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MOROCCO

STRATEGY FOR USAID CONTRACEPTIVE PHASE-DOWN

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GOAL

The goal of this contraceptive phase-down strategy is to increase the Government of Morocco's (GOM) capacity to institutionalize the management and procurement of contraceptives as A.I.D. gradually decreases its contraceptive donations. Consequently, this strategy places strong emphasis on developing GOM expertise and knowledge for managing contraceptive procurement.

OBJECTIVES

By the completion of this family planning project, the GOM will have the institutional capacity to:

- * Accurately forecast contraceptive needs
- * Determine the financial costs for the needed contraceptives and secure the funds as a line item in the Ministry of Public Health (MOPH) budget
- * Procure needed contraceptives
- * Manage the distribution and storage of contraceptives
- * Manage the contraceptive logistics management information system (LMIS)

I. INTRODUCTION AND BACKGROUND

A. SELF-RELIANCE

Population studies point to major increases in contraceptive demand for all regions of the world over the next decade. In addition to the contraceptive needs for family planning, AIDS awareness has further increased the demand for condoms. Present levels of donor funding will be unable to keep pace with this growing demand. Assuring the availability of contraceptives by fostering contraceptive self-reliance is vitally necessary for the

sustainability of public sector family planning and AIDS programs.

Contraceptive self-reliance is the ability of a country to gain access to needed contraceptive supplies on a continued reliable basis, using resources over which they have control. Effective control refers to locally available purchasing capacity or arrangements with multinationals or other entities. Control explicitly excludes continued total dependency on donated contraceptives.

There is no roadmap or blue print to contraceptive self-reliance. A number of innovative interventions rather than one single approach will be necessary. The ability of individuals and organizations to be creative and adaptable will facilitate this arduous task and increase the chances of success and sustainability. While there are a number of countries in the developing world that have become self-reliant, each country's approach to self-reliance has been unique due to diverse political, economic and cultural environments. However, a common thread has been the political will and firm commitment towards achieving self-reliance. Although there are a number of technical documents that reflect the combined experience of these countries, the GOM will need to develop a strategy appropriate to its own needs.

For Morocco, the gradual phase-down by USAID will decrease dependence on a single donor and initiate a process of increased control and self-reliance for the GOM. Success of this phase-down should be measured by the reduction of donor dependency and the shifting and sharing of costs to other entities for the funding of contraceptives. Strategy success will also be dependent on the firm commitment and political will - at the highest levels - of the GOM, USAID and other donors.

B. FAMILY PLANNING IN MOROCCO

Presently, all contraceptives available in Morocco are imported, with the vast majority in the public sector donated by A.I.D. Based on the 1992 Moroccan Demographic and Health Survey (MDHS), it is estimated that the private sector accounts for approximately 36 percent and the public sector for 64 percent of the source of contraceptive supply.

Under the current Family Planning and Child Survival Project, USAID has financed the bulk of contraceptives for the GOM's public sector and social marketing programs through 1994, at a cost of approximately U.S. \$2 million per year. The current project places considerable emphasis on the development of program sustainability; this phase-down is compatible with those objectives. USAID is currently developing a follow-on project which will continue to provide contraceptives in gradually reduced amounts while the GOM prepares to assume responsibility for contraceptive procurement.

C. CONTRACEPTIVE LOGISTICS SYSTEM

The logistics management system in Morocco is a comprehensive multi-level system which provides contraceptives to an infrastructure of over 2,200 fixed facilities and a nationwide out-reach program serving an estimated 80 percent of the population. Donated contraceptives provided to the public sector arrive at the port in Casablanca where they are cleared through customs and transported to the MOPH central contraceptive warehouse in Casablanca. From Casablanca they are either issued by allocation or distributed upon request to the provincial level. Subsequently, they are distributed through the districts (Moroccan circonscriptions) and outlets for client consumption.

To date, the family planning program in Morocco has a strong record of accomplishments which have been made possible by the effectiveness of its logistics management system. USAID family planning logistics technical assistance has focused on contraceptive storage, logistics management information systems (LMIS) and forecasting. Whereas in the past port clearance and storage were problematic, the MOPH has made considerable improvements in the conditions in which contraceptives are stored and the time required in customs clearance.

An apparent lack of uniformity in recording and under-reporting of client usage data to the central level has impeded the accurate forecasting of national needs. Future USAID logistics technical assistance will focus on refining the LMIS, forecasting, training local personnel in logistics management and contraceptive procurement.

II. A STRATEGY FOR CONTRACEPTIVE PHASE-DOWN

In order to increase the Government of Morocco's (GOM) capacity to institutionalize the management and procurement of contraceptives, USAID will need to provide long-term technical assistance over a period of five years to ensure that there is a smooth transition of responsibility without program disruption and that clients will continue to have access to high quality contraceptives on demand. Although this strategy envisions intensive technical assistance, all activities undertaken will strive to involve MOPH staff so as to transfer the necessary skills and knowledge which will enable the process to be sustainable and institutionalized.

The strategy to ensure successful GOM management and procurement of contraceptives has divided responsibility between GOM and USAID. This strategy has multiple components that are dependent on the technical skills and coordination of many individuals and organizations. Therefore, it is essential that both USAID and the MCH/FP services assign senior level persons to implement this strategy. Most of the activities in this strategy are in fact long-term interventions. As such, it is essential that the individuals selected are committed for the long-term.

USAID will be responsible for the following components:

- (A) Provision of contraceptive supplies in decreasing amounts.
- (B) Provision of short term technical assistance in logistics system development, logistics management training and contraceptive procurement.
- (C) Provision of a logistics specialist to assist the GOM during the phase-down period and transfer technical expertise in the area of logistics management and procurement.

The MOPH will be responsible for the following components:

- (D) Contraceptive logistics management including: storage, distribution, monitoring and data collection.

- (E) Strategic planning for contraceptive self-reliance including: review of technical documents and reports from countries with experience in contraceptive self-reliance issues, and; review of procurement issues, such as product selection, forecasting, preparing cost estimates, and obtaining necessary funding approvals.
- (F) Procurement of contraceptives including product specifications and formulations, packaging and labeling, quality assurance standards and testing, regulatory and customs requirements and procurement options.
- (G) Identification of a Senior Contraceptive Coordinator to oversee all aspects of this phase-down strategy.

Below is a detailed description of the components listed above.

A. USAID will continue to provide contraceptive supplies in decreasing amounts through 1998. The phase-down assumes that the GOM will procure increasing amounts of contraceptives beginning in 1995. This would be the earliest reasonable point for GOM procurement to be in place due to budgeting and procurement action lead-times. A typical contraceptive procurement cycle, involving international competitive bidding, will cover a period of 18 to 20 months. Family planning programs are especially vulnerable to disruptions in the supply chain. The credibility of the family planning program can be severely compromised by stockouts and unreliable supply.

It should be pointed out that a phase-down plan that splits the responsibility for procurement presents logistical problems if brands other than those currently supplied are used. In addition, the GOM may not be able to get scale discounts if the volume is too low in the early years.

The following is the bilateral Phase-down plan which includes the percentage of contraceptive quantities for the GOM and USAID.

**Bilateral Phase-down Plan,
Based on Calendar Year**

	USAID	GOM
1994	100%	0%
1995	90%	10%
1996	75%	25%
1997	50%	50%
1998	25%	75%

Attachment A provides a detailed summary by method of the total quantities and costs for USAID and the GOM from 1994 - 1998. The estimated quantity is based on the 1993 Contraceptive Procurement Tables (CPTs) prepared by Centers for Disease Control (CDC) consultant Neal Ewen in conjunction with MCH/FP officials. The costs are based on current USAID prices with an inflation factor plus six percent for shipping.

The CPTs calculate contraceptive need (the quantity of contraceptives to be procured or ordered) by taking into account stock-on-hand, historical consumption, transfer, loss and disposal, estimated consumption, expected shipments, lead time, and maximum and minimum stocks. The primary source of data used for this forecast were inventory records and issues data from the MOPH Central Stores in Casablanca.

Issues data alone are insufficient to prepare these forecasts; a number of other factors were taken into consideration. It is necessary to observe the program and solicit the insights and thoughts of staff at all levels. Through discussions at the central level with program

management, field visits to service providers and storage facilities, the following factors were taken into consideration:

- * Current contraceptive method mix and future method mix trends
- * Contraceptive preferences of service providers and clients
- * Present and future program plans and direction
- * Field stocks on hand, stock movement and storage capacity
- * The accuracy of recording and reporting data
- * General logistics management problems and concerns

These forecasts will need to be reviewed and updated each year since, the further into the future estimates are made, the less reliable they are.

Current USAID contraceptive prices were used in preparing these tables. However, the GOM should recognize that due to the large quantities purchased by USAID, USAID often pays less than other buyers. In other cases, such as with condoms, USAID typically pays somewhat higher prices due to U.S. Government regulations requiring that all purchases be sourced in the U.S., regardless of cost. Attachment B is a list of estimated contraceptive unit price ranges for the international market. This list should be carefully reviewed by GOM officials in determining their contraceptive cost budget.

B. USAID will continue to provide technical assistance in logistics system development, logistics management training and contraceptive procurement so that the GOM will develop the institutional capacity to manage these activities and ensure clients will have access to sufficient quantities of high quality contraceptives. In order to procure contraceptives, a program must have a well-functioning logistics system since the component activities are highly interrelated. Typically, if a problem is identified in one activity, it is likely to affect other activities as all activities are dependent on one another. For example, insufficient data will affect the accuracy of forecasts and quantities ordered.

1. USAID will conduct a comprehensive review of the logistics management system. The general purpose of this review is to identify areas for improvement of the logistics system and target the technical assistance to strengthen areas found deficient. This review will look at forecasting, MIS, storage, transport, procurement, staffing and training. Based on this review a detailed action plan will be developed which will include areas of technical assistance, training needs and a time frame which will provide a smooth transition to GOM procurement responsibility and its institutionalization.

2. USAID will provide technical assistance in training in the areas of logistics management, procurement and training-of-trainers based on the above review. A generic logistics management curriculum developed by CDC/FPLM will be adapted for Morocco.

3. USAID will provide technical assistance and training in public sector procurement. A review of the procurement system will be prepared and areas for needed improvement will be identified and technical assistance and/or training provided.

C. USAID will provide a full-time Logistics Specialist to assist the GOM during the phase-down period. This person will help transfer technical expertise to MOPH personnel in the area of logistics management and procurement. This person will assist the MOPH with the:

- * Estimation of future contraceptive needs
- * Preparation of contraceptive procurement budget
- * Development of procurement documentation
- * Clearance of contraceptives from the port and customs
- * Development of logistics management procedures
- * Improvement of reliable transportation
- * Improvement of an efficient warehousing system

- * Development and implementation of logistics management training strategies
- * Aggregation and analysis of logistics management data
- * Preparation of logistics reports and documentation

This person will be housed at the MOPH and report to the Senior Contraceptive Coordinator.

D. The GOM will be responsible for strengthening contraceptive logistics management activities. A contraceptive logistics system, in the broadest sense, encompasses all the activities that occur between the manufacturer and the point at which contraceptives are dispensed to clients. The logistics system includes:

- * Selection of contraceptives
- * Inventory control
- * Forecasting
- * Procurement
- * Storage
- * Transport
- * Managing data

All the logistics components listed above are an integral part of the logistics cycle and cannot function without other essential logistics management activities. For example, in the area of inventory control, inaccurate, out-of-date or missing information may lead to overstocking (which may result in expired products) or understocking (which may cause a disruption of service to clients).

E. The GOM will be responsible for the strategic planning for contraceptive procurement. The first step in planning includes a review of technical documents on topics such as procurement, local production, recurrent costs, user fees, and reports from countries that have experience with contraceptive self-reliance (upon request USAID will provide these documents for GOM review).

The second step is specific to procurement and includes: a review of the local public and private sector procurement infrastructure, product selection, forecasting, preparing cost estimates, and obtaining necessary funding approvals.

It is unclear what impact (if any) a change in brands will have for the program and client behavior. Careful review of brand loyalty from the perspectives of both the consumer and service provider should be undertaken before any changes in brands are implemented.

Another example of the importance of planning, forecasts must accurately anticipate quantities up to two years before contraceptives are actually needed by clients. Therefore a well-managed logistics system is essential to the procurement process. Disruption in the supply of contraceptives can jeopardize the credibility of the program. In addition, shortages or lack of contraceptives is a contributing factor to client discontinuation. Again, strategic planning is an essential first step in the procurement process.

Planning is a time-consuming process due to the number of government agencies and other organizations involved. Meetings, correspondence and approvals are also labor intensive and require additional personnel. Procedures for international banking, duties, international shipping, insurance, taxes, tariffs, and customs all require specialized technical expertise. In addition, bid documents, contracts, and financial arrangements require access to legal expertise.

F. The MOPH will be responsible for the procurement of contraceptives in gradually increased amounts. This requires specific knowledge of product specifications and formulations, packaging and labeling, quality assurance standards and testing, regulatory and customs requirements and various procurement options. In addition, the GOM will need to ensure that hard currency is available as all three procurement options require the importation of contraceptives.

There are three basic procurement options available to the GOM:

1. Competitive procurement generally means that sealed bids are solicited from suppliers based on product specifications and performance expectations. Competitive procurement is used to purchase large volumes and requires up to 18 months lead-time.

2. Intermediate Agencies may carry out procurement on behalf of the program. UNFPA and IPPF provide this service for a fee which ranges from 2 to 5 percent, depending on the dollar value and volume of the order. There are generally no volume requirements and the timeline for procurement ranges from 7 to 9 months.

3. Single-source procurement is an alternative that has been used during the transition period from donor supply. In addition to a shortened procurement time and a reduced level of procurement expertise, single-source procurement from an existing supplier also offers the advantage of continued use of a product with which the local market is familiar. However, negotiation of favorable prices can be problematic.

The procurement cycle (see attachment C) including international competitive bidding will cover a period of 18 to 20 months. The portion of time allocated to actual procurement functions may range from 14 to 16 months depending upon the procedures adopted and the length of time needed by the supplier to produce and ship the goods. In the case of orals, Morocco will require up to 7 million cycles per year. As this amount is generally not kept in stock by manufacturers, the GOM would need to contract with a supplier well in advance to ensure that this quantity could be provided when needed.

Quality assurance is an important aspect of the procurement process. Independent testing by the GOM is required both during the invitation to bid and prior to delivery to determine that the contraceptives are of the highest quality before they are put in the logistics supply system. During the invitation to bid, bidders should include a statement guaranteeing use of Good Manufacturing Practices with applicable audit authority.

For a comprehensive understanding of procurement issues a useful reference manual is the "Competitive Procurement of Public Sector Contraceptive Commodities". This manual is designed to be an easy-to-use guide on how to obtain contraceptive commodities through competitive procurement. This manual describes widely accepted procedures for competitive

tendering; however, there are many acceptable variations. Therefore, the guidance provided must be adapted by the GOM to take into account its particular needs and unique circumstances, especially with regard to specific local legal and economic systems and administrative structures.

G. The MOPH will provide a Senior Contraceptive Coordinator to oversee all aspects of this phase-down strategy. This person will be charged with assuring the smooth transition of donor-supplied contraceptives to contraceptives provided by the GOM. The following is a list of tasks that this person will be responsible for overseeing and/or coordinating:

- * Estimation of future contraceptive needs
- * Establishment of a budget for contraceptive procurement
- * Procurement of contraceptive supplies
- * Clearance of contraceptives from port and customs
- * Development and implementation of the logistics management training
- * Development of logistics management procedures
- * Ensuring reliable transportation
- * Development of an efficient warehousing system
- * Supervision of the USAID Logistics Specialist
- * Monitoring and developing logistics management information and reports

Since continuity and institutional memory is essential, this position should be established as a permanent one.

III. OTHER ISSUES

The following are various issues and activities for USAID and GOM consideration:

A. Revolving Fund

Recurrent costs for financing contraceptives is an important issue. One possibility is the establishment of a revolving fund for the procurement of contraceptives. The Moroccan National Immunization Program is in the process of establishing a revolving fund for the procurement of vaccines. The GOM will provide an adequate amount of local currency and UNICEF/Rabat will furnish the foreign currency and procure the vaccines through the UNICEF system. The local currency will be used by UNICEF/Rabat for local expenditures. An initial deposit in foreign exchange was supplied by USAID.

There are three essential and critical elements if the family planning program is going to replicate this fund:

- * Agreement by the GOM to furnish an adequate budget on an on-going basis for the procurement of contraceptives
- * An initial foreign exchange deposit to start the fund
- * An organization that can furnish foreign exchange and utilize the local currency supplied by the GOM

The above assumes local currency is not convertible; if regulations change, then the need for foreign exchange will no longer be an issue. It should also be noted that the establishment of the Immunization Program's revolving fund was a protracted process which needed the coordination of many individuals and organizations. In addition, this arrangement does not create the institutional capacity for procurement as UNICEF is responsible for the procurement and provision of the hard currency.

B. Local Production

The local production of contraceptives is a complex issue demanding a comprehensive assessment. It would be advisable to undertake a study to ascertain the viability of manufacturing contraceptives locally. Although population and market size might quickly determine feasibility, there are numerous other issues to take into account, such as exportation, local packaging of imported products, new technology, regional demand and more productive uses of investment capital. Due to economies of scale in local production, the public sector would typically have to guarantee that they would procure all its contraceptives from a local producer, even though local prices might be higher than those on the international market. Most importantly, any feasibility study should determine the economic viability of local production.

Establishing local production is a long-term process. Therefore, the capacity to procure externally is presently the only viable alternative to ensuring an uninterrupted supply of contraceptives.

C. Financial Sustainability

The USAID Implementation Plan for USAID Assistance in Population and Health 1992 - 1996 is designed to promote financial sustainability over the next five years. The focus will be on the following two objectives:

- * Shifting contraceptive users (particularly of supply methods) from the public to the private sector.
- * Strengthening MOPH capacity and commitment to assume the burden of financing and procuring contraceptives for the public program.

With the phase-down of USAID contraceptive support, increasing responsibility will fall to the GOM for the financing and procurement of contraceptives. Therefore, senior level decision makers and planners need to be creative in securing funding for contraceptive procurement. The following is a list of options available to finance the procurement of

contraceptives:

- * Increase the financial resources available in the MOPH budget for the procurement of publicly supplied contraceptives
- * Introduce cost recovery by the collection of user fees
- * Increase the share of clients served by the private sector
- * Explore various external options for financing, e.g. World Bank or other donors

The World Bank has offered low interest loans for the procurement of contraceptives for public sector programs in various countries. This financing option has the disadvantage of transferring the costs of contraceptive procurement to the future when loans come due. USAID's centrally funded PROFIT project may provide funding opportunities for a private sector initiative.

It should be emphasized that for the foreseeable future the public sector will continue to be the primary source of contraceptives for the vast majority of Moroccans. There will also be a substantial proportion of the population who will consistently be unable to afford contraceptives and others who do not see the need for preventive health care. Clear, consistent policies and guidelines need to be established for these clients. The issue of "equity" will necessitate close and careful consideration.

D. Contraceptive Phase-down Conference

USAID will fund a two-day conference that will provide a forum for the contraceptive phase-down strategy for members of the public and private sector, donor community, international health experts and technical experts. The purpose of this forum is to:

- * Initiate dialogue on contraceptive phase-down strategy
- * Build consensus on actions to be taken

- * Formulate a plan to address the issues relating to contraceptive procurement and the USAID phase-down strategy

The Conference will address technical, programmatic, political and policy issues. The first half of the conference will deal with:

- * Global lessons and knowledge learned on contraceptive self-reliance
- * Demographic trends and contraceptive demand
- * Budget projections
- * Local production of contraceptives
- * Private sector importation of contraceptives
- * Logistics management issues including: public sector, procurement, logistics management information systems (LMIS), distribution and contraceptive quality assurance
- * GOM articulation of policy and budget plans and any impediments to phase-down strategy
- * USAID articulation of the phase-down strategy

In the second half of the conference participants will be divided into three groups - policy, procurement and financing - and asked to review their topics and develop an action plan that will be presented to the larger group for clarification, comments and/or additions. Based on each group's presentation, a comprehensive action plan will be developed detailing persons responsible, tasks and a timeline for future activities. In addition to assigning discrete tasks for phase-down activities, this conference will focus attention on and promote the phase-down strategy for a cross section of organizations and disciplines.

E. Committee Meeting

There is currently a structure in the family planning program of various technical committees. Since the procurement of contraceptives demands various technical expertise, it is recommended that the committee/s facilitate dialogue with donors, private sector pharmaceutical agents, social marketing experts, procurement specialists, logistics experts and other pertinent experts to share their knowledge on these important topics.

More specifically, the committee's agenda should focus on monitoring the Strategy Action Plan (see below) and resolving outstanding issues and impediments to the phase-down. The Logistics Specialist and the Senior Logistics Coordinator should be active committee participants.

F. HIV/AIDS

Presently all condoms for the National AIDS Prevention Program are provided and funded by USAID. In 1992, approximately 1.75 million condoms were given to the program. For 1993 program officials have requested 3 million. Similar increases will have a major impact on condom estimates and the overall contraceptive budget. There are many examples of countries where annual condom demand has increased over 100 percent in one year.

IV. STRATEGY ACTION PLAN

The Action Plan is a collection of general statements which are in fact often complex task and need to be addressed in a comprehensive manner. Many of these tasks will require the technical skills and coordination of many individuals and organizations and often long-term interventions. As much as possible the steps are listed in chronological order; many of the steps will occur simultaneously.

ACTION PLAN

ACTIVITY	PERSONS &/or ORGANIZATIONS RESPONSIBLE	DATE
<u>Planning</u>		
Comprehensive Review of Technical Documents, etc.	SCC(1)/ LS(2)	Jun93
FP Technical Committees Discuss Phase-down Issues	SCC/ LS	Aug93 On-going
Phase-Down Conference	SCC/ FPLM	Nov/93
Forecasting Needs	FP/MCH/ FPLM	Annually
Contraceptive Specifications	SCC/ LS	Jan94
Budget Estimates	SCC/ LS	Feb94
Official Procurement Approvals	SCC/	Mar94

ACTIVITY (cont.)	PERSONS &/or ORGANIZATIONS RESPONSIBLE	DATE
<u>Personnel</u>		
Recruitment of Senior Contraceptive Coordinator (SCC)	FP/MCH	Jul93
Recruitment of Logistics Specialist (LS)	USAID	Jul93
	LS	
<u>Procurement</u>		
Preparation of Bidding Documents	SCC/ LS	Jun94
Advertising Bids	SCC/ LS	Aug94
Adjudication of Bids	SCC/ LS	Nov94
Awarding of Contract	SCC/ LS	Nov94
Inspection and Testing	SCC/ LS	Dec94
Letter of Credit	SCC/ LS	Dec94
Shipping	SCC/ LS	Mar94
Port Clearance and Reception	SCC/ LS	Jun94
Initial Distribution	SCC/ LS	Jul94

ACTIVITY (cont.)	PERSONS &/or ORGANIZATIONS RESPONSIBLE	DATE
<u>USAID Technical Assistance</u>		
Forecasting	FPLM	Oct93 Oct94
Logistics Management Information System (LMIS)	FPLM	Oct93 Oct94
Procurement	FPLM	Dec93
Training	FPLM	TBE (3)
<u>Special Studies (4)</u>		
Local Production	TBE	TBE
Program Sustainability and Self Reliance	TBE	TBE
Revolving Fund	TBE	TBE
Income Generation	TBE	TBE
Brand Acceptability Studies	TBE	TBE
Consumer Price Elasticity Study	TBE	TBE
Contraceptive Quality Assurance	TBE	TBE

1. SCC = Senior Contraceptive Coordinator
2. LS = Logistics Specialist
3. TBE = To Be Established
4. Special Studies refer to activities that may need more in-depth review and/or technical assistance. Requests for these activities will be determined by the Senior Contraceptive Coordinator and/or the Family Planning Committee.

ATTACHMENT A

GOM/USAID 1994-1998 Estimated Contraceptive Requirements and Cost

TABLE 1

CONTRACEPTIVE CONSUMPTION ESTIMATES 1992-1998

PRODUCT	92	93	94	95	96	97	98
CONDOMS	5700	6000	7000	8000	8000	8000	8000
LO-FEMENAL	6500	6800	7000	7500	8000	8500	8500
OVRETTE	345	400	500	600	650	650	650
DEPO- PROVERA	0	15	20	40	75	100	150
NORPLANT	0	5	3	4	6	7	8
COP. IR T	67	80	85	90	100	110	120

THIS TABLE STARTS WITH ACTUAL DISPENSED TO CLIENTS DATA FOR 1992. THIS INFORMATION CAME FROM THE MOH FROM THEIR ANNUAL TOTAL " QUANTITE DES CONTRACEPTIFS UTILISES " FOR 1992. THAT REPORT DID NOT INCLUDE INFORMATION FOR DEPO-PROVERA AND NORPLANT, NEITHER OF WHICH WERE USED IN MOPH CLINICS AT THAT TIME.

CONSUMPTION FOR 1993-1999 IS BASED ON ESTIMATES OF CHANGES IN METHOD MIX, WITH DEPO-PROVERA AND NORPLANT USED FOR CLIENTS WHO MIGHT OTHERWISE HAVE SELECTED ORAL CONTRACEPTIVES. BUT USE OF ORAL CONTRACEPTIVES WILL INCREASE BECAUSE OF PROGRAM GROWTH. FOR PRACTICAL PURPOSES NEITHER DEPO NOR NORPLANT WILL BE AVAILABLE IN 1993.

TABLE 2

CONTRACEPTIVE PRICE ESTIMATES, 1994-1998

A. CONDOMS

	94	95	96	97	98	TOTAL
QUANTITY (1,000s)	7000	8000	8000	8000	8000	39000
PRICE PER UNIT	0.053500	0.056175	0.058984	0.061933	0.065030	
COST	374500	449400	471870	495464	520237	
FREIGHT (6%)	22470	26964	28312	29728	31214	
TOTAL COST	396970	476364	500182	525191	551451	2450158

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TABLE 2 (CONTINUED)

B. LO-FEMENAL

	94	95	96	97	98	TOTAL
QUANTITY (1000s)	7000	7500	8000	8500	8500	39500
PRICE PER CYCLE	0.165000	0.173250	0.181913	0.191008	0.200559	
COST	1155000	1299375	1455300	1623569	1704748	
FREIGHT (6%)	69300	77963	87310	97414	102285	
TOTAL COST	1224300	1377338	1542610	1720983	1807032	7672271

C. OVRETTE

	94	95	96	97	98	TOTAL
QUANTITY (1000s)	500	600	650	650	650	3050
PRICE PER CYCLE	0.165000	0.173250	0.181913	0.191008	0.200559	
COST	82500	103950	118243	124155	130363	
FREIGHT (6%)	4950	6237	7095	7449	7822	
TOTAL COST	87450	110187	125338	131605	138185	592764

D. DEPO-PROVERA

	94	95	96	97	98	TOTAL
QUANTITY (1000s)	20	40	75	100	150	385
PRICE PER DOSE	1.000000	1.050000	1.102500	1.157625	1.215506	
COST	20000	42000	82688	115763	182326	
FREIGHT (6%)	1200	2520	4961	6946	10940	
TOTAL COST	21200	44520	87649	122708	193265	469342

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TABLE 2 (CONTINUED)

E. NORPLANT

	94	95	96	97	98	TOTAL
QUANTITY (1000s)	3	4	6	7	8	28
PRICE PER UNIT	23.00000	24.15000	25.35750	26.62538	27.95664	
COST	69000	96600	152145	186378	223653	
FREIGHT (6%)	4140	5796	9129	11183	13419	
TOTAL COST	73140	102396	161274	197560	237072	771442

F. COPPER T

	94	95	96	97	98	TOTAL
QUANTITY (1000s)	85	90	100	110	120	505
PRICE PER UNIT	0.965000	1.013250	1.063913	1.117108	1.172964	
COST	82025	91193	106391	122882	140756	
FREIGHT (6%)	4922	5472	6383	7373	8445	
TOTAL COST	86947	96664	112775	130255	149201	575841

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TABLE 3

TOTAL CONTRACEPTIVE COST, 1994-1998

PRODUCT	94	95	96	97	98	TOTAL
CONDOMS	396970	476364	500182	525191	551451	2450158
LO-FEMENAL	1224300	1377338	1542618	1720983	1807032	7672271
OVRETTE	87450	110187	125338	131605	138185	592764
DEPO- PROVERA	21200	44520	87649	122708	193265	469342
NORPLANT	73140	102396	161274	197560	237072	771442
COPPER T	86947	96664	112775	130255	149201	575841
TOTAL	1890007	2207469	2529835	2828302	3076207	12531819

TABLE 4

SHARED CONTRACEPTIVE COST, USAID AND GOM, 1994 - 98

	AID 100%	AID 90%	AID 75%	AID 50%	AID 25%	TOTAL
	94	95	96	97	98	
AID	1890007	1986722	1897376	1414151	769052	7957307
GOM	0	220747	632459	1414151	2307155	4574512
TOTAL	1890007	2207469	2529835	2828302	3076207	12531819

THE FIGURES IN TABLE 4 ASSUME THAT USAID WILL PROGRESSIVELY DECREASE ITS SHARE OF THE BUDGET NEEDED TO PURCHASE CONTRACEPTIVES, AND THAT GOM WILL GRADUALLY INCREASE ITS CONTRIBUTION. THE FIGURES ALSO ASSUME THAT GOM WILL BE ABLE TO PURCHASE CONTRACEPTIVES AT THE SAME PRICE USAID PAYS FOR PRODUCTS PURCHASED THROUGH A CONSOLIDATED CENTRAL CONTRACT.

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ATTACHMENT B

1991 International Contraceptive Price Estimates and Range

1991 Contraceptive Price Estimates

<u>Contraceptive</u>	<u>Estimated Unit Price Range (USD)</u>
Condom (ea)	0.016 - 0.070
IUD (ea)	
Copper T 380A	0.70 - 0.95
Copper T 200B	0.50 - 0.65
Multiload	1.50 - 3.00
Oral Contraceptive (cycle)	
Low dose combined	0.15 - 0.20
Triphasic	0.19 - 0.28
Progestin only	0.15 - 0.35
Vaginal Foaming Tablet (ea)	0.07 - 0.10
Injectable (dose)	0.70 - 0.90

All price estimates are per unit prices, U.S. dollars, FOB country of origin, and packaged per manufacturer's standard packaging practice. Actual costs for contraceptives will depend on such factors as the quantity ordered, transportation costs, delivery date requested, and packaging and labelling requirements requested.

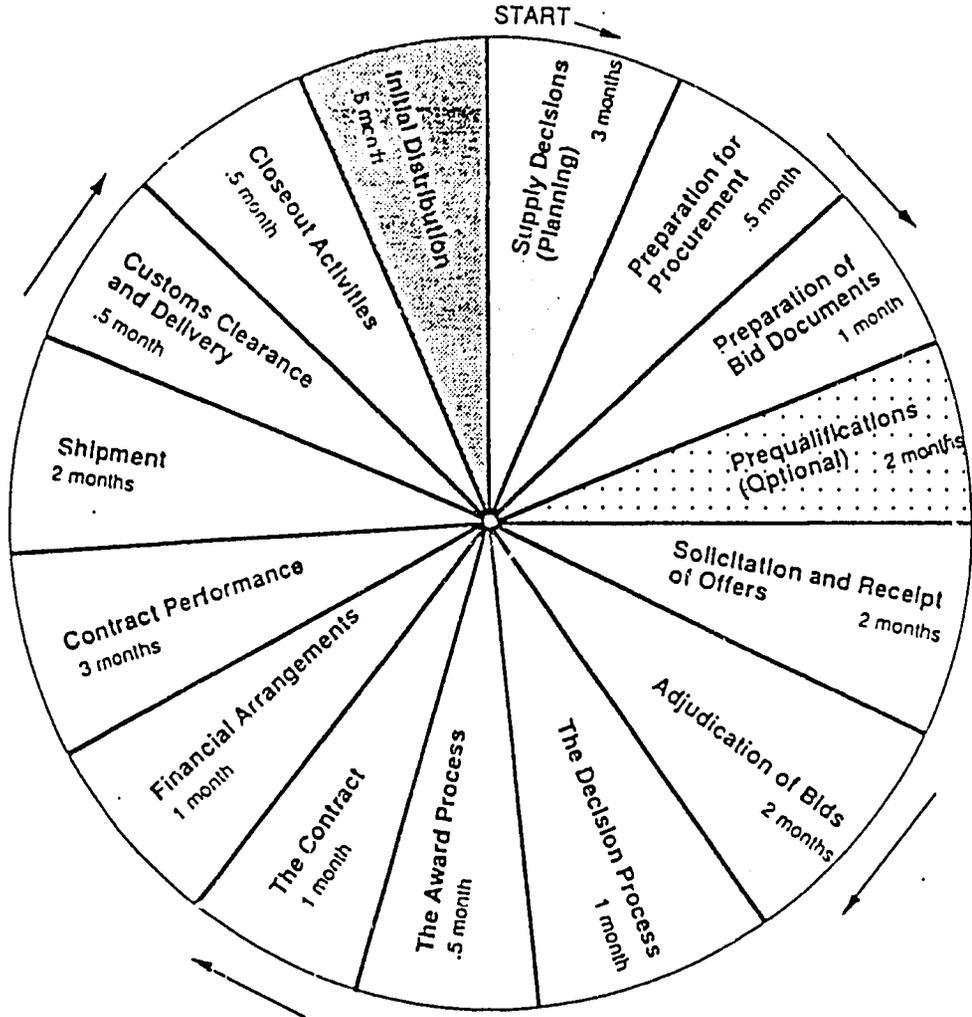
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ATTACHMENT C

Contraceptive Procurement Cycle

The Contraceptive Procurement Cycle

In order to give a fair representation of the sequence needed to accomplish a procurement, several related Planning and Distribution activities from "The Logistics Cycle" have been incorporated into a secondary chart shown below as "The Contraceptive Procurement Cycle:"



- Program Management Activities
- Logistics Activities
- Procurement Activities
- Optional Activities

D R A F T