



Photo: Pixabay.com

Eliminating import duties in Sierra Leone

A \$40,000 grant from the Innovation Fund has driven a landmark policy change in Sierra Leone that will save some \$200,000 per year on the importation of reproductive health commodities. \$200,000, if reinvested to procure the same range and proportion of contraceptive methods as procured in 2013, would provide 16,591 couple-years of protection (CYP) and avert up to 4,741 unwanted pregnancies and 2,212 abortions¹. Maternal mortality in Sierra Leone is one of the highest in the world, with complications from pregnancy and child birth a leading cause of death among women age 15-19. Forty percent of women in Sierra Leone have their first baby by age 18. The country also struggles under a 48 percent unmet need for contraceptive commodities and services.

After receiving its grant in 2012, Marie Stopes Sierra Leone (MSSL) joined with key country partners to streamline the process for securing duty waivers on the import of family planning (FP) commodities by non-governmental agencies. Though the potential for such waivers had always existed, the time and effort required to secure them was lengthy and often onerous. As agencies awaited their waivers, imported commodities could be held up for anything between 21 days and six months, exacerbating stockout situations and driving crippling demurrage² costs beginning on the sixth day after the commodities arrived at port.

RESEARCH AND NEGOTIATION

A one-time grant of \$40,000 from the Innovation Fund enabled MSSL to form an action committee of representatives from the Ministry of Health, a parliamentary health committee, UNFPA, USAID, the Planned Parenthood Association of Sierra Leone, and civil society at large. With back-up data from the RH Interchange, MSSL consulted heads of local FP organizations to ascertain both procurement and demurrage costs. They also scrutinized the example of Senegal, which had just recently removed import duties. A fact-finding visit to Senegal with members of the health ministry and the National Revenue Authority (NRA) yielded a set of key recommendations that were soon followed by dogged negotiations with government ministries, particularly the Ministry of Finance.

“Imported commodities could be held up for anything between 21 days and six months, exacerbating stockout situations and driving crippling demurrage² costs.”

In July 2013, the NRA agreed to put in place a new procedure for streamlining the previously cumbersome duty waiver application process. They agreed to approve waivers upon demand so that imported commodities could henceforth be cleared within one day of arrival. The potential impact is dramatic: no more delays, no more costly red tape, and no need for excessive demurrage costs.

The return on investment in this particular case is significant, with a \$40,000 grant leveraging a \$200,000 annual cost saving for the main procurers of contraceptive commodities in Sierra Leone, boosting the country's FP commodity budgets and potentially reducing stockouts downstream. It also presents the potential of being replicable, setting a precedent for multisectoral action to address similar policy barriers to commodity security in other countries, and an exemplary illustration of government engagement.

1. CYP estimates are based on a standard conversion factor of 3.5 years for 23,530 units of the 5-year contraceptive implant at a unit price of US\$8.50. (See: http://www.respond-project.org/pages/files/4_result_areas/Result_1_Global_Learning/LA_PM_CoP/Sonneveldt-CYP-2011-Update-Factors.ppt). CYP-derived impacts are provided by Jacqui Darroch, PhD, Guttmacher Institute.
2. "Demurrage" is the charge payable as a penalty for not collecting a shipment, i.e. for storage and security of that shipment until it is collected.

Marie Stopes Sierra Leone (MSSL)

Marie Stopes Sierra Leone (MSSL) is the largest non-governmental provider of Sexual and Reproductive Health (SRH) services in Sierra Leone, distributing 44% of all Family Planning (FP) methods across the country of which 51% are under 25 years old. Services delivered in 2011 will increase the estimated national contraceptive prevalence rate by 2.2%.

Award

Recipient: Marie Stopes Sierra Leone (MSSL)

Time period: Oct 15, 2012 – March 31, 2014

Amount: 40,000

What is the Innovation Fund?

The Innovation Fund was established in 2008, through a generous grant from the Bill and Melinda Gates Foundation. Managed by the Coalition Secretariat, the Innovation Fund has to date made available more than US\$2.2M in small grants (maximum US\$200,000 per grant) to Coalition partners. The grants – more than 20 altogether – have yielded new tools, supported advocacy and research, leveraged millions of dollars in subsequent program funding, and launched a host of new initiatives across the Global South.

Traditionally, the Coalition has defined the concept of "innovation" broadly to include any promising new idea with the potential to bring about positive change. Innovation needn't mean a radical departure from previous practice. It could also include new approaches to existing processes or the implementation of an existing strategy in a new context, especially if this adaptation leads to replication or scaling-up at country level.

Reproductive Health Supplies Coalition

Rue Marie-Thérèse 21, 1000 Brussels, Belgium

Tel: +32 2 210 0222 / Fax: +32 2 219 3363 / secretariat@rhsupplies.org