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**SUSTAINABLE ORS USE IN
WEST AFRICA THROUGH
PRIVATE-PUBLIC PARTNERSHIP**

January 18-28, 1998

Abidjan, Cote d'Ivoire
Dakar, Senegal

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ACRONYMS

AMM	Authorisation de Mise en Marche
BASICS	Basic Support for Institutionalizing Child Survival
CHD	Child Health and Development
IEC	Information, Education, and Communication
MOH	Ministry of Health
MOU	Memorandum of Understanding
NGO	Non-governmental Organization
ORS	Oral Rehydration Solution
ORT	Oral Rehydration Therapy
PNA	Pharmacie Nationale d'Approvisionnement
PSI	Population Services International
REDSO	Regional Economic Development Support Office
RPR	Rhône-Poulenc Rorer
SFPS	Sante Familiale et Prevention du SIDA
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WHO	World Health Organization

SCOPE OF WORK

BASICS Commercial Sector Technical Officer David McGuire traveled to Abidjan and Dakar from January 18-28, 1998, to follow up on the Oral Rehydration Solution (ORS) Commercialization Initiative in the West Africa region. The main purpose of the trip was to organize and facilitate a consensus meeting in Abidjan on January 21 between the partners in the West Africa ORS initiative: Population Services International (PSI) and Rhône-Poulenc Rorer (RPR). Following the meeting, McGuire continued on to Dakar to brief USAID and local BASICS staff on the results of the meeting and the implications for the Commercial Sector ORS Initiative in Senegal. Briefing and strategy meetings were also held with Ministry of Health staff, RPR/Dakar, and the research company (BDA) currently conducting market research under the initiative among private sector doctors, nurses, and midwives.

I BACKGROUND

BASICS entered into a subcontract with the Sante Familiale et Prevention du SIDA (SFPS) Program to provide PSI with technical and financial support in generating demand for ORS throughout West Africa, and in establishing a commercial sector partnership to ensure sustainable supply and promotion. PSI and BASICS collaborated to identify the best possible partner from the private sector: Rhône-Poulenc Rorer (RPR). Since RPR was identified, BASICS has taken the lead in trying to establish the terms of a mutually beneficial partnership through dialogue with both parties. Once the general terms of the agreement were outlined, it became necessary for PSI, RPR, and BASICS to meet and discuss the details of a memorandum of understanding (MOU) that would specify the objectives, as well as the roles and responsibilities of each partner. In order to involve the staffs from USAID/REDSO, SFPS, and regional representatives from PSI and RPR, both of which have regional offices in Côte d'Ivoire, it was decided that the meeting should be held in Abidjan. This meeting was held in November 1997.

Following the consensus meeting, the terms of a regional partnership were further negotiated, and a formal 10-year memorandum of understanding (MOU) was signed between RPR and PSI in December 1997. While the MOU outlines the general terms of the regional partnership, it specifies the need for country-specific contracts that take into consideration the varying situations throughout the region. It was, therefore, agreed that a second consensus meeting would be held in Abidjan during January 1998 that would bring together central-, regional-, and country-level staff from PSI and RPR to discuss progress to date and the necessary next steps in the implementation of the partnership at the country level. As with the previous consensus meeting in November, the proceedings were moderated by BASICS.

USAID/Dakar and the MOH have expressed interest in developing a program that includes the private sector, thereby addressing the issue of sustainability of ORS supply, promotion, and use among target populations. Aware of the efforts being undertaken to develop a regional program, USAID/Dakar agreed to participate once the mechanism was put in place. Following the

November consensus meeting in Abidjan, BASICS commercial sector staff (Camille Saade and McGuire) traveled to Dakar to brief USAID, BASICS/Senegal, and the Ministry of Health, and to begin the process of program implementation. Because the results of the January consensus meeting would have a direct impact on plans for Senegal, it was critical that McGuire stop in Dakar on his return to brief all concerned parties and to follow up on progress since his November visit.

II ACTIVITIES

2.1 Briefing with UNICEF's Regional Office for West and Central Africa

Given the critical role played by UNICEF in child survival activities, and more specifically the promotion of ORT and the supply of ORS, it was decided by USAID/REDSO, PSI, and BASICS that UNICEF regional staff should be briefed on the regional commercial sector initiative. A meeting was held between the USAID/REDSO representative, PSI's West Africa program manager, BASICS staff, and UNICEF's deputy regional manager and regional health officer.

After a brief presentation of the partnership's development and vision for the future, USAID asked that UNICEF play an active role in supporting the partnership, both morally and financially. While UNICEF's overall reaction was positive, they had three questions that were presented and discussed:

1. *Price*

UNICEF wanted assurance that the pricing strategy would be such that poor populations would have access to ORS. It was explained that the commercial partnership was not intended to reach the poorest of the poor, but sought to make a high quality and reasonably priced product available to those with some disposable income. Through this approach, the newly created demand among this segment of the population could be served in a commercially sustainable way, without need for government and donor subsidies. One key result of this strategy would be the possibility of donors and governments to then reallocate limited resources to better serve the most needy through more focused public sector interventions. It was made clear that the commercial strategy is not thought to be one that can respond to the needs of everyone, but a critical and sustainable element of any integrated national strategy.

2. *IEC*

UNICEF insisted on the importance of promoting ORS as only one option in preventing and treating dehydration. They wanted assurance that IEC and promotional messages would take this into account, especially once ORS is distributed through non-medical channels. PSI assured UNICEF that they understood the importance of this issue, and intended to include messages about ORT in their campaign.

3 Roles and responsibilities of various partners

UNICEF emphasized the need to involve local authorities from the Ministry of Public Health in the partnership since their support will be critical in ensuring success. They were also interested in knowing the details about how product would be supplied and distributed, how the partnership would be established, and what the roles of each partner would be. PSI explained that they were already working collaboratively with ministries of health in each country. The basic terms of the regional partnership were outlined.

In response to USAID's request for joint support of the initiative, UNICEF responded that all financial decisions are made at the country level. They agreed that they would "support any initiative that expands the use of ORS in a sustainable way." They were specifically asked if UNICEF would be willing to support the effort by considering procurement of ORS from the regionally based production facility of RPR in Dakar. Their response was that it might be possible if the product met WHO standards and was price competitive with UNIPAC (estimated at \$0.10-\$0.12 per sachet). However, these decisions are made at the country level. USAID also requested that even if procurement were not possible, that UNICEF join USAID in actively supporting and promoting the initiative among other donors and local governments. UNICEF agreed to consider this upon further review of the details of the partnership.

At the end of the meeting, UNICEF brought up the issue of impregnated mosquito nets. USAID explained that BASICS has been working with USAID/Washington and the private sector to develop a strategy for establishing a private sector partnership (similar to what is being done for ORS). The BASICS representative, who coincidentally has been responsible for the bednet initiative with the private sector, briefed UNICEF on the status of activities. BASICS has been working with USAID and Bayer to establish guidelines for setting up a pilot private sector partnership in West and/or East Africa. These proposed guidelines will now be shared with colleagues at WHO, UNICEF, PATH/Canada, the Malaria Consortium, and USAID, with the hope of selecting one or two target markets and appropriate private sector partners over the next months. UNICEF was assured that they would be kept in the loop via their colleagues in New York. PSI, who could potentially play a significant role in the partnership, gave a brief presentation of their on-going net activities in the region.

UNICEF pointed out that they will be discussing issues related to malaria in their April regional meeting of health officers. USAID requested that they be invited to participate. It was also mentioned that UNICEF target countries for bednet activities are Benin and The Gambia.

2.2 Consensus Meeting in Abidjan (January 21)

The consensus meeting brought together representatives from RPR (headquarters, Abidjan, and Dakar), PSI (headquarters, SFPS, Côte d'Ivoire, Burkina Faso, and Cameroon), and BASICS/Washington to review progress in establishing the partnership, introduce country-level counterparts from each organization, and discuss next steps in establishing country-specific agreements within the framework of the regional MOU.

The ambitious agenda for the meeting was agreed to by all participants in advance

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|---|---|---------------|
| 1 | Introductions | 15 00- 5 15 |
| 2 | Presentation and overview of the regional partnership (strategy and objectives), review of progress, and proposed future activities for Côte d'Ivoire, Cameroun, Burkina Faso, Senegal, and the rest of the region (<i>David McGuire</i>) | 15 15-15 30 |
| 3 | Perspectives from the partners on the current status and vision for the future (where are we and where are we going), and questions and answers about the MOU and country-specific contracts (<i>Yves Barou, Brian Smith</i>) | 15 30-16 00 |
| 4 | Country-level status reports (<i>PSI/Côte d'Ivoire-Jacqueline Devine, Ellen Tipper, Cameroun-Mme Baleng, and Burkina Faso-John Hetherington</i>) | 16 00-17 00 |
| 5 | RPR status report (marketing studies, pricing studies, production trials, packaging, promotion) (<i>Dominique Maugeais and Bernard Blum</i>) | 17 00-18 00 |
| 6 | Development of parameters for country contracts using Côte d'Ivoire as an example (format, key elements, clauses, responsibilities, etc) (<i>David McGuire</i>) | 18 00 - 19 00 |
| 7 | Action plan and next steps (<i>David McGuire</i>) | 19 00-19 30 |

The following is a summary of discussions from the January 21, 1998 consensus meeting between PSI, RPR and BASICS

2 2 1 Presentation and overview of the regional strategy

After opening words from the RPR vice president, the BASICS representative began the meeting by thanking and congratulating the partners and individuals whose shared vision and commitment had brought things so far in such a short time, despite overwhelming internal and external challenges. All were reminded of the objective of the partnership (i.e., the expanded and sustainable supply of and demand for ORS throughout West Africa), the long- and short-term strategies to achieve the objective, the importance of keeping country-level agreements within the context of the regional strategy, and the points to which the partners have agreed thus far. A brief presentation of the evolution of the partnership was then given.

2 2 2 The RPR perspective

Yves Barou, RPR vice president, gave an overview of his company's activities, capabilities and future vision for West Africa. He reiterated RPR's interest and commitment to making the partnership work. In addition to being the largest and most

heavily invested pharmaceutical company in West Africa, RPR has a social interest and responsibility in pursuing programs such as the ORS partnership. He noted that following the devaluation, RPR was the first in the industry to reduce their prices in West Africa, and that despite the lack of economic and business incentives to do so, RPR has continued to invest in local production of pharmaceuticals with its three facilities in Abidjan, Dakar, and Douala.

Barou concluded by pointing out their reservations about expanded distribution beyond the pharmaceutical network. He assured all that RPR recognized the need for such expansion, but urged all to proceed cautiously to prevent any quality or perception problems that could impact on the rest of their business.

2.2.3 The PSI perspective

Brian Smith, PSI's West Africa program manager, gave an overview of PSI and their history in social marketing. He emphasized the fact that they are a non-profit organization that has always sought to provide contraceptives and ORS to poor populations through aggressive promotion and distribution combined with subsidized pricing. He explained that while PSI remains committed to implementing the partnership with RPR, there remain a number of issues related to price, target market, and potential conflicts with donors and partner governments resulting from this new type of commercially oriented approach.

2.2.4 Côte d'Ivoire status (PSI)

PSI's Country Level Marketing Director Ellen Tipper began by presenting the outcomes from PSI's recent meeting with Ministry of Health officials (including the Cabinet director). PSI approached the MOH to present and discuss the proposed private sector partnership with RPR. The three major concerns of the MOH were pricing, local production, and packaging.

The pricing issue arose following the presentation of revised results from the recent price sensitivity study. Original results that were presented to the MOH indicated that the optimal price for a pack of ORS was 220 fcfa. It was discovered that an error had been made in the data analysis, and that the optimal price was now 110 fcfa, with an acceptable range of 90-220 fcfa. Even with this decrease, the price that will have to be adopted to make the commercial partnership work will be well above the originally proposed 50 fcfa per sachet. During the last consensus meeting, RPR estimated that the consumer price of a commercially viable product would be approximately 150 fcfa. PSI reiterated their feeling that this price would be unacceptable to the MOH, who they think will be willing to accept a price of 100, with a gradual increase.

The MOH also questioned the fact that RPR was planning production in Dakar rather than in Abidjan. Their other concern was that PSI planned to sell ORS packets individually, while the typical diarrheal episode requires 2-3 sachets.

Barou, from RPR, pointed out that it was critical to involve the director of pharmacy in discussions about pricing and other issues related to the partnership, since he will be the one who ultimately has the authority to make decisions. Ellen Tipper agreed and said that while they had tried to include him in the meeting, he was unavailable at the time. Barou said that RPR is planning a meeting of all pharmacy directors from West Africa during the Spring or Summer of 1998, and thought it might be an excellent opportunity to discuss the partnership with them all.

PSI reminded the group that their efforts to get ORS demedicalized in Côte d'Ivoire were well under way, and that the MOH indicated during the meeting that a decision might come as soon as the end of January. The MOH is committed to the demedicalization that will allow for expanded distribution and for mass media promotion.

Plans for the launch of ORASEL in Côte d'Ivoire have been slightly delayed. The MOH expressed their interest in having the launch, originally scheduled for March, coincide with a national ORT day some time during the first two weeks of April.

PSI also talked about their on-going discussions with country-level staff from UNICEF. They seem to appreciate PSI's new partnership with the commercial sector and the role it might have in expanding ORS use in a sustainable way.

Mr. Campaore from PSI/Côte d'Ivoire added that they are very much focused on the demedicalization efforts. He also mentioned that PSI will soon receive a shipment of 500,000 sachets of ORASEL that were donated by USAID. He reiterated that price negotiations are on-going with the MOH, and that he was confident that they would allow a launch with donated ORASEL at 100 fcfa and gradually increase the price to 150 once RPR begins supplying product from their Dakar facility (estimated for June 1999).

Barou raised his concern about the proposed strategy for gradually increasing the price from 100-150 fcfa. He said that, in his experience, he has never seen a West African government approve price increases for pharmaceutical products. Normally RPR seeks the highest reasonable price, knowing that the local authorities will eventually bring the price down. He also pointed out that for ORS, a disproportionate percentage of the total cost was for packaging. He suggested that we consider ways to decrease production costs by simplifying the packaging (e.g., using as few colors as possible, and the least expensive foil that will still provide the necessary quality).

Another possibility for controlling the consumer price would be to get the government to set the price, as was done with PSI's PRUDENCE condoms. If this were done, the

distribution network would not be able to take their usual high margins which for pharmaceuticals in Côte d'Ivoire have a multiplier effect of 1.9 on the ex-factory cost. The down side to this could be a lack of motivation among pharmacists to stock and sell the product due to the low margins. Barou thinks that the absolute highest multiplier that should be applied to this socially oriented product is 1.5. RPR pointed out that there is precedent in Côte d'Ivoire for reducing the multiplier on certain pharmaceuticals, such as cancer drugs. RPR expressed their concern that a high multiplier within the pharmaceutical distribution network might result in a differential in pricing within the non-pharmaceutical market. A lower price through non-pharmaceutical outlets could result in killing sales through pharmacies. It was agreed that a request to reduce the multiplier was essential, and that PSI and RPR must work together through their respective contacts to seek this reduction.

RPR also stated that there was a need to work together in the development of messages, and that while they are not seeking veto authority, they do think that they have a lot to offer. Barou said that nothing ever goes out of their marketing department without the approval of their medical staff, who must ensure the scientific soundness of promotional messages.

PSI explained that they are planning to use television, radio, and print for the ORASEL campaign. In addition to mass media, they will use video vans in rural areas and urban-based "animateurs," who will conduct interpersonal IEC. PSI also hopes to expand their existing kiosk program to include health kiosks where staff will promote and sell contraceptives and ORS.

The major concerns raised by the PSI country staff in relation to the partnership were how the launch (medical and consumer) would be coordinated, how to respond to the packaging issue raised by the MOH, and how the partnership might affect PSI's ability to secure the preferential media rates that they have always enjoyed because of their non-profit status.

It was agreed that, as decided in the last meeting, the launch would be limited to distribution through the pharmaceutical network, promotion to prescribers, and mass media advertising. This would continue for six months, after which the distribution would be expanded, and messages would be adapted to promote non-pharmaceutical outlets.

RPR encouraged PSI to resist using different packaging than that which will be used throughout the region since it will have a dramatic impact on price.

2.2.5 Cameroun status (PSI)

PSI/Cameroun Marketing Director Mme Baleng presented the background, current status, and future plans for PSI in Cameroun. She hopes to launch ORASEL by April and

plans to do so through both private sector pharmacies and the extensive network of government pharmaceutical depots in rural areas

As in Côte d'Ivoire, ORASEL distribution will be initially limited to the pharmaceutical network. PSI has had experience with ORS marketing in Cameroun, they launched a brand several years ago, but did not continue due to a lack of funding. Since the local population has been more exposed to ORS than most countries in the region, and commercial brands do exist, PSI is willing to launch at 150 fcfa.

PSI is currently finishing a consumer and prescriber KAP study on diarrhea and ORS and expect the results soon. Information from the study will be used to guide promotional efforts with both target audiences.

A stock of 58,000 sachets of donated ORS is currently in their warehouse and they are expecting the arrival of an additional 500,000 sachets.

Unlike the rest of the countries being targeted in West Africa, Cameroun is bilingual (English/French). Promotional materials must, therefore, be produced in both languages. RPR suggested that in the interest of the regional effort, it would make sense to produce packaging and instructions for all countries in English and French. This would prevent any increased cost for Cameroun and would make expansion to English-speaking countries easier.

RPR also asked for assurance that PSI would be using their local staff for promotion through the medical and pharmaceutical networks. This was confirmed by PSI. RPR's medical director pointed out that legally and politically, they must get approval from the directors of pharmacy in each country before collaborating with PSI on promotion. This seemed to be more of a formality than a major concern.

2.2.6 Burkina Faso status (PSI)

PSI Country Representative, John Hetherington presented the historical context, current status, and future plans of PSI in Burkina Faso. PSI has been working in Burkina since 1991, and has had great success with the social marketing of condoms. Although they were originally funded by USAID, they are currently funded by KfW (the German Development Bank). KfW has made it clear that while they encourage PSI to promote ORS in Burkina, they want the activity to be separate from the contraceptive social marketing program that they are funding. In response to this, PSI has opened a new office to handle only ORS.

PSI has not yet discussed with the government their regional partnership and the possibility of its role in the Burkina program. ORS is currently being sold in the private sector for between 130-150 fcfa, and for 100 fcfa in the public sector. They feel

comfortable in proposing 100 fcfa as the price for ORASEL, which they hope to launch before June. They have made a commitment to KFW to sell two million sachets of ORASEL during the first year of marketing activities.

Unlike most other countries in the region, Burkina has already demedicalized ORS. PSI does not anticipate any resistance by the MOH to the proposed single sachet sale of ORASEL because that is the way it is currently being sold in the private and public sectors.

2.2.7 RPR status report

Following the November consensus meeting, RPR's Production Manager from Senegal, Dominique Maugeais, was charged with developing a firm estimate for CIF price of ORS originating from the Senegal plant and delivered to Côte d'Ivoire, Cameroun, and Burkina Faso. He was asked to base his estimates on a production capacity 10,000,000 sachets per year, using the WHO approved formulation, double foil packaging with the ORASEL logo (two colors), and retail packs of 25 sachets with the ORASEL logo. This estimation was critical because it would allow the partners to estimate consumer costs in the various countries, based on existing price structures. RPR estimated that the cost would be 80 fcfa at the very least. It was thought that if the product were sold directly to PSI, the price might even be lower because a certain amount of the promotion costs could be eliminated. The CIF price estimates would also include amortization of the equipment that RPR would have to purchase, the cost of raw materials, and transport. This analysis would also be used by the RPR team as the basis for their proposal to their company's executive committee, requesting authorization to proceed with the investment.

Maugeais reported that in making his estimate, he thought that it would be imprudent to use the 10 million sachet per year figure. He therefore used the more conservative estimate of 5.5 million sachets per year, of which an estimated 30 percent would be produced and sold to the public sector for the below cost rate of 40 fcfa. While estimates of amortization for most product extensions are based on a six month term, Maugeais allowed four years for ORASEL, given the social nature of the project. Quotes were requested from four suppliers of raw materials.

Based on this analysis, he concluded that a CIF price of 80 fcfa, as estimated during the last meeting, would result in losses for RPR over the short and long terms. His final conclusion was that RPR would have to sell at 95 fcfa to wholesalers in order for the product to be commercially viable. This wholesale price would translate, using current price structures from targeted countries (Côte d'Ivoire, Cameroun, Burkina Faso, and Senegal) into consumer prices ranging from 150-180 fcfa.

2 2 8 *The price debate*

Although the partnership is faced with many challenges in terms of developing hybrid (social marketing/commercial marketing) strategies, they all pale in comparison to the problem of establishing a mutually acceptable price for the partners, the host governments, donors, and the target populations. PSI and their counterparts are determined that the price has to be as low as possible so as not to create a barrier for poor populations. On the other hand, in order for the effort to work (i.e. be sustainable within the private sector), the price must allow RPR to produce and sell ORS without losing money. Recent pricing studies in Côte d'Ivoire and Senegal indicate that an acceptable range for commercial ORS would be between 90-220 fcfa. However, PSI has difficulty in convincing local governments that this range should be used in their countries while they are currently charging for 25 fcfa per sachets in other countries in the region, and had originally proposed prices of 50 fcfa.

The establishment of a price that is acceptable to all has become the most critical element of the partnership. If that price cannot be established, there is no sense in moving forward. Because USAID, PSI, and BASICS agree that the commercial strategy's sustainability is paramount to success, all the parties must do everything possible to reach a compromise that will satisfy everyone. RPR has committed in the MOU to doing everything possible to make the partnership work, so they too must do everything possible to ensure that their wholesale price is absolutely as low as possible.

Because of the importance of this issue, the vast majority of the remaining discussion was dedicated to price. All other questions can be resolved with relative ease through continued discussions and compromise.

As frustration on both sides seemed apparent following the report given by Maugeais, Barou created a visual on a flipchart that attempted to lay out the various elements of the price. He invited the group to join him in dissecting the price to identify where the different possibilities for reduction exist.

ex-factory price	+ distribution margins	- subsidies	consumer price
95 fcfa	55 fcfa		150 fcfa

The following were presented as possible options for decreasing the consumer price:

- 1 **Increasing subsidies** BASICS pointed out that this was not desirable because the partnership is intended to be based on a commercially viable price from the outset, and that only promotion should be subsidized. Also, the issue was raised by BASICS that RPR had indicated during the last meeting that a decrease in the

price to PSI would be possible because they were covering their own promotion costs RPR did not take this into account in their estimate

- 2 **Lowering margins** RPR suggested that they and PSI work together to negotiate lower margins for the product with local authorities They did make it clear, however, that as a non-profit NGO, PSI was in a much better position to take on this issue with the government
- 3 **Decrease ex-factory cost** RPR stated that costs could be significantly reduced with higher production volumes At this point PSI was requested to generate sales volume estimates for relevant countries as soon as possible If the estimates exceed the 5.5 million used by RPR, this will have a positive effect on the price Maugeais also agreed that by eliminating the percentage of product to be allocated for public sector tenders from the equation, the price would be reduced
- 4 **Decrease margins by using PSI as sole distributor** It was proposed that distribution costs could be saved if PSI acted as both the pharmaceutical and fast consumer goods wholesaler This was discouraged by BASICS since the program is intended to support and complement, not replace the existing private sector

There was some confusion as to whether the 95 fca price represented the ex-factory or CIF price Maugeais confirmed that he had included rough estimates for transport to West Africa, but it was agreed that he needed to be more specific and to make calculations for Côte d'Ivoire, Cameroun, and Burkina Faso

Barou emphasized that unless we could balance the equation by the time commercial production begins (estimated June 1999), it would not make sense to move forward without additional donor subsidies, which would be contrary to the spirit of the partnership

2.2.9 Promotional material

After concerns were raised about the acceptability of advertising materials being developed by PSI, and whether they would meet the strict requirements of RPR's medical staff, it was agreed that all materials would be shared prior to distribution PSI took advantage of the meeting to show their ORASEL television commercial While everyone's initial reaction was positive, RPR's medical director requested a copy of the text for review It was proposed that if anything were found to be missing, a brief printed statement could be incorporated at the end to give consumers additional information RPR will also review the scripts for radio spots

BASICS raised the point that they had agreed to cover the cost of producing detailing materials based on the prescriber study that was being conducted in Senegal The

participants were asked if Senegal could be used as a basis for the development of detailing materials for the entire region, or whether further research was needed. All agreed that the same study should be conducted in Côte d'Ivoire as soon as possible, and that the combined data from the two countries would be adequate. It was proposed that in order to ensure rapid implementation and consistency, the same company that is handling the research in Senegal be used for Côte d'Ivoire. This will be quite easy since RPR detailers will be used (as in Senegal) to collect the data using a questionnaire and methodology developed jointly by the research company, BASICS, and RPR. The questionnaires will be completed and sent to Dakar for analysis. Despite the short time frame, RPR assured all that they would have time to produce detailing materials, based on the research, in time for an April launch.

2.3 Next Steps—Côte d'Ivoire

- By the end of the meeting, it was clear that a decision had to be made quickly about the pricing issue, and a contract had to be signed between RPR and PSI very quickly if the partnership was to be able to launch ORASEL as planned by April. It was agreed that all pending issues must be worked out, and country-specific contracts signed for Côte d'Ivoire and Cameroun by February 15.
- PSI must reevaluate and submit their best estimates for annual sales in Côte d'Ivoire, Cameroun, and Burkina Faso through 1999.
- RPR must recalculate CIF costs based on the new PSI projections, more precise transportation costs, 100 percent private sector sales, and reconsideration of promotional costs. They should base promotional costs on heavy activity during the first 6-12 months after launch, with a gradual decrease thereafter. It was recommended that they develop several scenarios based on different volumes.
- RPR's medical director will review the text of advertising to ensure scientific soundness and will make recommendations for additional text if necessary.
- BASICS will immediately launch, in collaboration with RPR/Abidjan, the prescriber study that will be used to develop detailing materials for the region.
- RPR/Abidjan will work with BASICS to develop detailing materials to be ready for the anticipated launch of ORASEL in Côte d'Ivoire and Cameroun in April.
- PSI and RPR will begin a dialogue with local authorities to explore the possibility of decreasing the multiplier applied to the price of ORASEL, and to consider setting a consumer price that would enforce this revision.

- RPR's legal advisor will draft a model contract and forward it to PSI for review. This model contract will serve as a basis for the agreements to be signed by each country within the context of the regional MOU between PSI and RPR.
- RPR will submit its request for investment authorization to their executive committee in Paris by March.
- A conference call will be held between RPR, PSI, and BASICS, tentatively scheduled for February 9 to follow up on progress.
- Top priority will be given to the signing of agreements for Côte d'Ivoire and Cameroun. Because of the delicate situation in Burkina Faso, it was decided to hold off there for the next couple of months.

2.4 Senegal Implementation

McGuire debriefed with BASICS/Senegal staff, USAID/Dakar, and the Ministry of Health to review the results of the Abidjan meeting and the implications of outcomes on the Senegal ORS initiative. There are two factors that will differentiate the Senegal program from others in the region. Firstly, RPR will be producing ORS in their Dakar plant. Secondly, PSI does not have representation in Senegal. Major issues that need to be addressed to ensure a successful intervention are those of supply and demand generation.

Since RPR-produced ORS will not be available for approximately 15 months, the program will have to use donated product presently available at the PNA (Pharmacie Nationale d'Approvisionnement) during the transition period. The MOH has agreed to allocate 350,000 sachets of its existing USAID-donated stock to the private sector initiative. It is likely that the stock will be transferred to RPR, where the sachets will be re-packed for sale through the pharmaceutical network and marketed under the name ORASEL.

With regard to promotion, RPR has committed to using its Senegal team of medical representatives to educate and promote ORASEL among doctors, nurses, midwives, and pharmacists during the transition period and beyond. In order to design a meaningful promotion strategy for the target prescribers, BASICS is conducting a study to explore their attitudes and behavior in relation to diarrheal disease and its treatment. Results from the study will be available by the middle of February, and its results will be the basis for the development of the promotional strategy and its support materials.

Because PSI is not present in Senegal, and because there are currently no funds available for a mass-media campaign, the initial program will be limited to promotion through the medical community and pharmacies. Although this was initially considered a constraint, all those consulted eventually agreed that because of the strong pharmaceutical lobby in Senegal, a phased approach that initially establishes ORASEL through the medical community will create a firm

foundation for the inevitable extension to direct consumer promotion and distribution through non-pharmaceutical outlets. PSI, RPR, and BASICS are now planning for ORASEL to be launched in Senegal during the first half of 1998.

2 4 1 RPR

McGuire met with the General Manager of RPR's Dakar production facility, Dominique Maugeais, and the new Director of RPR/Senegal, Lotfi Ouertani, to discuss the outcomes of the Abidjan meeting.

Maugeais expressed his satisfaction with the progress made on issues related to distribution and promotion. He insisted on the importance of medical promotion for ORS to ensure long-term success, and shared his concerns about PSI replacing the private sector in distribution. McGuire reminded him that the agreement in Abidjan was that all pharmaceutical distribution would be done via RPR, and that distribution and promotion of ORASEL would be limited to pharmaceutical and medical networks for six months following launch.

Maugeais' primary concern is that he feels PSI is not being realistic about establishing a commercially viable price. He feels that the estimated price (wholesale CIF) of 95 fcfa that was discussed in Abidjan, is as low as RPR can go without losing money. His point of view is that the partners either agree now to move forward on the basis of a commercially sustainable price, or agree that the market is not ready to move beyond donor subsidized interventions.

McGuire agreed, but asked if certain things couldn't be done by RPR to further reduce the price. For example, RPR should estimate that promotional costs for ORASEL will be significant during the first six months of the campaign, and will then taper off. RPR had calculated that annual cost of promotion (i.e., medical detailing exclusive of materials to be produced by the project) at 80,000,000 fcfa. Maugeais agreed that this amount could be reduced given the anticipated tapering off and the amount of promotion to be done by PSI.

It is also clear that higher sales volumes would allow RPR to decrease certain of their production costs, thereby allowing them to sell the product for a lower price. He agreed to use the revised estimates from PSI to develop several price scenarios.

With regard to Senegal, Maugeais has concerns related to packaging, licencing, and price. In order to repackage the 350,000 donated sachets in Senegal, he needs to get the models and artwork from PSI, or have the finished packaging delivered to him. Although PSI promised to deliver the artwork and mock-ups by December, RPR has not yet received them, despite repeated requests. Another issue related to packaging is how to identify the

donated product as ORASEL. RPR will work with its staff to study various options over the next few weeks before making a recommendation.

Another concern of RPR is that the authorization to sell and promote ORASEL must be made official. Maugeais was assured that this was being negotiated by BASICS with USAID and the MOH. Also, following the regional MOU, PSI and RPR must sign a country-specific agreement that will outline the details related to price, rights to sell and promote, promotion, distribution, etc. This should be done as soon as possible. RPR is also concerned about the need for a government authorization to sell the product (Autorisation de Mise sur le Marche, AMM). This could normally take six months to one year, but RPR thinks it might be possible to get a provisional approval to sell the donated product without AMM, if the process for obtaining an AMM for the locally produced product is begun now.

McGuire met with the newly appointed RPR Director in Senegal, Mr. Lotfi Ouertani, to discuss the Abidjan meeting and Senegal-specific issues related to promotion. Ouertani is a self-described supporter of ORS, who has been pushing RPR to get involved in the product for the past 20 years. He reaffirmed his support for the program.

As Country Director, Ouertani has been overseeing RPR's involvement in the BASICS-financed prescriber study, under which data are being collected by RPR medical detailers. Although the study is moving forward, Ouertani let it be known that the execution of the study was more difficult than he expected because of Ramadan and the length of time required to get through the questionnaire. His staff were having to neglect their promotional responsibilities in order to carry out the study. Despite these problems, he remains supportive and hopes to conclude the work within a week.

2.4.2 BDA

A meeting was held with the director of the research company (BDA) that is conducting the provider study, Mr. Valery Martin, to follow up on progress. BASICS/Senegal Country Manager Mr. Mamadou Sene, and IEC Advisor Mr. El Haj Diouf were also present. So far they have collected approximately 80 of 200 questionnaires that have been filled out by RPR detailers from Dakar and Kaolack. The only problem they are having is that one question is not resulting in good answers. The problem question asks prescribers, "Do parents ever request certain treatments for their children's diarrheal episodes?" The point of the question was to explore whether or not prescribers' decisions about treatment are ever influenced by what they think clients expect. Most prescribers are answering no. It was agreed that the question would be modified during the upcoming identical study to be conducted by BDA and RPR in Côte d'Ivoire.

During the meeting, Martin called RPR's Regional Medical Director, Dr. Isabelle Rochez, to discuss the possible modification of the problem question, sampling, and timing.

BASICS wanted to make sure that results from the study will be available quickly, so that the data from Senegal and Côte d'Ivoire can be used to develop detailing material before the anticipated Côte d'Ivoire launch in April. Rochez confirmed that she could conduct the study with her promotional team and have the data to BDA in time to produce a report by the end of February. She also suggested that the sample for Côte d'Ivoire be increased to 300 due, to the greater number of prescribers. It was agreed that the study will be conducted in Abidjan (225 interviews) and Bouake (75 interviews).

2.4.3 Ministry of Health (SANAS)

The BASICS team met with representatives from SANAS to update them on progress with regard to the regional ORS partnership and Senegal-specific issues. The representatives from SANAS were enthusiastic about the potential for involving the private sector, and expressed their support for the partnership. Attempts were made to brief the national director of health, who was not available due to prior commitments.

2.5 Next Steps—Senegal

- Present the proposed partnership to the director of pharmacy and the national director of health, and obtain their approval for proposed pricing, distribution, and promotion strategies.
- PSI to provide RPR with mock-ups and art work to develop packaging.
- Assist RPR in obtaining donated stock from PNA and in repackaging for commercial distribution under the ORASEL brand.
- Work with RPR to develop a promotional strategy and support materials based on the results from the study.
- Contribute to the training of the RPR detailing team prior to launch.
- Assist RPR with the submission of the Health Registration file to the MOH and obtain approval (AMM) to market ORASEL.

APPENDIX
LIST OF CONTACTS

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Rhône-Poulenc Rorer

Yves Barou	Vice President, French Africa/ Maghreb/ and French Overseas Territories
Bernard Blum	Regional Marketing Director W Africa
Dominique Maugeais	General Manager, Production
Dr Isabelle Rochez	Regional Medical Director
Catherine Tambekou	Director, Cameroun
Lotfi Ouertani	Director, Senegal

Population Services International

Brian Smith	West Africa Project Manager
Jacqueline Devine	SFPS Regional Social Marketing Director
Moussa Abbo	Assistant Regional Director
Rob Eiger	Cote d'Ivoire Representative
Ellen Tipper	Cote d'Ivoire Marketing Manager
John Hetherington	Country Representative, Burkina Faso
Mme Baleng	Marketing Director, Cameroun

USAID

Souleymane Barry	REDSO/FHA-WCA Project Manager
Henrieta Ilomudio	REDSO Project Management Specialist
Dr Nouhoum Koita	Regional STD/HIV/AIDS Advisor
Isseu Diouf Toure	Health and Population Officer, Senegal

UNICEF Regional Office, Abidjan

Mr Martin Mogwanja	Deputy Regional Director, West and Central Africa
Dr Abdel Wahed El Abassi	Regional Health Advisor

MOH Dakar

Abdoulaye Samb	Responsable LMD, SANAS
Ndye Lo	SANAS

BASICS Dakar

Mamadou Sene	Senegal Country Representative
Elhaj Diouf	IEC Specialist