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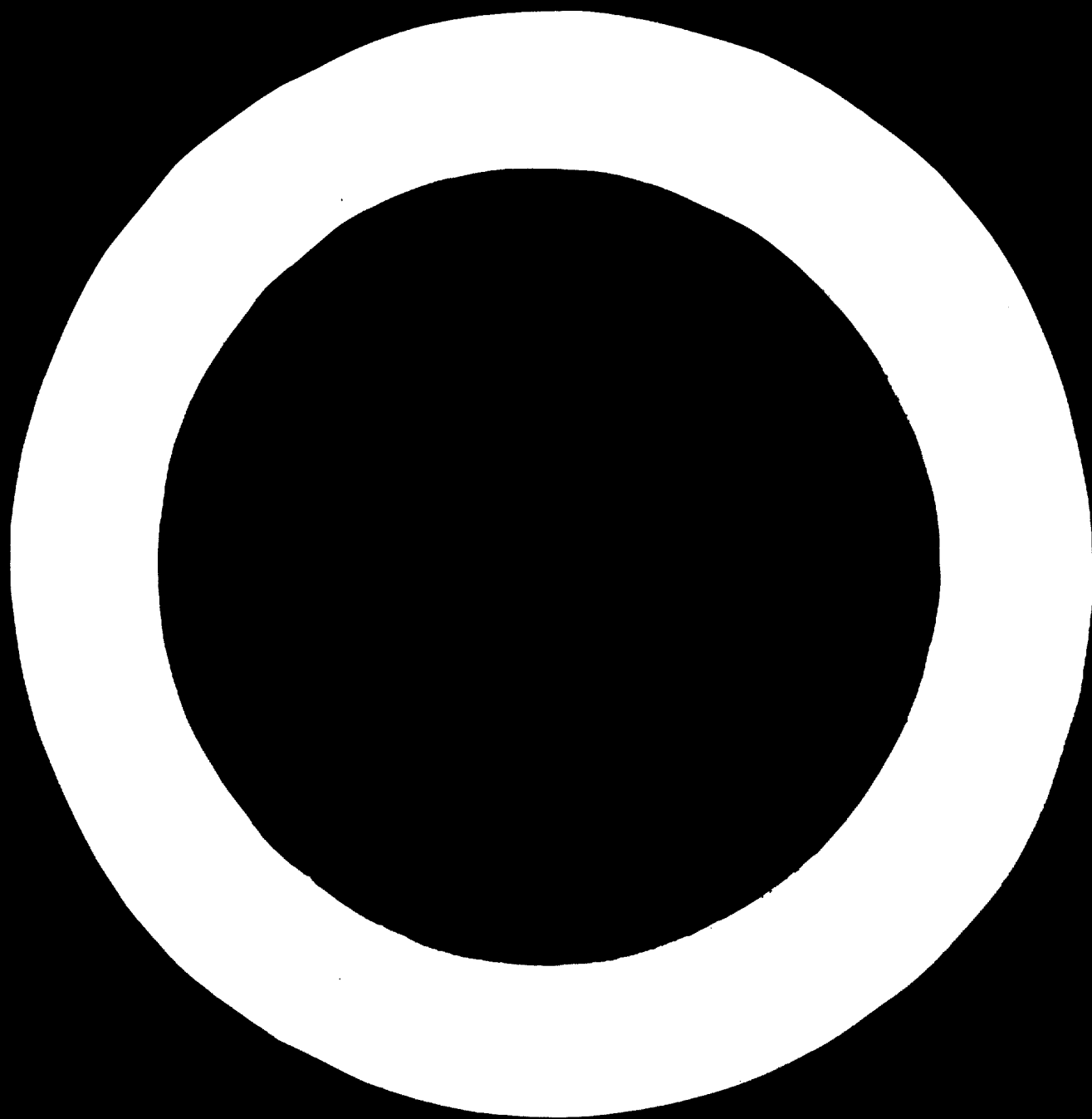
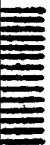
Expert Group Meeting on the Production and
Distribution of Contraceptives in the
Developing Countries (Sponsored by UNIDO
in conjunction with UNFPA)

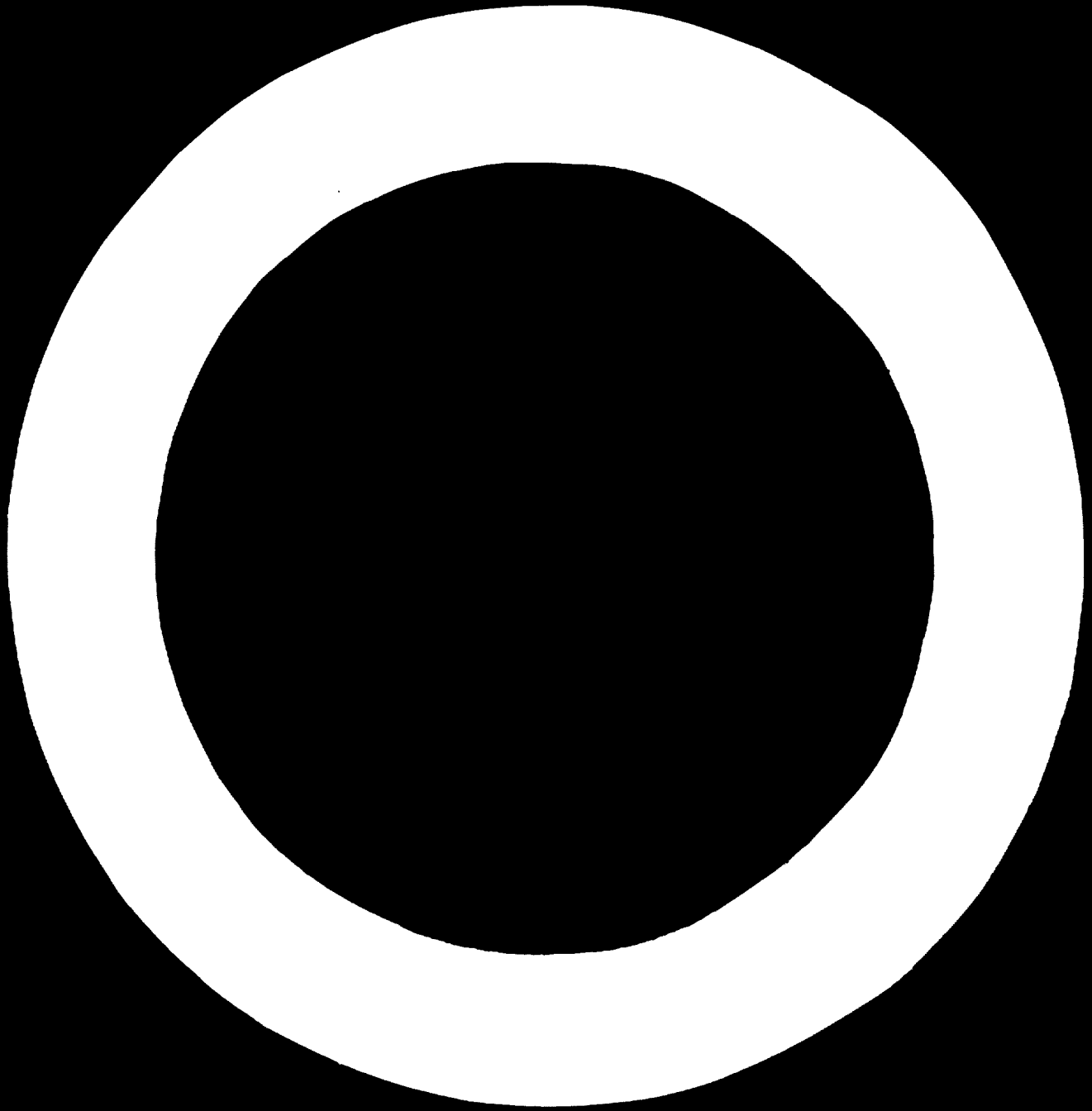
New York, 22 - 24 November 1971

DRAFT OF THE PROCEEDINGS
OF THE EXPERT GROUP MEETING
ON CONTRACEPTIVE PRODUCTION AND DISTRIBUTION
AND THE PLANT STUDY TOUR FOR SELECTED PARTICIPANTS ^{1/}

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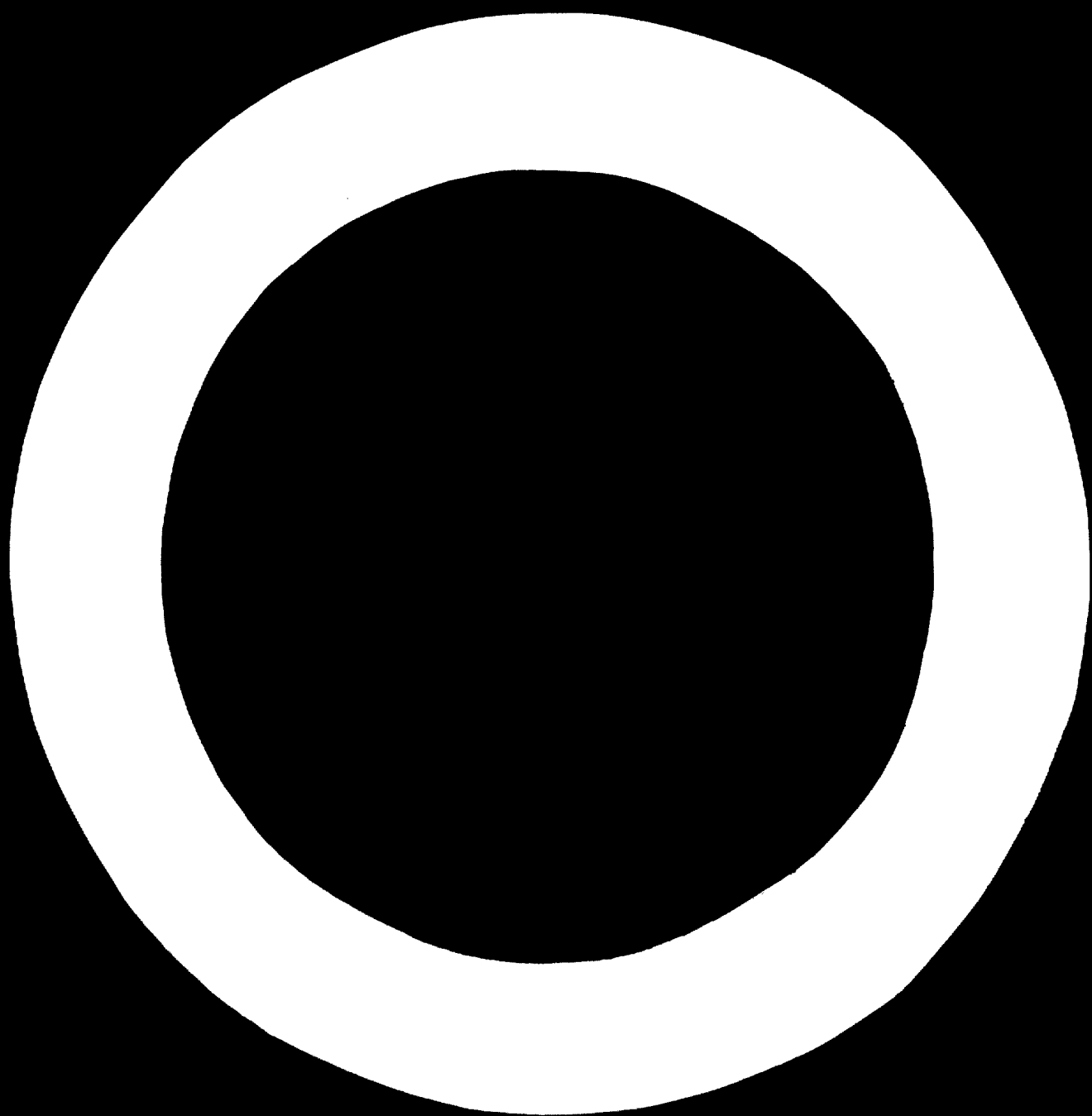




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INTRODUCTION

The subject of population control has filled many volumes and dedicated persons and groups are devoting much time, effort and monies to the problem. From this information, one paragraph taken from a Newsreport* catalogues the consequences of rapid population and it appears suitable to list these as a preamble to the needed inputs in the field of family planning by the industrial sector.

"Rapid population growth slows growth in per capita income; it tends to perpetuate inequalities of income distribution; unemployment and underemployment are increasingly serious; social mobility is impeded; political and social conflicts worsen; demands for government services increase while governments are decreasingly able to meet demands; school enrollment rises while the ratio of teachers to pupils declines; inadequate nutrition retards development of children; necessarily rapid increased in agriculture increases erosion, soil deterioration and water deterioration while indiscriminate use of pesticides increases; poverty increases and with that are born children of desperation."

To understand the population growth threat in terms of statistics, the following quote** provides an insight to the numerical impact.

The world's population by mid 1971 was estimated at 3.7 billion people. This is 74 million more than 1970. At the current annual growth rate of approximately 290 the human family gains more than 200,000 members each day, 8,500 every hour, 142 each minute. Asia, Africa and Latin America are the areas where population growth is already the most critical with rates ranging from 2.3 to 2.9% per year. Latin America's growth rate is the highest in the world at 2.9% and within that area Central America including Mexico, and the Isthmus countries is growing at the startling rate of 3.4%. At that rate the region will double its present 70 million population in just 21 years.

*Newsreport N.A.S. June-July 1971 - Revelle Committee Report

**Weekly Newsletter "Alliance for Progress" dated August 1971

Africa is growing at a rate of 2.7% with an increase of 10 million persons per year, Asia with a growth rate of 2.3% is adding the most members to the human population. With 2.1 billion people, 57% of the world total, that continent is increasing by 48 million each year.

The President of the World Bank, Mr. McNamara stated at a speech in New York in 1971: "Population planning must have a much higher priority than it now receives in the development programmes of most of the developing countries, and must have it even in those countries where the symptoms of overpopulation are not yet fully evident.

In the field of family planning, a more active role by the elements of the United Nations System would, I think, be widely welcomed, both by countries seeking assistance and by donor countries. The subject of fertility control is the most sensitive one in development, and the motives of national agencies working in the field are easily misinterpreted and made the subject of controversy. The U.N. System, which can validly claim to be acting on behalf of the whole family of man for the well-being of that family, is not equally vulnerable to this kind of obstruction."

The United Nations Fund for Population Activities, understanding the need for the introduction of industrial expertise in particular sectors of family planning programmes, financially supported the Expert Group Meeting and Plant Study Tour reported herein which was executed by the United Nations Industrial Development Organization.

ORGANIZATION OF THE MEETING

1. The Expert Group Meeting on the Production and Distribution of Contraceptives in Developing Countries was held in New York City - at the Dag Hammarskjold Theatre - UN Headquarters building from 22 - 24 November 1971. The meeting and the plant study tour for a number of representatives from developing countries was organized by the United Nations Industrial Development Organization, Vienna, Austria in conjunction with its sponsorship by the United Nations Fund for Population Activities.
2. The meeting which was preceded by a plant study tour, led by a UNIDO staff member to facilities which manufacture a wide range of contraceptives, had as its purpose the task to review and discuss the technical and economic questions related to the industry sectors involved in contraceptive production and distribution, and to develop recommendations concerning the extent of implementive action needed to carry out specific programmes in specific developing countries or regions.
3. To carry out the meeting's objectives the programme was designed in six sessions as outlined in the agenda. Papers were presented by well-known experts in their respective fields and the General Chairman, Dr. Malcolm Potts, Medical Secretary of the International Planned Parenthood Federation, London, England chaired the meeting for the three day period. Rapporteurs provided a summary of the highlights and the discussion periods were held after each session.
4. The preliminary recommendations arrived at were circulated to the meeting participants for their comments concerning the approaches to be taken to implement the industrial sectors of contraceptive production and distribution, and this final draft reflects the comments received from those attending the meeting.
6. The papers prepared for the meetings and those provided by participants as special reports for use by the participants in formulating their recommendations will be provided as a supplementary report at a later date.

7. Dr. I.H. Abdel Rahman, Executive Director, United Nations Industrial Development Organization, welcomed the participants and observers of the meeting for UNIDO and Mr. Halvor Gille, Associate Director, United Nations Fund for Population Activities welcomed the group for Dr. Rafael Salas, the Executive Director of the United Nations Fund for Population Activities.

PLANT STUDY TOUR

The plant study tour was evolved to permit participants from developing countries to view the production, assembly, testing and packaging of a variety of contraceptives. The original proposal as outlined in the Aide Mémoire (Appendix VI) was to invite a representative from each of the following countries: INDIA, PAKISTAN, IRAN, UAR, CHILE, KOREA, TURKEY, THAILAND, GHANA, COLOMBIA, KENYA, JAMAICA and TUNISIA.

A letter (Appendix VII) was sent to each of these countries through the United Nations Resident Representative in the country outlining the scope of the planned tour, and the details of the Expert Group Meeting to follow.

INDIA, UAR, TURKEY and COLOMBIA agreed to send representatives on the Plant Study Tour. THAILAND agreed to send a representative to the Expert Group Meeting in New York. The other countries did not send representatives, but indicated interest in the meeting and proceedings.

In analysing the reasons for the non-participation of the countries invited it was learned that some countries thought the plant tours and Expert Group Meeting were too long (one month), and that also some countries thought that they did not have a suitable candidate who could best cover both aspects of the tour and group meeting.

The Expert Group Meeting participants therefore include the following:

INDIA	Mr. Baslo Karim
TURKEY	Mr. Altan Z. Unver
COLOMBIA	Dr. Gonzalo Wcheverry
ARAB REPUBLIC OF EGYPT	Dr. Moustapha El-Sammaa
UNIDO TOUR LEADER	Mr. Paul N. Terlissi

The group visited the following facilities in Europe and the United States:

<u>Location</u>	<u>Facility</u>	<u>Products</u>
Budapest, Hungary	Gideon Richter Chemical Works	Orals, Condoms
West Berlin, FRG	Schering Pharmaceuticals	Orals
Oss, Holland	ORGANON Pharmaceuticals	Orals
London, England	L.R. Industries	Condoms I.U.D.'s
Basel, Switzerland	CIBA-Geigy	Orals
Little Falls, New Jersey	Julius Schmid	Condoms Jellies I.U.D.'s
Buffalo, New York	Hallmark Plastics	I.U.D.'s
Kalamazoo, Michigan	Upjohn International	Injectables

Gedeon Richter Facilities - Budapest, Hungary

29 October 1971

Dr. György Fekete, Scientific Director, described the products produced by his plant which covers Orals only. The orals are produced in the plant from intermediates also produced there. The final presentation is in strip packaging. The facilities include complete research and production facilities, in addition to pharmacological studies. This firm is studying other types of preparations, such as the "month after" pill, injectables, etc. Condoms are manufactured in Hungary under the direction of the rubber enterprises, and the "C" film is produced by the "Plastic" enterprises. It was mentioned that while the "C" film, a colloidal spermicide suspension on a dissolvable body mat, appeared to offer good possibilities, considerable more work was needed before they could suggest it as an effective contraceptive.

Abortion rates in Hungary are high, about 200,000 per year. Hungary is interested in reducing this by substituting family planning. The present pace towards this is slow, since Hungary is considered under-populated, and the Government does not wish to see a drastic family planning programme at this time. Hungary produces oral contraceptives for export, and this market is a major outlet for their products. The birth rate in Hungary is about 1.5 to 1.7. The Rubber Group is called "EMERGE" (Condom manufacture) and the Plastic Group "RICA" ("C" film manufacture). There is "free" abortion in Hungary. I.U.D.'s are not used extensively. There are no advertising campaigns on family planning. It was indicated that Hungary would be interested in establishing facilities in developing countries to produce contraceptives.

Schering Pharmaceuticals

West Berlin, FRG

1 November 1971

Dr. Hange, Director of Schering, briefed the group on the firm's efforts in the field of contraceptives. Schering personnel provided a detailed presentation on the background of oral contraceptives, the endocrinology studies preceding manufacture and distribution, and the various problems encountered in licensing manufacturing rights, importations and distribution in the various countries. A tour of research, testing, production and packaging of oral contraceptives was made, and detailed discussions were held concerning the problems encountered by some developing countries in promoting the use of the pill.

Schering has been most active in the distribution of orals in developing countries and has built up considerable expertise. It was acknowledged that the complete production of orals, i.e. from raw materials to intermediates and then to the finished pill, would be a long time coming in developing countries. Problems of advertising, distribution, smuggling, etc. were brought out and discussed. Schering conducts many training programmes for laboratory and production personnel and could be contacted should training fellowships be considered by the United Nations in the field of oral contraceptives.

ORGANON Pharmaceuticals

Oss, Holland

3 November 1971

Dr. G.A. Overbeek, Research Director, introduced the Organon personnel involved in orals. These included: Dr. G. Jacobs, Medical Adviser for Asia and Africa, Mr. F. Brummel, European Region, Mr. H.J. Hannema, Regional Manager for Africa, Australasia, Japan and Southeast Asia and Dr. W. van Baak, Deputy Manager, Manufacturing.

Organon has plants in 90 countries, 30 fully owned with research and production facilities. They have been involved in oral production from the beginning, with their product, OVANON. They market their products in both the private and public sectors. The following points were brought out during the visit:

- (a) Expected "oral" uses in the world - over 100,000,000;
- (b) Australia and New Zealand have the highest per capita use of orals in the world;
- (c) Marketing of orals is more complex in Egypt, Turkey and India than in other countries;
- (d) Orals are not a success to date in developing countries;
- (e) Population growth will bar economic growth;
- (f) To extend oral use, information campaigns are needed. Medical follow-up needed to encourage use of orals;
- (g) Because many areas are rural, distribution is difficult, (for example 53% of the population in Colombia is rural (villages of less than 20,000));
- (h) Contraceptive use is an "individual social problem" and must be the decision of the partners;
- (i) Interpretation of side effects need clarification. Medical profession may "object" to distribution of orals without profession's approval;
- (j) In many countries, even in some parts of Europe, orals can be obtained without prescription;
- (k) If demand can be created, distribution can be initiated.
- (l) Promotional, motivation, anthropological facts, all play an important role in contraceptive use.
- (m) In India orals need to be purchased, but condoms, I.U.D.'s, abortions, vasectomies and tubectomies are free.
- (n) A "cafeteria" system for orals could be considered in the near future.

L.R. Industries

London, England

5 November 1971

The Managing Director of L.R. Industries, Mr. Grow, introduced to the Plant Study Tour Group the members of his staff and discussed the operations and programme of L.R. Industries in the field of contraceptives. L.R. Industries produces condoms and assembles I.U.D.'s and also produces within its pharmaceutical specialities group some jellies, creams, etc. for use as contraceptives or as contraceptive aids. A highlight of the meeting was a presentation by Dr. John Peel, noted sociologist from York University, who discussed condom usage and statistical results obtained on a pilot programme. In addition, the following was noted during the plant tour and the discussions held during the day's programme:

Condoms

1. Developing countries should consider buying condoms in wholesale quantities, loose and packaging them in their country, since packaging is a labour intensive industry.
2. A 1,000,000 gross (per annum) plant, complete would cost about US\$2,000,000 to establish, based upon UK experience.
3. In developing countries when condoms are packaged, they should include a "heavy" spare that can be re-used after several washings.
4. A country's "attitude" towards condom use should be studied and plans made to direct thinking along lines of greater condom use.
5. Test methods now used on condom testing are not functionally related and therefore are only a test of the material. Many "rejects" on this basis may be completely useful. New Methods are needed to make this worthwhile and meaningful.
6. In the UK the methods of contraception in current use (1970) are as follows: (Dr. Peel - Studies in Hull, England)

Condom	31%	Pill	26%
Withdrawal	22%	"Safe Periods"	8%
Diaphragm	7%	Chemicals	5%
I.U.D.	1%		

7. "Motivation" is necessary. For example in the UK, one-third of married couples canvassed refuse to do anything about contraception. However, a change towards "Safer Methods" is seen.
 8. The UK uses a standard "Scale" for Income Groups as follows:
 - I Professional
 - II (between II and III)
 - III Skilled
 - IV (between III and IV)
 - V Unskilled
- Condom use is spread fairly evenly over the range.
9. Family Planning is a "non-medical" aspect of people's lives, while pills, diaphragms, etc. are a "medical" aspect.
 10. Condoms are the most popular in the UK since people tend to regard this as one which falls in the province of the husband.
 11. The problem in England is how to reach people at the bottom end of the scale. Family planning should be brought to IV and V group people.
 12. In a programme undertaken in Hull, 50 couples who had four pregnancies in six years were selected. This was a "high" fertility group. Condoms were supplied free and at the end of the programme, one couple had dropped out and two couples had a pregnancy. (15 months study) The "risk" days were 293 in 495. Without condoms this group should have had 42 pregnancies. The Protection Ratio calculated was 95:1. A high level of male motivation is necessary.
 13. Condom use protects against social disease.
 14. Advertising was tried in Sweden (Restrictions imposed on the media: no humans, no bedrooms, etc.)
 15. Sex must be treated within the field of human relations.
 16. Doctor dependent procedures would be doomed to failure in developing countries.

Ciba-Geigy
Basel, Switzerland
8 November 1971

The Ciba-Geigy plant tour programme included visits to two plants and discussions with both research and production personnel. The plant tour at Stein, Switzerland was conducted by Dr. R. Furtwängler and the tour at Basel was conducted by Dr. U. Heuschkel.

Ciba-Geigy produces orals. All raw materials and intermediates are made in the plant, and because of the detailed processing requirements and health hazards associated with production, considerable safety precautions are needed. In addition, quality control procedures were viewed, computerized production programming, remote control processing, etc. Packaging operations were viewed and presentations made by several key personnel on various aspects of production.

It was made obvious to the group that the requirements of processing, health protection, etc. would make production of orals in a developing country from raw materials extremely difficult and non-profitable.

Julius Schmid Inc.
Little Falls, New Jersey

11 November 1971

Mr. Samuel Baker, Vice President of Marketing, met the group and with his associates escorted the group on a tour of the plastic facilities. Julius Schmid manufactures a wide variety of mechanical and chemical contraceptives. These include various types of condoms made from latex and from lamb caecum, diaphragms, intrauterine devices, creams and jellies. Their production plant for condoms is a modern facility, automated to a large degree, requiring little human attendance. Condoms are automatically tested and packaged, the I.U.D. "Saf-T-Coil" is assembled, packaged and sterilized at the plant. The company has pioneered many "advertising" systems and has prepared much informational material for distribution.

Ciba-Geigy
Suffern, New York

12 November 1971

Mr. George Busch, Plant Manager of Ciba-Geigy, Suffern, New York conducted the group through the plant, designed specifically for tableting operation. This plant, which is modern in every aspect, was specifically designed for the manufacture of tablets. The raw material control system, testing, processing, tableting, packaging, etc. were viewed and discussed. This plant illustrated the best in procedures with all unit processes controlled and checked prior to movement to subsequent phases. All equipment is stainless steel, accounting procedures painstakingly controlled, material held in quarantine until needed and approved and packaging and labelling controlled as well as distribution for transport on order.

Upjohn International

Kalamazoo, Michigan

15 November 1971

Dr. Thomas Vecchio, Chief of Medical Research, accompanied the group through the production facilities of Upjohn which produce the contraceptive injectable Depo-Provera. The production facilities were viewed, testing and quality control procedures, packaging and storage. In addition, a series of talks were provided on the control details of the injectables and the mode of action, chemical evaluation and toxic and irritating properties. A review was presented on the experiences obtained with active ingredients in Depo-Provera and the widespread use of the injectable in many countries.

Hallmark Plastics Inc.

Buffalo, New York

17 November 1971

Mr. Paul Bronnenkant, President of Hallmark Plastics, escorted the group through his plant in Buffalo to view the production, assembly and testing of the Lippes Loop and Copper "T" Intrauterine devices. These I.U.D.'s are made and assembled in Buffalo and require considerable hand labour. The I.U.D.'s are packaged and then sterilized prior to shipment. The production procedures developed are well designed and high production levels are reached. The production of I.U.D.'s of this type is relatively a simple and a labour intensive operation. Such operations can be conducted for example in many developing countries. Mr. Bronnenkant has assisted several countries in setting up these procedures.

DRAFT GENERAL RECOMMENDATIONS

The proceedings of the Expert Group Meeting resulted in numerous recommendations for action in the production and distribution sectors of contraceptives for developing countries or regions.

- (1) Assessments
- (2) Statistics
- (3) Purchase Specifications and Quality Control
- (4) Governmental Procedures
- (5) Production and Distribution
- (6) Tariff Laws and Regulations
- (7) International Contraceptive Marketing and Development Entity
- (8) Commercial Sector Participation
- (9) Role of Family Planners
- (10) Selection of Contraceptives
- (11) Licensing
- (12) Consumer Demand
- (13) Abortion Equipment
- (14) Future Meetings

(1) Assessments

In order to prepare a suitable sector plan for the introduction of contraceptive production and distribution procedures, the following should be assessed:

- Data on the general economic standards of the country.
- Demographic data, population structure and increases, general attitudes of the country concerning family planning.
- Local patterns of medical treatment and costs as a key to introduction of family planning procedures.
- The present existence of family planning programmes and their operational plans.
- Medical care available, number of physicians, nurses, pharmacies, technicians in the medical or para-medical field and scientific personnel in sciences related to medicine.
- The size and nature of the existing local pharmaceutical market, the traditional supply and distribution system, price levels and pricing structures.
- Laws regarding the importation and distribution of family planning devices, chemicals and drugs.
- General attitudes towards outside assistance or investments and incentive and protection policies, if any.
- The present and future potential of the industry sector to produce, package and distribute contraceptives of specific types.
- Laws or regulations regarding distribution, marketing and advertising of contraceptives.

From the above assessments, an up-to-date evaluation can be made of contraceptives acceptable to a community, the general quantities that would be sold or distributed and how these can be distributed at the least possible cost to reach the greatest number of people in rural areas.

(2) Statistical

a. Theoretical effectiveness and use effectiveness.

Because, for example, the insertion of I.U.D.'s requires "clinical" visits, use effectiveness can be determined more readily. The use of orals, condoms, chemicals, etc. does not always require "clinical" visits and these problem areas cannot be adequately recorded. It is recommended that statistical studies be conducted to analyse extended use effectiveness and the influencing factors where possible.

b. Theoretical maximum market or maximum number of users for specific markets.

Since family planning programmes must take into account the theoretical maximum for specific contraceptive methods in a particular country or region, it is recommended that production and distribution plans be started from this point.

(3) Purchase Specifications and Quality Control

a. The production of tablets for oral use requires extreme care and quality control because of the potency of the active ingredients. While such precautions are standard in developed countries, they are not so in many developing countries. It is recommended that developing countries critically analyse their position in this field and determine whether they can provide all the necessary safeguards needed to produce orals from basic raw materials.

b. While other suppliers' products (UK, West Germany, Japan, Netherlands) do not always adhere to US specifications, they do find acceptance in many countries. Certain national condom standards for example were developed when this product was primarily intended for use as a prophylactic against disease and accordingly may need re-evaluation for purely contraceptive use. Since it is important to have some degree of international acceptability for these products, it is recommended that steps be taken to develop an international specification, and to provide meaningful tests that can be correlated to end use. Such specifications are needed for condoms, I.U.D.'s, spermicides and injectables.

(4) Governmental Procedures

a. It was noted that the governments of the developing nations are aware of their population problem and are putting up many obstacles in the production, distribution and advertisement of contraceptives. The private sector has been unable to reach the general public of developing countries on contraceptive methodology in spite of the fact that they (the governments) in many cases are responsible for the communication media. It is recommended that programmes be developed that will provide these countries with procedures to improve the mass distribution of contraceptives, and to create an awareness of the need for family planning through communication media.

b. Many countries consider mechanical and chemical contraceptives as "drugs" and therefore considerable restraint is met by producers and distributors to market their product in the same manner as non-drug items. It is recommended that laws and regulations covering these be reviewed in specific countries and steps taken to re-organize the set of rules and regulations.

c. Because the market for contraceptives is developed by the creation of consumer demand, it is recommended that contraceptives produced and delivered at acceptable costs be made a goal of the country's national programme.

d. Since family planning is a national goal in many developing countries, such countries should consider establishing a post, perhaps called "Head Population Officer". It is recommended that such an office be empowered to cut across administrative lines in order to assure that family planning materials can freely enter the economy and thus be effectively distributed.

(5) Production and Distribution

a. Since it is well known that the public switches easily to more modern contraceptives. It is recommended that this be taken into consideration whenever a country is planning the installation of local factories for contraceptive production.

- b. Since the local production of contraceptives could be considered as a means of national economic or industrial development, it is recommended that the social importance be considered as the over-riding activity in the developing countries.
- c. Since a main problem is the broad distribution of contraceptives at the village level at very low cost, it is recommended that they be procured centrally where possible, and then a distribution channel "rented" through which contraceptives can travel at subsidized prices. It is further recommended that donors should consider assisting with the costs of establishing effective distribution systems for contraceptives in developing countries in addition to supplying the contraceptives themselves.
- d. Since chemical contraceptives are generally simple formulas, they can be made locally. It is recommended that a developing country, if its market so indicates, considers the basic preparation, packaging and testing of chemical contraceptives.
- e. Local production of contraceptives must be considered from the point of view of foreign exchange. If more foreign exchange would be needed to purchase plant equipment, raw materials, etc. than the outright purchase of a quantity of the finished product for a 5 - 7 year period, then the product should be imported and tariff laws modified to assure the product's extensive use. It is recommended that a country's potential to produce a series of contraceptives be adequately assessed prior to the commitment of foreign exchange and the raising of tariffs to protect home industries.
- f. The manufacture of condoms is a capital intensive area and the minimum economic capacity is 1,000,000 gross or more per year. Since not all countries can afford such plants, it is recommended that these developing countries or communities of countries who require condoms purchase them in bulk and test, package and distribute them under their own brand names.

g. The production of contraceptives locally must be carefully considered in view of "world price" and the degree of technology, raw materials and capital investment involved. It is recommended that local production of a contraceptive not be considered if the developments in that field indicate that technologically such production would result in products of a standard below those available from outside.

h. Since a major restriction on the importation of all forms of contraceptives is the limited availability of foreign exchange, and since because of this import companies prefer to use their limited funds to bring in high profit margin products, which do not include contraceptives, it is recommended that countries institute special conditions to permit family planning products to enter freely in order to support their national programmes.

i. The percentage distribution of users of contraceptive supplies for the world and selected regions in 1968 shows that in more developed countries 98% of the source comes from commercial sources. The government is given a very small amount of the supplies and private organizations account for 1.5 to 2.0% of these contraceptive supplies. In developing countries less than 40% is supplied by commercial sources, 55% by government programmes and 5% by private organizations. Since there is a possibility of expanding private channels both in the urban and rural areas in order to increase the trend of contraceptive use (presently at 10% per year), it is recommended that newer ideas and systems for new commercial marketing and distribution to increase the use of contraceptives in developing countries be considered and implementive action be developed.

j. Since it appears that the idea of delivering family planning only through the health system and the clinics is not correct, because many potential users can be reached through informal channels only, especially in the rural areas which account for almost half of the population of the developing countries, it is recommended that good marketing and distribution procedures be developed in order to reach more people and to lower the cost of the family planning programmes by lowering the cost of contraceptives produced or purchased in bulk quantities for distribution.

- k. Since in many countries contraceptives are purchased through a variety of ways (drug stores, market place vendors, wholesalers, travelling salesmen, etc.), it is recommended that the potential distribution system for contraceptives be thoroughly assessed prior to initiating a programme in the country.
- l. WHO assists developing countries by providing advisory services, quality control, information on use, purchases, distribution, etc. It is recommended that programmes involving production and distribution of contraceptives consider and evaluate the WHO information prior to initiating such auxiliary programmes.
- m. Distribution of contraceptives depends upon many things, the most important one being "what will the medical profession permit" to be distributed. It is recommended that in any marketing and distribution programme the medical profession be consulted, and also the law and regulation making bodies, in order to assure a viable marketing and distribution programme.
- n. Since many countries have laws against advertising of contraceptives, it is recommended that steps be taken to allow some advertising in order to facilitate distribution and to create demand.
- o. Since the condom appears to have been particularly neglected despite its many advantages, it is recommended that more general research in the improvement of the condom as a contraceptive be undertaken.
- p. Since there has been no investigation of condom thickness as a variable in extended use effectiveness, it is recommended that this aspect be given attention.

(6) Tariff Laws and Regulations

a. Tariff laws of many developing countries are inconsistent as regards manufacturing. For example, a tariff on raw materials may be as high as 50% while the tariff on the finished contraceptive may be only 10%, providing little incentive for domestic production of some contraceptives. Further, raw materials can be permitted entry, although a high tariff is exacted, however, a finished product may require numerous permits, delays in transfer, etc., thereby reducing the delivery effectiveness of the items to areas most in need. It is recommended that such tariff laws be reviewed for contraceptive items and suggestions made to modify them in order to carry out an effective contraceptive distribution programme in a particular country.

b. Since there is a large traffic in illegal transport of contraceptives into developing countries, because of the restrictions placed upon legal importation such as control of currency, complex and very difficult import procedures or high duties, plus the fact that smuggling is nourished by the belief that the smuggled, higher priced product is superior in quality and safety to locally manufactured condoms, for example, it is recommended that the existing laws and regulations of developing countries be reviewed with the objective of suggesting changes to governments in order to make the distribution of contraceptives more effective.

(7) International Contraceptive Marketing and Development Entity

a. Since motivation and the changing of values in the field of contraceptives have not been effectively approached by the private sector, the governments nor by private organizations, it is recommended that an International Contraceptive Marketing and Development Entity responsible for establishing international prices, distribution and marketing systems and motivation procedures be considered.

b. Since it is totally uneconomic for a private firm to attempt to build mass markets for contraceptives in the poorer developing countries, because of the combination of very low consumer prices and very high costs for product and market development needed to achieve deep market penetration, it is recommended that consideration be given to subsidizing initially a market and distribution strategy.

(8) Commercial Sector Participation

a. Since government and voluntary organizational programmes, which are primarily designed to serve the poor, would need to be expanded enormously at a heavy cost to society to activate consumer demand, it is recommended that the potential force of the vast promotional, distributional and managerial resources available to the commercial sector be directed towards family planning programmes.

b. Since national family planning programmes in developing countries have a long way to go to achieving their goals, and it appears that assistance from the commercial sector is needed, it is recommended that the commercial sector begin making a more significant contribution to the solution of the total problem in such areas as advertising, retailing, consumer research, information feed back, data processing, etc.

c. Since the health centre-based family planning approach to fertility control is unlikely to reduce the existing malignant rate of population growth in the developing countries, the medical resources available are too limited and the medical methods of contraception do not have the demographic impact originally promised, it is recommended that in order to have an effective reduction in fertility, a multi-disciplinary programme, i.e. a collage of inputs from all sectors of the society, utilising all methods of birth control, be considered.

d. Since in any society there are always a number of institutions which do have a potential to augment existing family planning methods, such as trade unions, womens organizations, churches and commercial concerns and since in many cases their potential has been ignored, it is recommended that studies be undertaken to define their potential roles more adequately, and to explore ways in which they might be assisted via funding in order to open up their potential in the role of family planning, involving contraceptive production, packaging, distribution, etc.

e. Since commercial contraceptive sales depend upon a market for the products, and since markets are developed by consumer demand, and therefore sectors could develop marketing and distribution systems based on this demand, the distribution of foreign subsidized products (i.e. family planning programmes, etc.) while needed, tends to disrupt the normal merchandizing. Since this condition would tend to confine distribution through family planning systems, rather than to the more detailed marketing of commercial sectors, it is recommended that wherever possible the distribution of contraceptives be handled via the commercial sector to assure maximum distribution.

f. Since the accumulated evidence of the last decade indicates that the traditional medical approach to voluntary family planning as a means of lowering population growth is adequate, it is recommended that in order to persuade the fertile to practice birth control in sufficient numbers to have any demographic effect, family planning must be considered as a marketing operation. This means not only meeting the demand according to the traditions of medicine, but actually generating the demand according to the traditions of commerce.

g. Since it is recognized that any harnessing of the private sector for fertility control will only be possible on purely commercial terms, and that since capital may not be available from the contraceptive industry or private resources, and since such capital would not likely be made available by local governments without the imposition of repressive conditions, and a degree of over-riding bureaucratic control which would almost certainly stifle initiative; it is recommended that international foreign assistance funds be used to provide capital to marshal private sector resources for the promotion and delivery of family planning in the developing countries.

(9) Role of Family Planners

Since the need exists for generating a more rapid increase for contraceptive demand, it is recommended that managers of family planning programmes be encouraged and assisted.

- a. Systematically study populations as consumers, not patients.
- b. Develop ways to increase consumer response.
- c. Determine what would be the best feasible combination of changes in demand determinates which would generate the largest gain in demand.

(10) Selection of Contraceptives

a. I.U.D.'s are developing consumer resistance in some countries due to bleeding and expulsions, however, in other countries they are well received. New development in the construction of I.U.D.'s, for example the copper "T", developed by Dr. Tatum of the Population Council, has indicated a better "stay" record than other types. It is recommended that where I.U.D.'s are finding consumer resistance the copper "T" be evaluated before changes in contraceptive usage are recommended.

It is recommended that a selection of a particular contraceptive should be made on the basis that it serves its purpose and reaches the objectives of family planning, bearing in mind the feasibility in practice.

(11) Licensing

Since the licensing of contraceptives deserves additional effort in so far as it effects developing countries, It is recommended that a more comprehensive study of this subject be undertaken, in keeping with the specific needs of developing countries.

(12) Consumer Demand

a. Experience has shown that under conditions of high illiteracy and low disposable incomes, local marketing programmes are generally most effective when they are direct, forceful and continuous. Once a person recognizes a brand name or colour of packaging, they use this as a generic term for the commodity. It is recommended that these factors be considered in planning consumer demand programmes.

b. Since consumer demand depends upon the impact of communication media, and since because of various illiteracy levels in various parts of the world the best means of communication will vary depending upon whether people are sound, audio, or printed matter oriented; it is recommended that the distribution of contraceptives take these specific conditions in consideration for specific areas.

(13) Abortion Equipment

A variety of abortion procedures are now available, many without the dilatation requirement. Since many countries now have legal abortion laws, low cost, safe procedures are needed which can be operated perhaps by para-medical personnel in areas where medically trained personnel are not available. It is recommended that low cost, easily operable abortion equipment be developed and tested and specifications be prepared for its production and acceptability; and that research studies on the feasibility of para-medical personnel carrying out abortions be investigated.

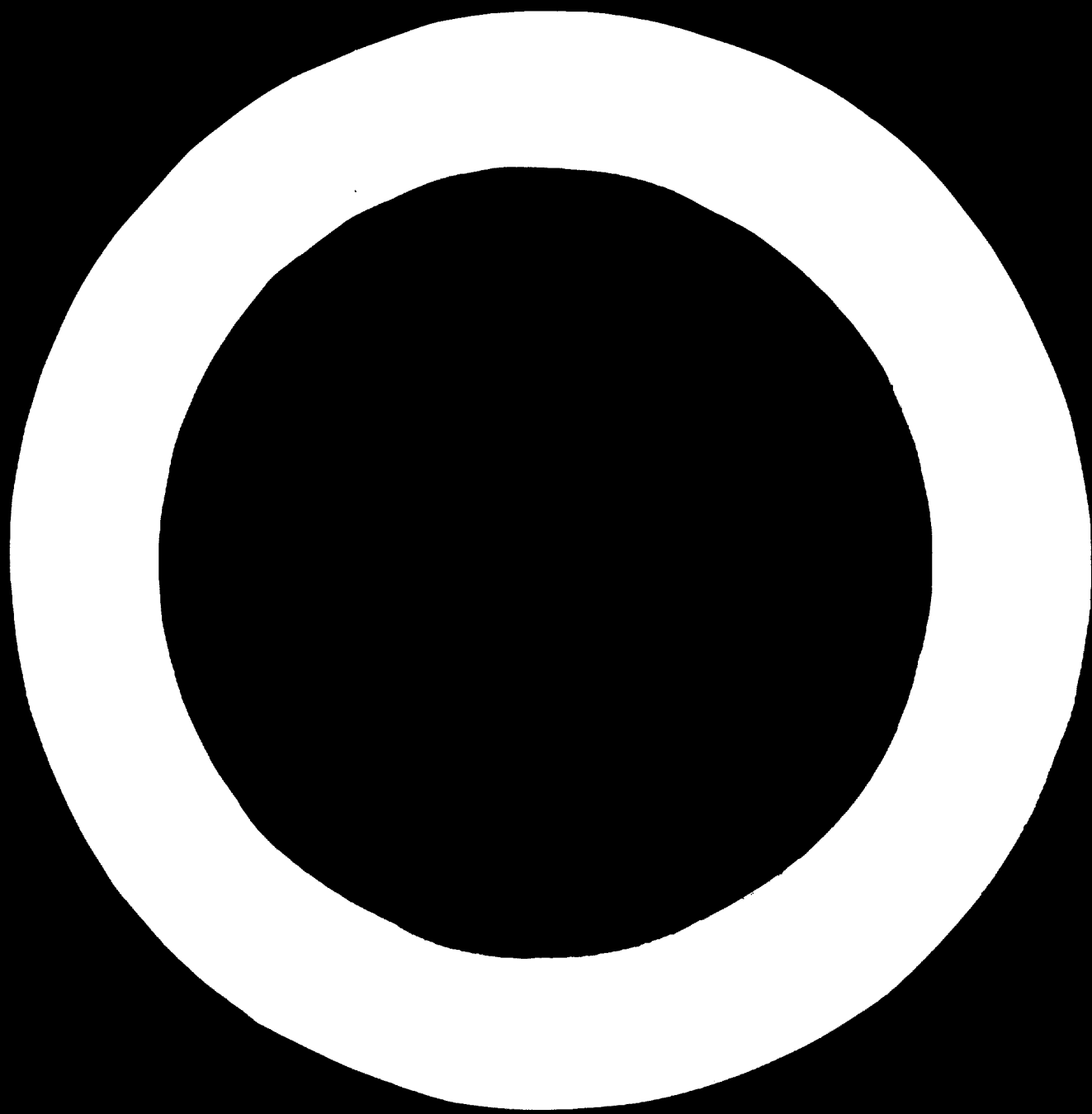
(14) Future Meetings

Since:

- a. Family planning personnel find it useful to be able to discuss periodically with producers and distributors the role of the commercial sector in fostering contraceptive usage, to give the latter a better idea of the amount of material needed to assess the practicability and desirability of local production, and to establish in a co-ordinated way the logistical support necessary for the programmes, including the communication media;
- b. There appears to exist a lack of communication between the producers and the distributors of contraceptives on one side and personnel in charge of the family delivery system on the other;
- c. The commercial sector does not always understand the rationale of family planning and family planners are not taking into account the importance of working together with the private sector;

It is recommended that meetings or workshops covering these aspects should be held yearly.

Since planning is now in progress for the forthcoming World Population Conference in 1974, it is recommended that UNIDO prepare a paper on the production, marketing and distribution of contraceptives in developing countries.



COMMENTS MADE BY THE GENERAL CHAIRMAN OF THE
EXPERT GROUP MEETING

Dr. D.M. Potts (MD)

Medical Secretary

International Planned Parenthood Federation

London, England

Introduction

Most contraceptive techniques require the use of a contraceptive agent which needs to be produced and distributed. Methods vary in the necessity for professional advice and supervision before and during use. Methods also vary in their biological effectiveness and their extended use-effectiveness. Couples often switch from one method to another. Availability is of prime importance in determining use, although awareness and motivation are clearly significant.

It is instructive to look at the whole of family planning as a marketing procedure. When this is done the involvement of medical personnel is seen as a capital intensive operation with high running costs, and therefore limited role in some situations. The important role of motivation is seen as creating consumer demand and it is felt that much can be learned from established marketing techniques in other areas. Marketing can also be regarded as a piece of action orientated research with a built-in capability of evaluation.

Production

Contraceptive manufacture tends to require a high capital input and to be labour intensive, although there are exceptions to the generalization, and it may be useful to consider certain procedures, such as packaging, in a separate category. Decisions about the siting of factories involve a complex of factors but UNIDO, and other bodies, could urge that decisions be made mainly on technical grounds, and that contraceptive manufacture, because of great social importance, may be one of the few industries where considerations of employment and of other local factors can be largely excluded.

On the other side of the coin, where local production is valid, it might be useful for international agencies to offer advice and knowhow and certain, commonly operative, commercial interests, may need to be over-ridden.

Contraceptives must be manufactured to suitable standards. Some degree of international agreement in spermicide testing has been achieved already and steps are being taken to initiate agreement in condom testing. These developments are welcome, although much work remains to be done and the most appropriate agency(ies) for implementing any final agreement needs to be identified. Certain national condom standards were developed when this product was primarily intended as a prophylactic against disease and may need re-evaluation for purely contraceptive use. The clinical evaluation of systemically active contraceptives is an important area where the role of the manufacturer, of the medical community, and of governments and international agencies, needs to be further developed.

Distribution

The private, commercial sector of distribution is already making a substantial contribution to the provision of family planning service accounting for the overwhelming majority of family planning efforts in developed countries and almost half of the contraceptive use in developing countries. The effective distribution of traditional methods of contraception increases the use of medically based methods. On the one hand it is acknowledged that the commercial distribution of contraceptives has reached its present position often in the face of numerous restrictions; on the other hand, it is agreed that, given the correct inputs, the commercial distribution of contraceptives could be greatly expanded in developing and in developed countries.

Among the monetary factors influencing (and often limiting patterns of distribution) are national tariffs, excise duties and sales taxes, the availability of foreign exchange to purchase contraceptives outside the country or the ability to remit some part of the profits if the contraceptive is manufactured locally, and finally, there may be limitations on the extension of credit facilities to small businessmen in the chain of distribution.

Indeed, in view of the field's usual concentration on public programmes, it is salutary to note how large the private sector's part appears to be.

In the developed countries most contraception is supplied privately and, though the data are extremely difficult to come by, it would appear that in several developing countries the commercial sector, considered as "programme", has done more to spread contraceptive practice than the regular governmental programme: for example, in several Latin American and Caribbean countries, Morocco, Indonesia and probably Turkey and Thailand. Even in Taiwan and South Korea, with distinguished national programmes, the commercial sector accounts for about 40 - 25 per cent of contraceptive practice, respectively.

So at least there is a proved base of accomplishment; beyond that, this channel of service and supply may turn out to be a highly efficient, perhaps even the most efficient, means of extending contraceptive practice. In any case, the private sector has these advantages.

It operates on the profit motive, which has shown itself to be a particularly strong human motive wherever allowed to function; but it is not limited to that motive, since top management is sensitive these days to social-welfare motives as well.

It is greatly experienced in systems of distribution and money flow as well as in information collection and evaluation, via market research and analysis as well as proximity to consumers.

It operates on an already existing network of private doctors and local retailers, and while the former are definitely limited in most developing countries, the latter do exist almost everywhere.

It brings into action or expands a whole segment of operation that (a) does not burden the governmental programme for administration and supervision;

(b) may reach an essentially different target group from the public programme; and (c) develops its own layer of political support for the common objective of population limitation.

If, as seems at least possible, a commercially viable addition to the present technology is developed in the next years, an improved and enlarged private sector would be needed to maximize its impact.

It can operate in countries where governments are not yet ready to develop public programmes.

As in the reverse case, it would generate spill-over in motivation and interest for satisfaction in the public sector; indeed, the two might cumulate beyond simple addition.

Given this rationale, the question becomes twofold; (1) can the private sector be encouraged to expand its activities in appropriate ways? and (2) if so, can the donor community find an acceptable mode of collaboration to support such expansion, toward the goal of increased contraceptive usage?

Possibilities

To our best knowledge, nowhere in the developing world is the system of private enterprise encouraged to extend its contraceptive activity beyond present levels. (Even in the Nirodh programme in India, the government retains an important control over the venture). What might be done? The following are presented not as proposals but only as illustrations, to demonstrate potential.

(1) Outright provision by the donor community of some experimental money to major private enterprises in this field, with clear understandings about objectives and ground rules, to see what they can do to enlarge the market in some designated areas, with donor-supervised evaluation built in and collaborative effort conceivable later on.

- (2) Provision of funds in lieu of custom duties in selected areas if there were reason to believe that would favourably affect the price structure and the resultant sales.
- (3) Beyond that, provision of subsidies in selected areas to provide satisfactory profits at lower consumer prices of contraceptive materials, say, 10 - 15 cents per pill cycle and one cent per condom, with careful measurement of the outcome.
- (4) Experimentation with "clinics for profit", e.g., in market towns or provincial centres.
- (5) Experimental support of an expanded staff of "detail men" or new kinds of face-to-face promotion and sales in selected areas, to see what can thus be accomplished to spread the market under present conditions.
- (6) Provision of bonuses to wholesalers and retailers who increase their market by designated margins; or, more generally, experiment with leverage points within the distribution system where incentives might produce results.
- (7) Support of advertising and promotion campaigns designed to raise the level of demand, administered by the private companies in view of their experience in this field.
- (8) Experimental provision of credit, and hence assumption of the attendant risk, for producers, distributors, and retailers to cover consignment costs, bad debts, enlarged inventories, venturesome extensions of the commercial network out to the countryside, etc.
- (9) Provision of free consultation services on management and marketing, as desired, including consultation with existing channels not presently handling contraceptives; development of a small group of knowledgeable executives (semi-retired) for this purpose; encouragement of the professional interest of business schools in this field.

(10) Collaboration with the public sector; according to Farley and Leavitt, in their Ford-supported study in Jamaica, "the private sector is of major importance in coherent family planning programmes; and viable ways can be designed to integrate the private sector into such programmes. Our own opinion is that at this point in history failure to integrate the two would constitute an extraordinary and quite inexcusable failure". (An example from them is a "chit" system "in which clinic goers receive chits which can be exchanged at any retail outlet for contraceptives of the client's choice; then to be redeemed at a given price by the retailer - thus turning physical distribution and handling over to the private sector, while controlling education and medical aspects through the clinics".)

(11) Establishment of an independent, subsidized agency to focus on the marketing and distribution of contraceptive materials, on an international basis (including, for example, the distribution of the copper "T" if that proves out).

Note that there is no proposal here on the manufacturing side. At this time, we see no need or opportunity, though that may change with developments in the technology, e.g., the ou-T.

Some of these techniques, skillfully exploited, have been instrumental in extending contraceptive usage in the developed countries; in particular, extensive promotion and detailing have contributed to the rapid growth of pill sales. And there are also examples in the developing countries: in India, the Nirodh sales now account for 18 per cent of the acceptors in official governmental figures; in South Korea, where advertising is permitted, there are over 100,000 pill users now being supplied by the private sector at the price of 100 won (= 30.38); in Morocco, pill sales have grown markedly because of point-of-purchase promotion in the pharmacies; in Turkey, an experimental effort to stimulate commercial sales through village stores raised the per cent of couples practising family planning from 12 per cent to 18 per cent.

Essentially, the idea is to offer contraceptives at a low(er) price, greatly expand distribution, create more demand through modern advertising, and hence develop the consumer market to its fullest potential as quickly as possible. The effort thus corresponds to that in the public sector, namely, in this case, to learn the extent to which people can be encouraged to purchase contraceptives under conditions of easy accessibility, with proper promotion, with low prices, but in circumstances that can realistically support the distribution system. The further idea is to compare the cost effectiveness of the private system with the public one in order to locate more precisely the relative place of the two sectors, both valuable.

Problems

In a venture of this novelty, there are bound to be unusual problems, beyond the normal ones attaching to any proposals in this difficult field. The special issues here include the following:

- (1) The question as to whether the donor community, of foundations and governments, and the commercial sector can genuinely come to trust and work with one another.
- (2) The question as to whether the donor community can find acceptable ways, legal and ethical, to support commercial activity.
- (3) The question as to whether the commercial companies can find acceptable ways to work on a common project, from anti-trust and competitive standpoints.
- (4) The question as to the liabilities undertaken by donors in supporting commercial activities involving medical safety (as with the pill), when neither they nor governments can exercise close control.

Proposal

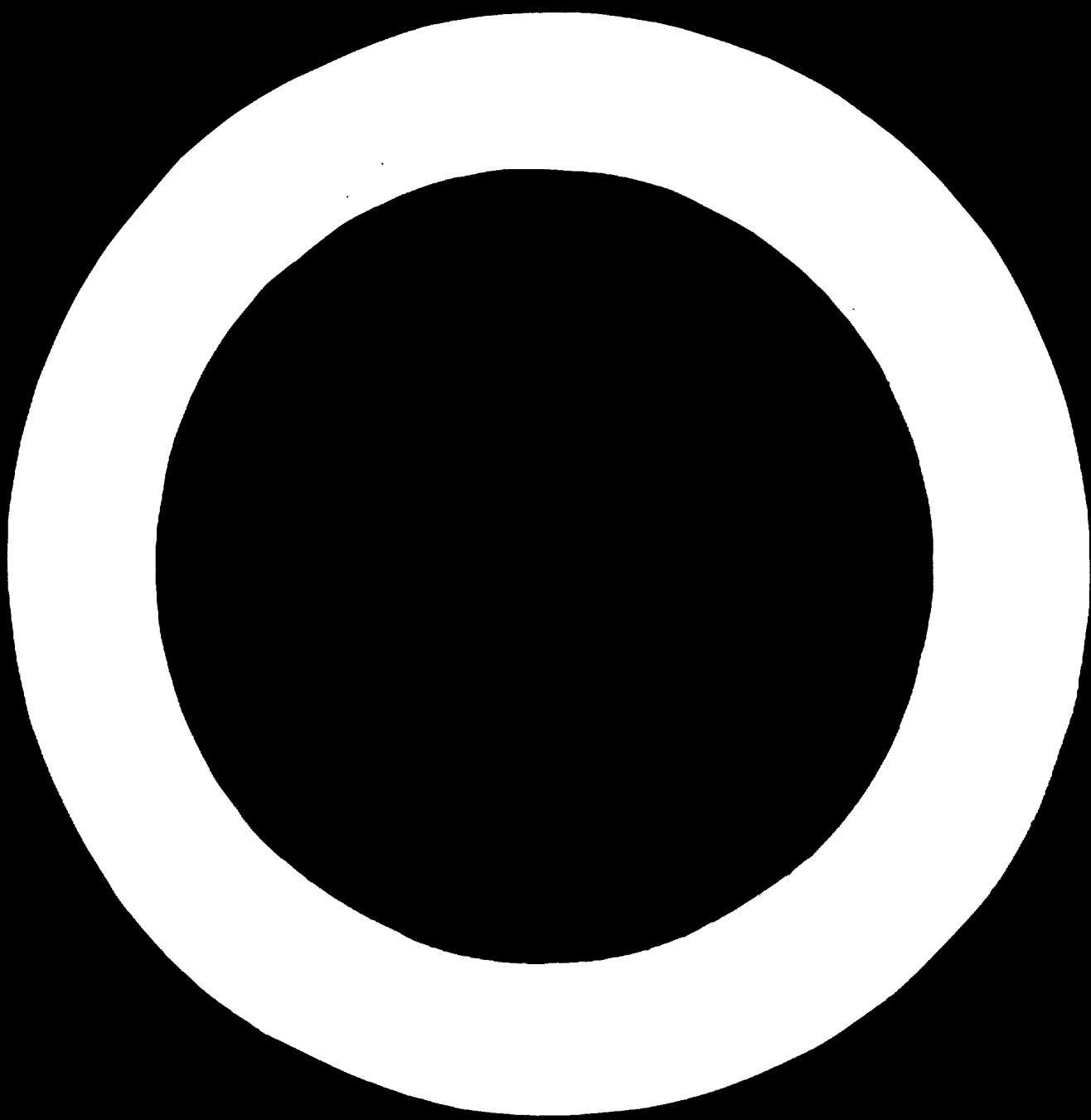
The field of opportunity is limited, and hence somewhat more manageable at this early stage. In today's developing world, there are only two commercially viable contraceptives - pill and condom. And the large majority, around 70 percent, of all commercial sales in the developing countries are apparently made by only a few companies:

<u>Pill</u>	<u>Condom</u>
Schering, West Germany	Akwell, U.S.A.
Organon, Netherlands	London Rubber, Britain (and its U.S.A. affiliate, J. Schmid)
Ortho, U.S.A.	Okamoto, Japan
Searle, U.S.A.	Sagami, Japan
Wyeth, U.S.A.	

To them might be added a few large, international advertising agencies and multi-national distributors of consumer goods. But in any case, we are dealing with only a small number of potential collaborators at the outset, as a way to enter the private sector in the most efficient manner.

At this stage, the proposal is procedural though it looks to programmatic development. In view of the uncertainties on both sides, we suggest that a prestigious donor agency be authorized to pursue the matter on a private, informal basis, through talks at the outset with individual firms of the kind noted - with any joint meeting dependent on the outcome. The agenda would be this memorandum, or an improved version thereof, and the understanding would be that if a mutually satisfactory set of activities could be worked out with one or more of the commercial firms, on a demonstration basis, then the donor agencies would be prepared to fund them in the amount of up to \$1 million over the first two years or so, and to consider further support for proved programmes.

The two groups might find it attractive to agree on third-party evaluation - for example, Farley-Leavitt at Columbia and Stanford business schools or A.D. Little and MIT in a business-academic combination in Cambridge. On the donor side, there are several agencies interested in this field - e.g., Ford, AID, the Population Council - but there may be a particularly suitable role here for the World Bank and /or the United Nations Industrial Development Organization. In any case, there are now a few knowledgeable people available in the field for such an effort.



A G E N D A

Expert Group Meeting on the Production and Distribution of
Contraceptives in Developing Countries

Organized by the United Nations Industrial Development
Organization in Conjunction with the United Nations Fund
for Population Activities

Place: Dag Hammarskjold Theatre, United Nations
Headquarters, New York City, New York

Date: 22 - 24 November 1971

Time: 9:30 a.m. Registration

Welcoming Address: Dr. I.H. Abdel-Rahman
Executive Director
United Nations Industrial Development
Organization (UNIDO)
Vienna, Austria

Mr. Halvor Gille
Associate Director
United Nations Fund for Population

General Chairman: Dr. Malcolm Potts, M.D.
Medical Secretary
International Planned Parenthood Federation
London, England

Technical Secretary: Mr. Paul M. Terlizzi
Industrial Technology Division
UNIDO
Vienna

FIRST SESSION

Current Status of
Contraceptives

Dr. Christopher Tietze, M.D.
Associate Director
Bio-Medical Division
Population Council
New York USA

Background Paper

Mr. Peter King
Consultant to UNFPA

Comparative Safety of
Contraceptives

Dr. Edwin Ortiz
Bureau of Drugs
Food and Drug Administration
Rockville, Maryland USA

SECOND SESSION

Formulations and Presentations of Contraceptives

Orals

Mr. George Busch
Plant Manager
CIBA-GEIGY
Suffern, New York

Chemicals

Mr. Raymond Belsky
Associate Director
Pre-Term Inc.
Washington, D.C.

Intrauterine Devices

Dr. Jack Lippes, M.D.
Medical School
University of Buffalo

Contraceptive Injections

Dr. Thomas J. Vecchio, M.D.
Chief, Medical Research
Upjohn International
Kalamazoo, Michigan

Abortion Equipment

Dr. Lalor Burdick,
Director
Lalor Foundation
Wilmington, Delaware

THIRD SESSION

Problems associated with
the distribution,
licensing and marketing
of contraceptives

Mr. Raymond Belsky
Pre-Term Inc.
Washington, D.C.

Dr. John Farley
Columbia University
New York, N.Y.

Dr. Malcom Potts (MD)
International Planned Parenthood
Federation
London England

Mr. Stig Ljunggren
Swedish International Development
Authority
Stockholm Sweden

The Role of WHO in the
production, distribution and
clinical testing of
contraceptives

Dr. Gerald Zatuchni (MD)
World Health Organisation
Geneva, Switzerland

FOURTH SESSION

Industrial Production Factor

Condoms

Mr. Christopher Long
Export Manager
London Rubber Industries
London, England

Spermicides

Mr. Norman Hardy
Testing Scientist
IPPF
London, England

Orals

Mr. D.H.J. Hannema
Regional Manager
Organon Pharmaceuticals
Oss, Holland

Fourth Session - Industrial Production Sector (Continued)

Intrauterine Devices

Mr. Paul Bronnenkant
President
Hallmark Plastics
Buffalo, New York

Japanese Experience

Mr. Koyohito Inishi
Departmental Head
Ministry of Health
Tokyo, Japan

Family Planning in
National Development

Paper prepared by the
United Nations Fund for
Population Activities

Development of Family
Planning Programmes in
South-East Asian
Countries

Mr. K.J. Mette
Export Manager
Schering A.G.
West Berlin, FRG

FIFTH SESSION

Presentation of Country Papers

Arab Republic of Egypt

Dr. Moustapha Helmy El-Sammaa
Director General
Imports and Exports
Supreme Council for Family Planning,
Executive Board
Cairo

India

Mr. Bazle Karim
Chairman
Hindustan Latex Ltd.
New Delhi

Turkey

Mr. Altan Zeki Unver
Secretary General
Development Foundation of Turkey
Tunali Hilm
Ankara

Colombia

Dr. Gonzales Echeverry
Executive Director
Profamilia
Bogota

Thailand

Mr. Charoen Chitasombat
Managing Director
Government Pharmaceutical Organisation
Bangkok

SIXTH SESSION

Formulation of Conclusions and General Recommendations

List of Participants

<u>Name</u>	<u>Organization</u>
Mr. Samuel Baker Vice-President Marketig	Julius Schmid Inc. Lackawanna Avenue Little Falls New Jersey 07424 USA
Mr. George Baldwin	International Bank for Reconstruction and Development Population Project Department 1818 "H" St. N.W. Washington D.C. 20433 USA
Mr. Rifat Bardicas	Development Foundation of Turkey Tunali Hilmi 71/2 Kavaklidere Ankara Turkey
Mr. Raymond Belsky Associate Director	Pre-Term Inc. 1726 "Eye" St. N.W. Washington D.C. 20006 USA
Dr. Timothy R.L. Black (MD) Associate Director	Population Services Inc. London Office 29 Lyndale Avenue London N.W.2 England
Dr. C. Lalor Burdick Director	Lalor Foundation 4400 Lancaster Pike Wilmington Delaware 19805 USA
Mr. Paul H. Bronnenkant President	Hallmark Plastics Inc. 333 Henderson Avenue Buffalo, New York 14217 USA
Mr. Samuel E. Bunker	The Ford Foundation 320 W. 43rd Street New York, New York 10017 USA
Mr. George Bush Plant Manager	Ciba-Geigy Corp. Suffern, New York 10901 USA

Mr. Charoen Chitasombat
Managing Director

Government Pharmaceutical Organisation
6 Rama Road
Bangkok
Thailand

Mr. Leo Coel
Director of Marketing

Youngs Drug Products
Holland-Rantos Co. Inc.
865 Centennial Avenue
Piscataway N.J. 08854
USA

Dr. Ramiro Delgado (MD)
Director

International Programmes
Family Health Inc.
4707 West Metairie Avenue
Metairie, Louisiana 70005
USA

Dr. Gonzalo Echeverry (MD)
Director

Profamilia
Bogota
Calle 34 N. 14-52
Colombia

Dr. Moustapha H. El-Sammaa
Director General
Imports-Exports

Supreme Council for Family Planning
Ministry of Health
10 Str. 150 Meadi
Cairo
Arab Republic of Egypt

Dr. John Farley

Columbia University
New York, N.Y.
USA

Mr. Ian Fletcher
UK Marketing Manager

L.R. Industries
North Circular Road
London E.4
England

Mr. Anthony Griffith
Supplies Administration

International Planned Federation
18 - 20 Lower Regent Street
London S.W.1
England

Mr. D.H.J. Hannema
Regional Manager
(Africa-Australasia-Japan
and South East Asia)

N.V. Organon
Oss
Netherlands

Mr. Norman R. Hardy Testing Scientist	International Planned Parenthood Federation 18 - 20 Lower Regent Street London S.W.1 England
Dr. Philip Harvey (MD) President	Population Services Inc. 105 N. Columbia Street Chapel Hill North Carolina USA
Mr. Koyohito Inishi Deputy Head	Ministry of Health Tokyo Japan
Mr. Bazle Karim Chairman	Hindustan Latex Ltd. 9th Floor Mayur Bhavan New Delhi India
Mr. Itsuo Koyama Export Manager	Sagami Rubber Industries Ltd. 9-8 Chome Uchikanda Chiyodaku Tokyo Japan
Mr. Richard H. Lemkin Staff Associate	The Population Council 245 Park Avenue New York, New York 10019 USA
Mr. Christopher Long	L.R. Industries Overseas Division North Circular Road London E.4 Englandd
Dr. Jack Lippes (MD)	University of Buffalo Medical School Buffalo, New York USA
Mr. S. Ljunggren Head, Purchasing Section	Swedish International Development Authority Klarabergsgatan 60 105-25 Stockholm Sweden
Mr. K.J. Mette Manager - Export Department	Schering A.G. D-1 Berlin 65 Müllerstrasse 170-172 FRG

Mr. John C. Mothersell
Sales Manager
International Division

Youngs Drug Products Inc.
Holland Rantos Co. Inc.
865 Centennial Avenue
Piscataway
New Jersey
USA

Mr. Koji Naito
Director

Eisai Co. Ltd.
Koishikawa 4 Buisyo
Tokyo
Japan

Mr. Robert W. Nickless
Director
International Marketing

A.H. Robbins Co.
1407 Cummings Drive
Richmond Virginia 23220
USA

Dr. Edwin M. Ortiz (MD)
Director, Division of
Metabolic and Endocrine Drug
Products

Food and Drug Administration
Bureau of Drugs
Washington D.C.
USA

Mr. Olov Poluha
First Secretary

Population and Family Welfare Division
Swedish International Development
Authority
Klarabergsgatan 60
105-25 Stockholm
Sweden

Dr. D.M. Potts (MD)
Medical Secretary

International Planned Parenthood
Federation
18 - 20 Lower Regent Street
London S.W.1
England

Mr. Takuro Sado
Chief Biological Research
Department

Yamanouchi Pharmaceutical Co. Ltd.
Itabashi-Ku
Tokyo
Japan

Mr. Robert H. Smith
Associate Director

Westinghouse Population Centre
American City Building
Columbia Maryland 21043
USA

Dr. H. Sachanick
Chairman

School of Public Health
Harvard University
Boston, Mass.
USA

Mr. J.P. Smith
Director

Family Planning International Assistance
Planned Parenthood - World Population
810 Seventh Avenue
New York, N.Y. 10019 USA

Mr. G. Spalt Vice-President	Ortho Pharmaceuticals Raritan, New Jersey USA
Mr. Peter H. Spitz President	Chemical Systems 866 3rd Avenue New York, N.Y. 10022 USA
Mr. Edward G. Stech Manager - Special Markets	Syntex Laboratories Inc. 205 So. Whiting Street Suite 310 Alexandria, Virginia 22304 USA
Mr. Gerald B. Tallman Director - Consume Marketing Research	Arthur D. Little Inc. Acorn Park Cambridge Massachusetts 02140 USA
Dr. Kiyo Tashiro (MD) Director-Medical Research	Ortho Research Foundation Raritan, New Jersey 08869 USA
Dr. Christopher Tietze Associate Director	Population Council Bio-Medical Division New York City, N.Y. USA
Mr. Altan Z. Unver Secretary General	Development Foundation of Turkey Tunali Hilmi 71/2 Kavaklidere Ankara Turkey
Dr. Thomas J. Vecchio Chief, Medical Research	Upjohn International Inc. Kalamazoo, Michigan USA
Mr. George A. Wyeth	Department of State Agency for International Development Population Office Washington D.C. USA
Dr. Luke T. Lee	Director - Law and Population Programme Fletcher School of Law and Diplomacy Tufts University Medford Massachusetts USA

Mrs. Phyllis T. Piotrow
Population Crisis Committee
1730 "K" St. N.W.
Washington D.C. 20006
USA

UNITED NATIONS ORGANIZATIONS

Mr. Rafael Salas Executive Director	UNFPA United Nations New York USA
Mr. Halvor Gille Associate Director	UNFPA United Nations New York USA
Dr. A. Thavarajah Senior Programme Officer	UNFPA United Nations New York USA
Dr. V. Raja Rao (MD)	UNFPA United Nations New York USA
Mr. Peter King Consultant	UNFPA United Nations New York USA
Mrs. Dorothea Banks Programme Officer	UNICEF United Nations New York USA
Mrs. Grace David Procurement Officer	UNICEF United Nations New York USA
Dr. I.H. Abdel-Rahman Executive Director	UNIDO Vienna Austria
Mr. P.M. Terlizzi Industrial Development Officer	UNIDO Vienna Austria
Mr. Michael Yoffe Industrial Development Officer	UNIDO Vienna Austria
Mr. Abdel-Meguid	UNIDO Liaison Office United Nations New York USA
Dr. Gerald I. Zatuchni	WHO Maternal and Child Health Division Geneva Switzerland

Appendix III

PAPERS PRESENTED AT THE MEETING

THE MARKETING COMPONENT OF FAMILY PLANNING

John J. Farley - Columbia University, New York, USA

Harold J. Leavitt - Stanford University, California, USA

PRODUCTION AND DISTRIBUTION OF CONTRACEPTIVES IN JAPAN

Kiyohito Inishi - Ministry of Health and Welfare, Tokyo, Japan

ASPECTS OF CONDOM MARKETING

Christopher Long - L.R. Industries, London, England

CONTRACEPTIVE TECHNOLOGY - CURRENT AND PROSPECTIVE METHODS

Dr. Sheldon Segal - Population Council, New York

Dr. Christopher Tietze - Population Council, New York

SOME ASPECTS ON THE LICENSING OF CONTRACEPTIVES

S. Ljunggren - Swedish International Development Authority, Stockholm

DEVELOPMENT OF FAMILY PLANNING PROGRAMMES IN SOUTHEAST ASIAN COUNTRIES

K.J. Mette, Schering A.G. West Berlin, Federal Republic of Germany

POSSIBILITIES AND IMPOSSIBILITIES OF PRODUCTION, MARKETING AND DISTRIBUTION OF ORAL CONTRACEPTIVES IN DEVELOPING COUNTRIES

D.H.J. Hannema - Organon International, Oss, Netherlands

PROGRAMMES IN FAMILY PLANNING BEING DEVELOPED BY TURKEY

Altan Zeki Unver - Development Foundation of Turkey, Ankara

AN INJECTABLE CONTRACEPTIVE

Thomas J. Vecchio M.D. - Upjohn International, Kalamazoo, Michigan

THE PRODUCTION AND DISTRIBUTION OF CONTRACEPTIVES IN COLOMBIA

Gonzalo Echeverry M.D. - Profamilia, Bogota, Colombia

PRESENT STATUS AND FUTURE PLANS ON THE USE OF CONTRACEPTIVES IN INDIA

Bazle Karim - Hindustan Latex Ltd., New Delhi, India

BACKGROUND PAPER

Peter King - Consultant to UNFPA, New York

COMPARATIVE SAFETY OF CONTRACEPTIVES

Dr. Edwin Ortiz - Food and Drug Administration,
Rockville, Maryland, USA

SOME ASPECTS OF PRODUCTION, DISTRIBUTION AND CLINICAL
TESTING OF CONTRACEPTIVES

Dr. George Zatuchni - World Health Organization
Geneva, Switzerland

FAMILY PLANNING PROGRAMMES IN THE ARAB REPUBLIC OF EGYPT

Dr. Moustapha - Helmy El-Sammaa, Cairo, Egypt

CHEMICAL CONTRACEPTIVES

Raymond Belsky - Pre-Term Inc. Washington, D.C.

FAMILY PLANNING IN THAILAND

Charoon Chitasombat - Government Pharmaceutical Organization
Bangkok, Thailand

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- Lalor Foundation, Delaware

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- Report to the Population Council
by Arthur D. Little, Massachusetts

Population and Family Planning Programmes: A Fact Book

- Population Council - Demographic Division, New York

Commercial Production and Distribution of Contraceptives

- Population Council - Bio-Medical Division, New York

Selected Papers on Anti-Fertility Agents:

Depo-Provera - Intra-muscular injection once every three months

Directory of Contraceptives

- International Planned Parenthood Federation

An Examination of Existing and Potential Private Sector ContributionsTowards Family Planning in Four African Countries

- Dr. Timothy R.C. Black
London, England

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- John Peel and Malcolm Potts - Cambridge University Press

NIRODH Project - Quantitative Survey

- Preliminary Report - April-May 1970 - India

World Health Organization Technical Department Series

	No.
Hormonal Steroids in Contraception	386
Clinical Aspects of Oral Gestogens	
Intra-Uterine Devices - Physiological and Clinical Aspects	397
Basic and clinical aspects of intra-Uterine Devices	332
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The Role of UNIDO in the Field of Contraceptive
Production and Distribution

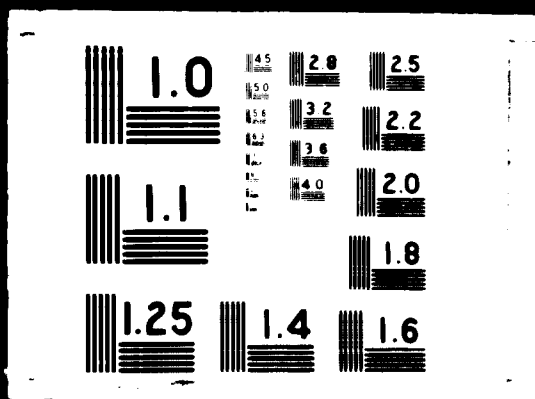


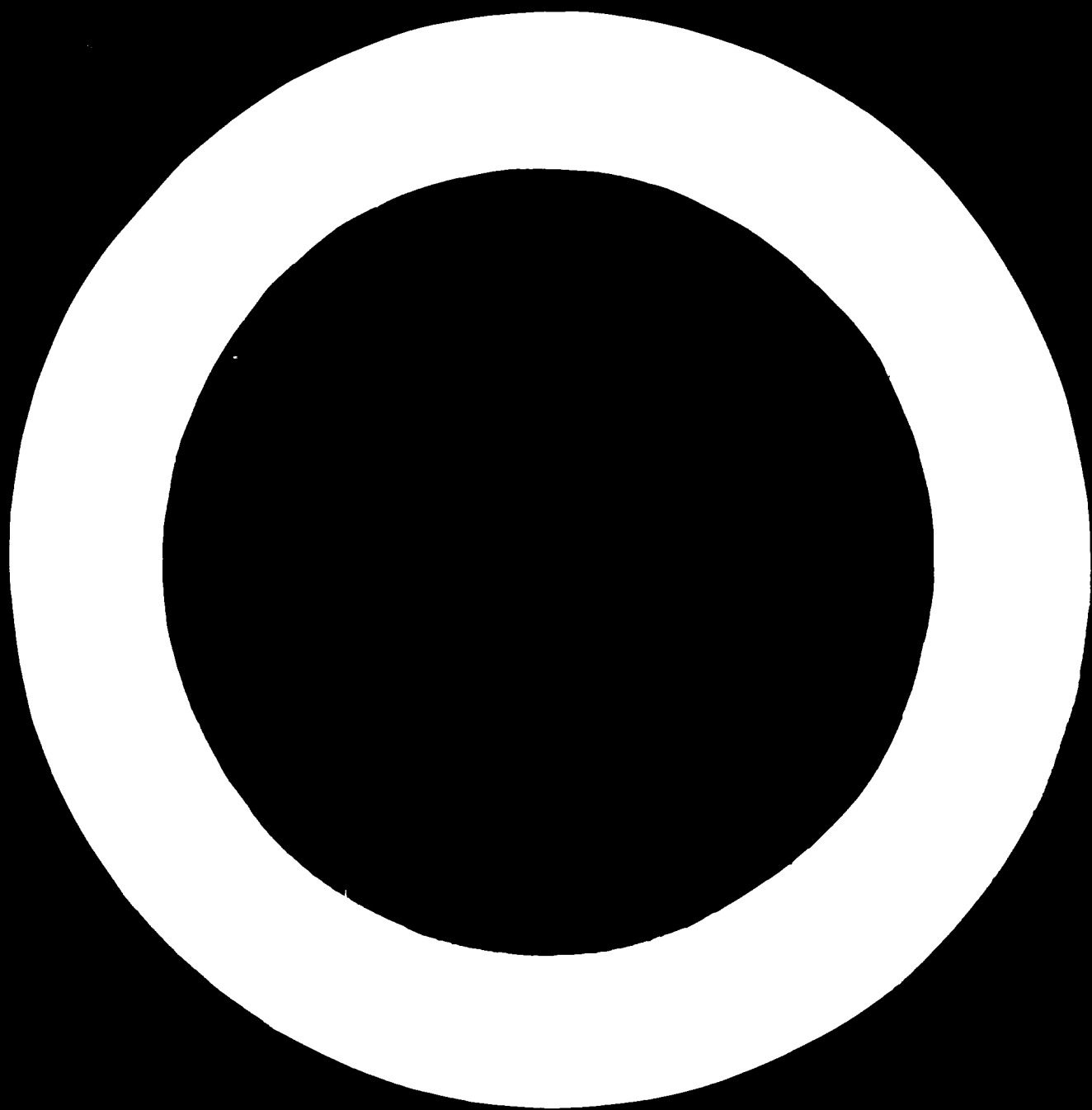
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THE PRIVATE SECTOR

The private (i.e., the commercial) sector is a substantial component in the expansion of contraception. Is there some way in which the population community can appropriately encourage the further development of its marketing and distribution system?

In this paper, the reasons for seeking to utilize the private sector are noted, a number of potential possibilities are listed, the special problems in a venture of this novelty are indicated, and a procedural suggestion is made to pursue the matter, with the assurance of funding in the amount of up to \$1 million over the first two years, with further support later for proved programmes.

The Private Sector

"The role of the commercial sector in fostering contraceptive usage is often overshadowed by the activities of the public and civic sectors which, in recent years, have mounted family planning campaigns in some 20 to 25 developing countries. Yet the contribution of the commercial sector is a significant one and in many countries far exceeds that of the non-profit sector."

That is the first paragraph of the most comprehensive review of "Commercial Production and Distribution of Contraceptives" currently available (see Appendix). For many reasons, distribution of contraceptives through the private sector of the developing countries has not been particularly encouraged by the population community, partly because the major actors on the world scene have been academic scholars on the one hand and government officers on the other. So there does seem to be a neglected opportunity here if a donor group can find an appropriate mechanism for collaboration with the commercial sector.

Magnitudes

To begin with, the contribution of the private sector throughout the world, and even in the developing countries, is considerable, as indicated in this recent "best estimate" of the sources of supplied contraception (excluding Mainland China, the Soviet Union and Eastern Europe):

	<u>Contraceptive Users</u>					
	<u>Developed Countries</u>		<u>Developing Countries</u>		<u>World</u>	
	<u>No. (in millions)</u>	<u>% (approx)</u>	<u>No. (in millions)</u>	<u>% (approx)</u>	<u>No. (in millions)</u>	<u>% (approx)</u>
Private sector	30-35	94	4-5	40	35-40	80
Public sector	2-3	6	6-6.5	60	8-10	20
<u>Total</u>	32-38		10-12		43-50	

Donor bodies, whether national or international, such as perhaps the World Bank, or UNFPA, will need to assess these various problems in each country and make financial help available, if channels of distribution are to be maximized. International bodies could contribute by pressing for regional and global agreement on tariffs and taxes relating to contraceptives.

The distribution of any commodity required freedom of action to advertise and involves promotional costs. There is a need to overcome restrictions to advertising condoms and spermicides and a strong case can be made out for permitting the direct advertisement of oral contraceptives to potential users, even in cases where the Pill remains on medical prescription. Certain markets, especially in the rural areas of developing countries, may not promise sufficient potential profit to make effective promotion possible, and in this case, donor bodies, inside or outside the country, may need to underwrite part of the cost.

National or international teams of Ombudsmen to arbitrate between the various interests involved in contraceptive distribution and manufacture might be advisable.

Generalizations about the distribution of those contraceptives that are wholly or partly medically dependent on medical advice are difficult. Perhaps it is reasonable to suggest that the community should receive such contraceptives from those groups who normally provide medical care - such as, for example, at the time of delivery. Serious consideration should be given to novel methods of oral contraceptive distribution, the use of paramedical workers, or new methods of prescription or, whenever possible, by removing contraceptives from the need for prescription. In many countries, medical prescription limits potential use of oral contraceptives, leaving women to have unwanted pregnancies or suffer abortions which in time is responsible for a significant morbidity that could be otherwise avoided.

Conclusion

Globally contraceptive manufacture is a relatively small specialized industry employing few people and with only modest turn-overs. Moreover, its importance to the health of the individual and its role in community and economic development is very great. Access to the means of family planning has been defined as a basic human right. Therefore it seems reasonable to encourage the production of cheap contraceptives of high standard and to maximize effective distribution by all available means. It may be necessary to consider contraceptive materials in a separate category from nearly all other manufactured goods. The role of production should be largely determined by technical considerations. Commercial distribution already fills the largest part of the world's need for contraceptives. It needs to be reassessed and certain aspects of medical supervision of distribution require re-evaluation.

A structure needs to be devised to enable donor monies to family planning to be fed into the production-distribution chains of the contraceptive industry. Observation suggests that money spent in this way would be likely to give a more effective return than by many other routes.

Expert Group Meeting and Plant Study Tour on the Production
and Distribution of Contraceptives in Developing Countries

Organized by the United Nations Industrial Development Organization
in conjunction with the United Nations Fund for Population Activities

AIDE MEMOIRE

Background

Population control has been receiving high priority in development programmes of a large number of developing countries. In recent years there has been an increased need for population control as those concerned with the problems have become aware of the underlying complexities and their impact on the rate of economic development in developing countries.

In view of the importance of population factors in planning for the Second Development Decade, a substantial increase in activities is expected on the part of concerned organizations at the international, regional and national levels. Various programmes and projects have been and are now being formulated by organizations of the United Nations System, and by national and bi-lateral agencies. These programmes and projects include, among others, the disciplines of demographic statistics, basic, applied and operational research, training of manpower, communication of educational and informational activities on all matters related to population control, developing field projects for advisory services and demonstration and pilot projects, distribution and marketing, etc.

UNIDO's responsibilities in this field relate to the production of contraceptives, which include the range from oral contraceptives to mechanical and chemical components and accessories. In addition UNIDO can provide necessary experts to various existing plants in developing countries to give advice on the development and modernization of these plants, quality control of contraceptives, the patent problems involved, training of operational personnel and introducing family planning, for example, into the organization of industrial estates, and allied problems concerned with distribution etc.

UNIDO in conjunction with other organizations can undertake regional surveys to provide guidelines for the type of technical assistance needed and the best means for its implementation.

Purpose

The purpose of the Expert Group Meeting is to review and discuss the technical and economic questions related to the industry sectors involved in contraceptive production and family planning and to develop implementive action to carry out the recommendations of the Group. These recommendations will be based upon the inputs to be provided by developed countries, experiences of developing countries, results of programmes carried out by international organizations, and the observations made during the plant study tours.

UNIDO and UNFPA will then undertake to initiate the specific industry implementive action to be taken to put the recommendations to work.

Organization of the Programme

The programme will be in three (3) parts.

- Part I A plant study tour to selected contraceptive production facilities (possibly Hungary, Switzerland, Germany and the U.K.)
(Period 1 - 12 November 1971)

- Part II A plant study tour to selected contraceptive production facilities in USA and Canada.
(Period 15 - 18 November 1971)

- Part III An Expert Group Meeting in New York (United Nations)
(Period 23 - 26 November 1971)

This arrangement was selected in order to permit the participants from developing countries to view the latest production techniques, quality control procedures and material requirements involved in the production and marketing of contraceptives in order that during the Expert Group Meeting to follow they will have some background as to the present status of this industry sector.

Following the plant study tours, the participants will proceed to New York to participate in the Expert Group Meeting where they will present their papers and where, following the discussions, the recommendations for implementive action in the industrialization aspects of contraceptives will be prepared. The meeting will be characterized by a free exchange of views.

Documentation . . Discussions

There will be two groups of presentations: .

- (a) Papers will be solicited from developed countries, international organizations and others on specific topics in keeping with the goals of the meeting. This will be done by UNIDO in consultation with UNFPA.
- (b) Papers will be presented by each developing country participant on the 'Present Status and Future Plans of the Country in the Field of Contraceptives'.

The authors will present only the highlights of their papers and the discussions to follow will clarify various important aspects arising from these papers.

It is planned to circulate all papers to the participants and others prior to the meeting.

Discussions will be open to all meeting participants.

Participants

It is expected that twenty five (25) official participants will attend the Expert Group Meeting.

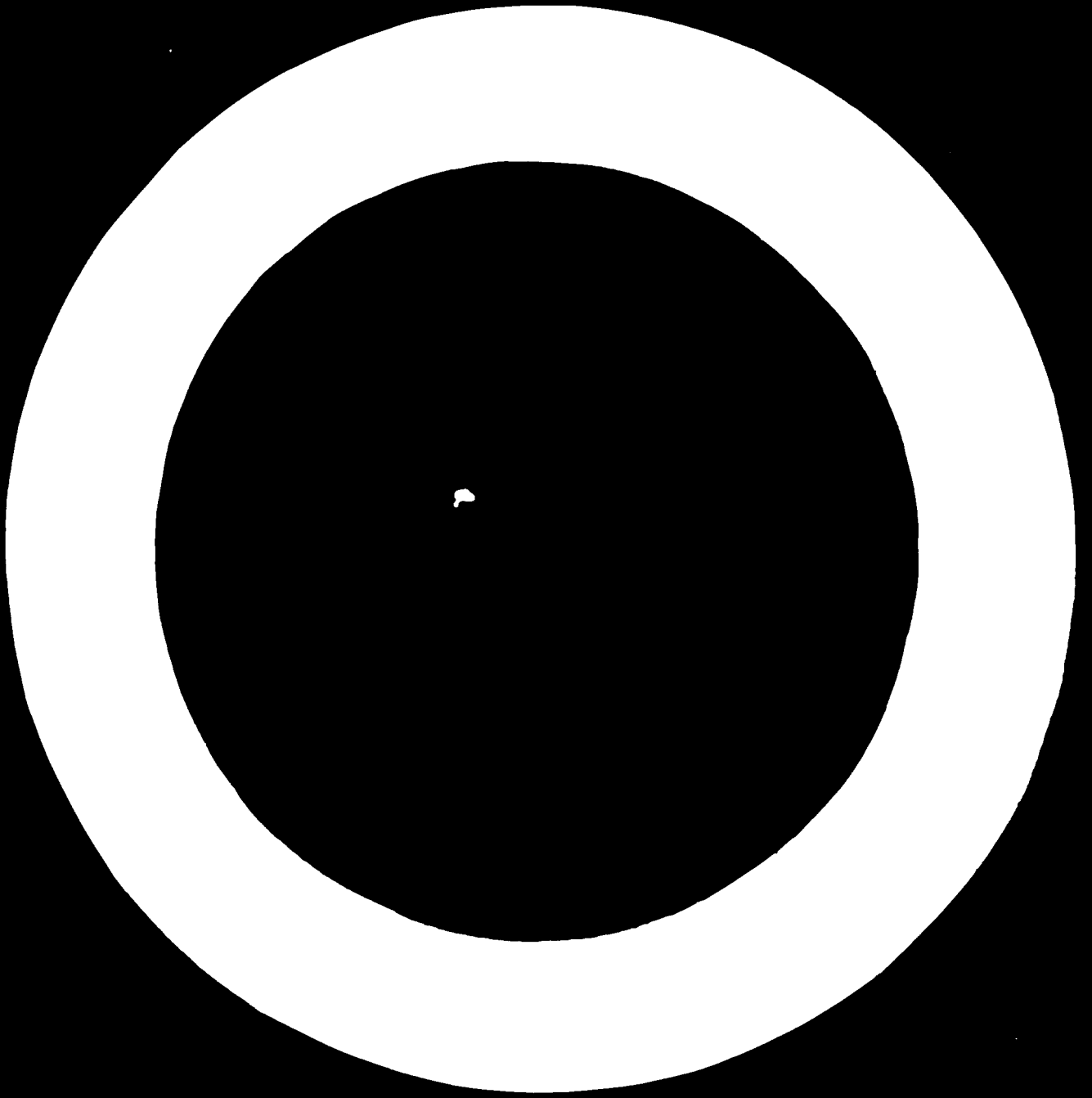
Thirteen (13) from:

<u>India</u>	<u>Korea</u>	<u>Colombia</u>
<u>Pakistan</u>	<u>Turkey</u>	<u>Kenya</u>
<u>Iran</u>	<u>Thailand</u>	<u>Jamaica</u>
<u>UAR</u>	<u>Ghana</u>	<u>Tunisia</u>
<u>Chile</u>		

Seven (7) from Manufacturing Corporations from North America, Europe and Japan.

Five (5) from International Organizations.

Participants from other international organizations such as the United States Agency for International Development (USAID), the Canadian International Development Agency (CIDA), the Swedish International Development Administration, Planned Parenthood Association UK, Pathfinder Foundation USA, Ford Foundation, Rockefeller Foundation, etc. will be invited to attend and participate at their own expense.



Appendix VII

LETTER OF INVITATION TO PARTICIPANTS

Reference: TS 6053/3

5 August 1971

I am writing to inform you that the United Nations Industrial Development Organization, in conjunction with the United Nations Fund for Population Activities is planning to convene an Expert Group Meeting and Plant Study Tour on the "Production and Distribution of Contraceptives in Developing Countries" during the period 1 to 26 November 1971.

..... I am attaching copies of an aide-mémoire and should be grateful if you could forward it through the Government to the appropriate authorities in order that they may nominate a participant who is presently carrying out contraceptive production and distribution projects in his country. The plant tours will cover manufacturing, testing and control and the meeting in New York will provide opportunities for discussing details of contraceptive programmes and the presentation of country programmes.

Accordingly, the participant selected will be expected to:

- (a) Participate in the study tour and the Expert Group Meeting.
- (b) Prepare a paper on "Present Status and Future Plans in Contraceptive Utilization". This paper should outline the country's background in this field, discussing the manufacturing of devices, oral contraceptives, aesthetics of use, bilateral assistance provided, methods of distribution and the country's future plans. The paper should be prepared in English and the original copy sent to UNFPA by 1 October 1971 for reproduction and distribution.

The participant will be provided with the following:

Round-trip economy class air ticket from the airport of departure nearest to the participant's place of residence to New York and back, including study tour travel;

Subsistence allowance for the duration of the Expert Group Meeting and the plant visits at the prevailing subsistence rates in Europe and the United States.

UNIDO will issue travel authorizations for the invited participants and instructions regarding necessary visas. In addition UNIDO will make arrangements for the plant visits, hotel accommodations and local transport.

UNIDO will not assume responsibility for the following expenditures:

Travel and any other costs which may be incurred by travel other than by the direct route and authorized mode;

Costs incurred by participants with respect to travel insurance, accident insurance, medical bills and hospitalization fees in connexion with their attendance at the Expert Group Meeting and the plant study tour;

Compensation in the event of death or disability of participants in connexion with their attendance at the Expert Group Meeting and on the plant study tour;

Loss or damage to personal property of participants while attending the Expert Group Meeting and the plant study tour.

When the participant has been nominated for this programme we would like to receive the information as outlined in enclosure (2).

All communications concerning the meeting plans, participants, plant study tour, etc., should be addressed to the meeting co-ordinators:

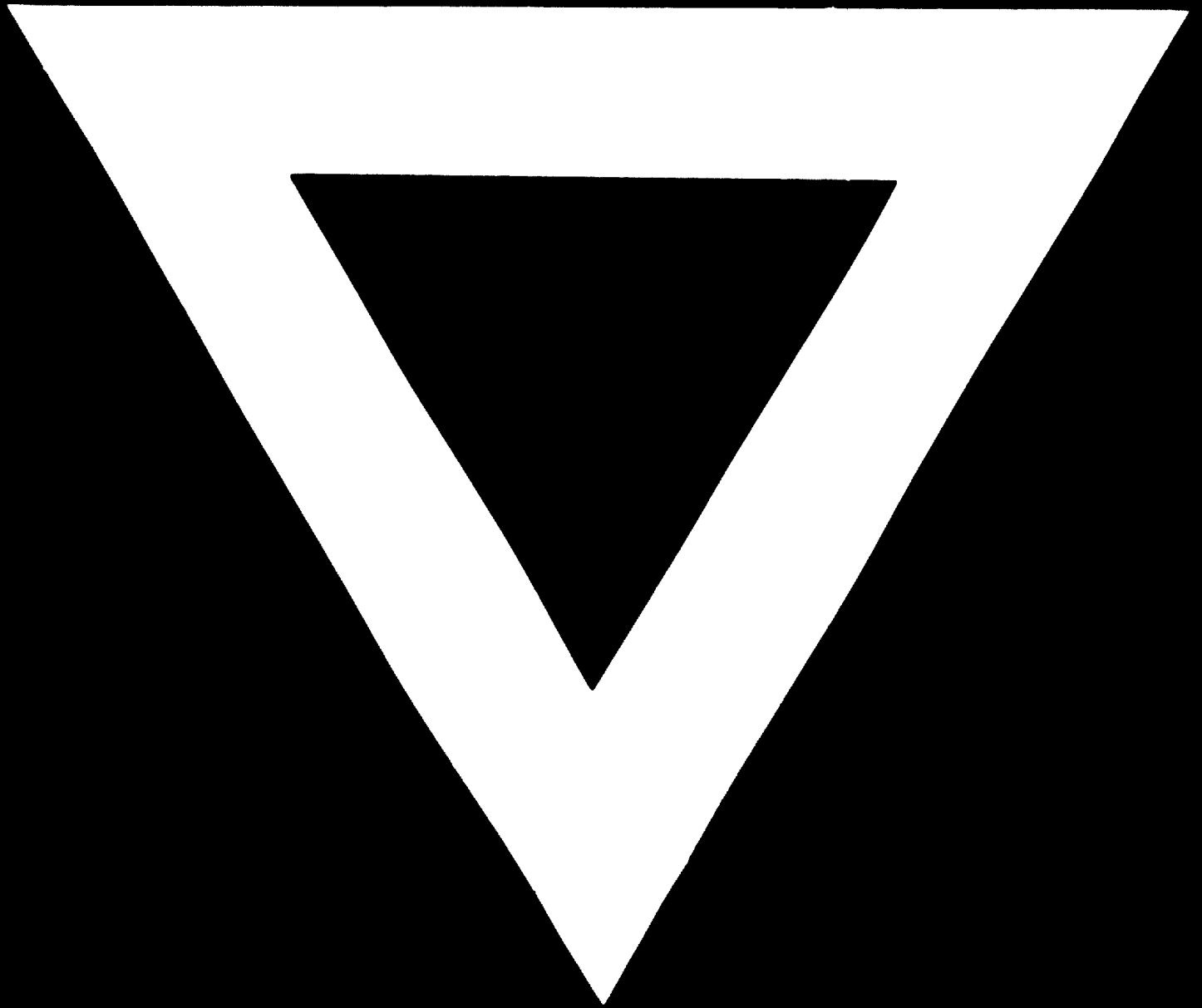
Mr. Paul M. Terlizzi
Industrial Technology Division
UNIDO - P.O. Box 707
1011 Vienna
Austria

It would be appreciated if you could obtain a response to this request as soon as possible since considerable planning time will be needed for the meeting agenda and plant study tours.

Yours sincerely,

S. Quijano-Caballero
Director
Technical Co-operation Division





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