procurement in its manufacturer’s history—reduced maternal and infant deaths in the country by as much as 40 percent at no additional costs.
- Total Market Initiatives carried out in Honduras and Madagascar have allowed the Coalition to provide important new insights into neglected consumer groups, market niches, and multiple stakeholders. They have also created platforms for diverse groups of stakeholders to recognize and address challenges identified in the market segmentation exercise.

For more information, please write to secretariat@rhsupplies.org.

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The Reproductive Health Supplies Coalition

The Coalition is a global partnership of public, private, and non-governmental organizations dedicated to ensuring that everyone in low- and middle-income countries can access and use affordable, high-quality supplies for their better reproductive health. It brings together agencies and groups with critical roles in providing contraceptives and other reproductive health supplies. These include multilateral and bilateral organizations, private foundations, governments, civil society, and private-sector representatives. The Coalition Secretariat is managed by PATH, an international, nonprofit organization that improves the health of people around the world.

Secretariat

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