

Agenda

- The Opportunity
 - The problem
 - A Global Book Fund (GBF)
 - The work of R4D and IEP
 - Methodology and approach
 - Work to date and timeline
- Lessons from market shaping and health funds
 - Commodity procurement and programmatic support balance
 - Standardized support vs customized solutions
 - Sustainability
 - Mobilizing and channeling resources
- Building a case: emerging hypotheses and themes for analysis
 - The book value chain
 - ICT in the book value chain
 - Illustrative early hypotheses of market opportunities
 - Other areas for exploration
 - Phase 2 topics for consideration

The Opportunity



A massive problem

250 million children in the developing world are struggling to recognize even basic words and numbers.

There are very few textbooks and learning materials in developing country classrooms to help children learn to read.

With a focus on 4 key areas, the “Global Book Fund” will aim to increase the availability and affordability of reading materials



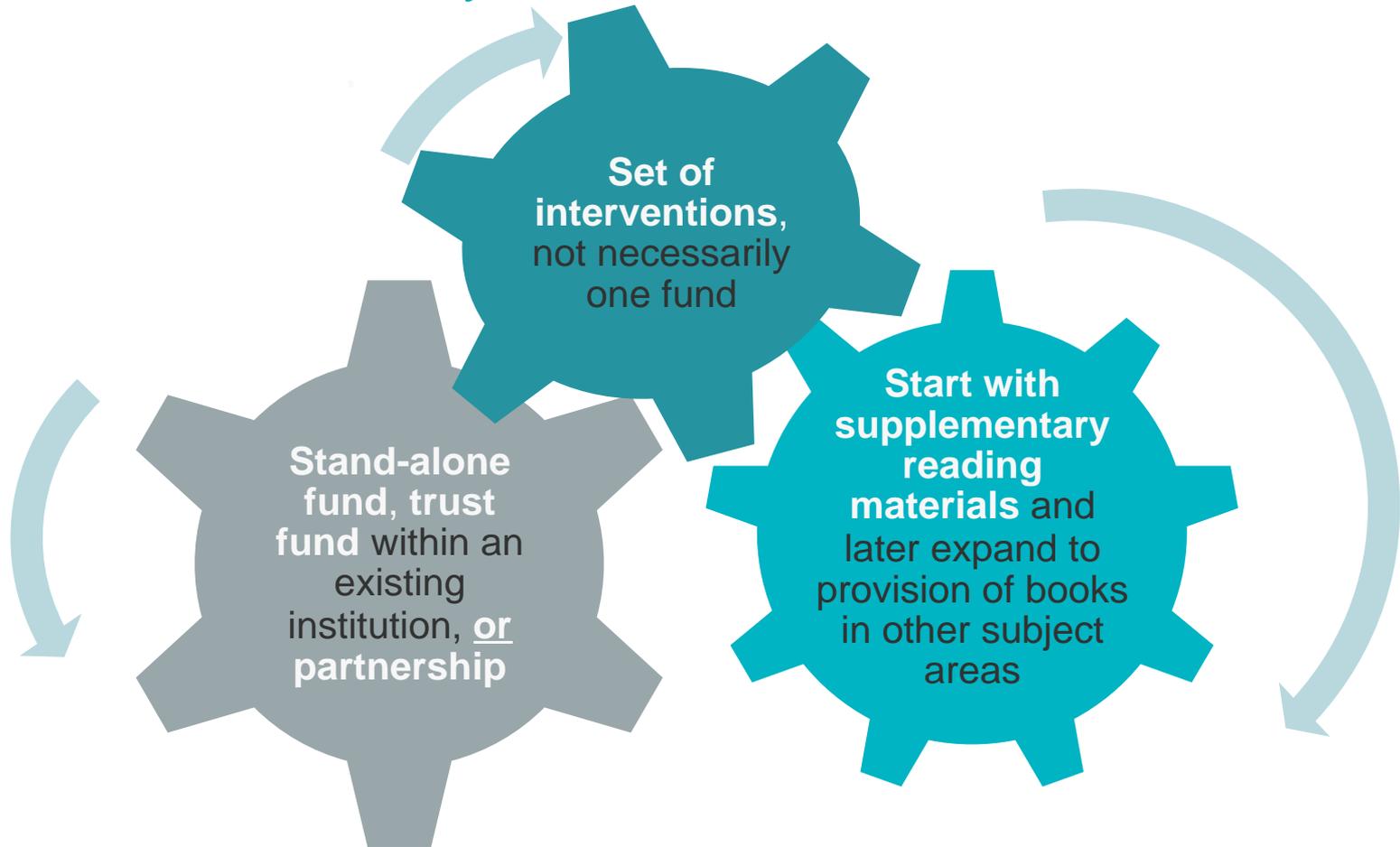
Transform the availability of reading materials to get the ‘right books’ to all children at the ‘right time.’

Select target countries based on interest in and commitment to improving learning outcomes

Drive market systems development to **increase quality, increase quantity, decrease cost**

Produce thousands of titles AND millions of copies of decodable and leveled readers

What do we mean by a “Global Book Fund?”



The most appropriate form and administrative structure depends on the role played by the GBF. Option(s) for the size, scope and structure will be carefully analyzed.

Leveraging market dynamics and health funds expertise, an IEP-R4D cross-team group was selected to:

Develop a business case for a “Global Book Fund”

Results for Development Institute

Cross-team project at R4D – Education, Health, Market Dynamics



International Education Partners

IEP has deep experience in curriculum review and reform, as well as in learning and teaching materials development.

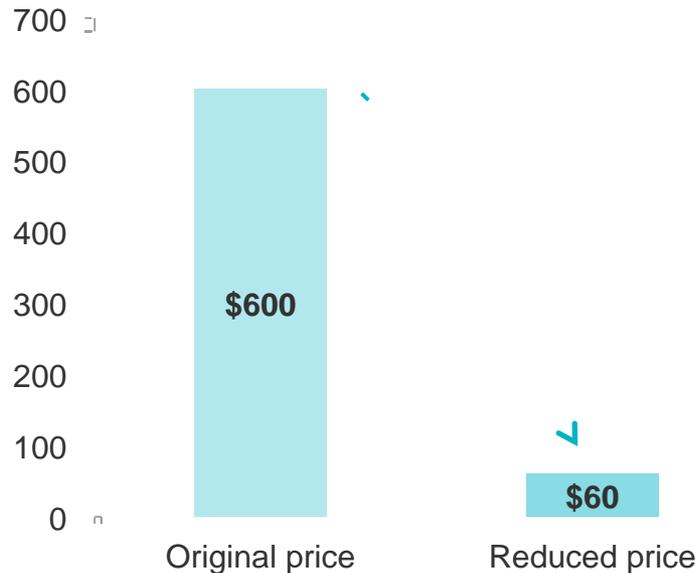


- A roster of senior experts in health and reading materials are providing additional guidance and insight.

The R4D team is leveraging lessons from prior market-shaping successes in the health and other sectors...

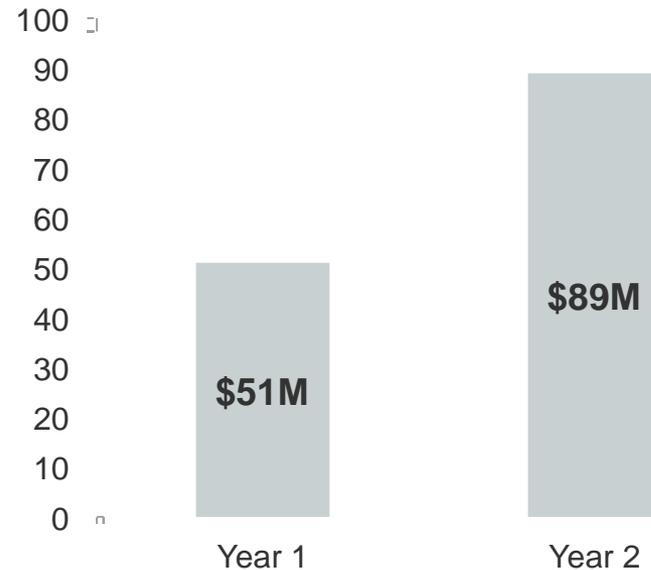
HIV/AIDS treatments for children were reduced by 90% via the CHAI-UNITAID program

Prices of annual treatment course of pediatric ARV drugs



\$140M in savings projected in part by streamlining Global Fund specifications

Projected savings from Global Fund malaria bed net tender



...while noting salient differences between health and education

- 1 Homogeneity of product**
 - Unlike drugs, reading materials need to be tailored to geography, language, and culture
- 2 Product development**
 - R&D efforts vary between the two sectors, with longer and more costly R&D for drugs and vaccines
- 3 Importance of programmatic pairing**
 - Provision of books also need to be paired with high-quality and well-trained teachers

These distinctions, among others, have important implications in the design of the GBF

Methodology

Phase 1

- Conduct feasibility study to develop an approach and potential options for a Global Book Fund

13 country desk and field studies

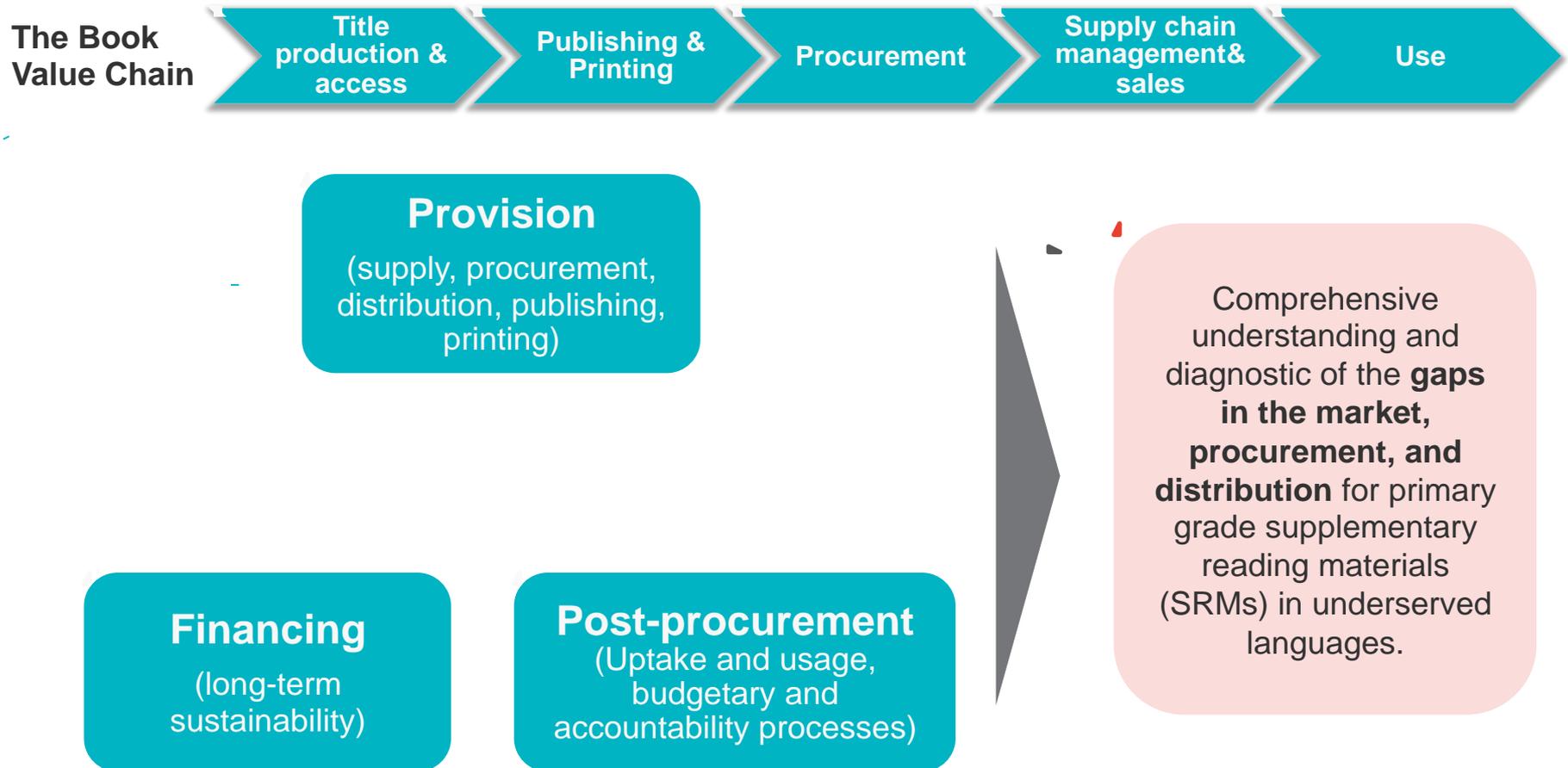
Global stakeholder interviews

Desk review of literature

Phase 2

- Refine governance and financing options for a Global Book Fund
- Pilot and assess the proposed interventions based on outcomes of Phase 1

Our Phase 1 analyses involve engaging multiple levels of the reading books space



Our cross-team, cross-sector, multi-country work is fully underway

Inception report	August - September 2015
Country level data collection	September - October 2015
First draft of report	January 2016
Operationalization and piloting of activities	February 2016 onwards



Lessons from market shaping and health funds



Funds often have to carefully balance and complement commodity procurement and programmatic support

Gavi

Majority of funding goes to the procurement of vaccines.

Some limited programmatic support (20% of total).

The Global Fund

Focus on both purchase of commodities and support for funding national programs to combat the three diseases.

Relevance to GBF:

Need to consider procurement of books and broader programmatic support to strengthen systems for effective use of books to boost learning outcomes.

Standardized support as well as customized solutions may be needed to fill broad and country-specific gaps

Gavi

Fairly standardized approach to providing support for a set of vaccines & supplies.

Limited programmatic support is more tailored.

The Global Fund

More tailored support aligned to country's national disease control plans and gaps.

Correlation between focus (commodities vs. program support) & degree of tailoring

Relevance to GBF:

Need to consider that some gaps in the books sector are relevant across countries while others may be country-specific, and craft approach accordingly.

Funds need to have mechanisms in place to ensure long-term sustainability

Gavi

Countries stop receiving support after reaching GNI p.c. threshold.

Five year transition process (some country tailoring) and grants to address bottlenecks.

Partners continue to provide technical assistance post-Gavi.

The Global Fund

Countries stop receiving support once GNI p.c. threshold met (some tailoring based on disease burden).

Less structured transition process.

Relevance to GBF:

Design a GBF with long-term programmatic sustainability in mind, consider exit criteria/transition processes.

Funds can play important roles in mobilizing resources for the commodities/programs they support

Gavi

\$11.6B in contributions
(2000-2015)

The Global Fund

>\$33B in contributions
(2002-2015)

Both receive a mix of support from donor governments, foundations, private sector, and innovative financing initiatives.

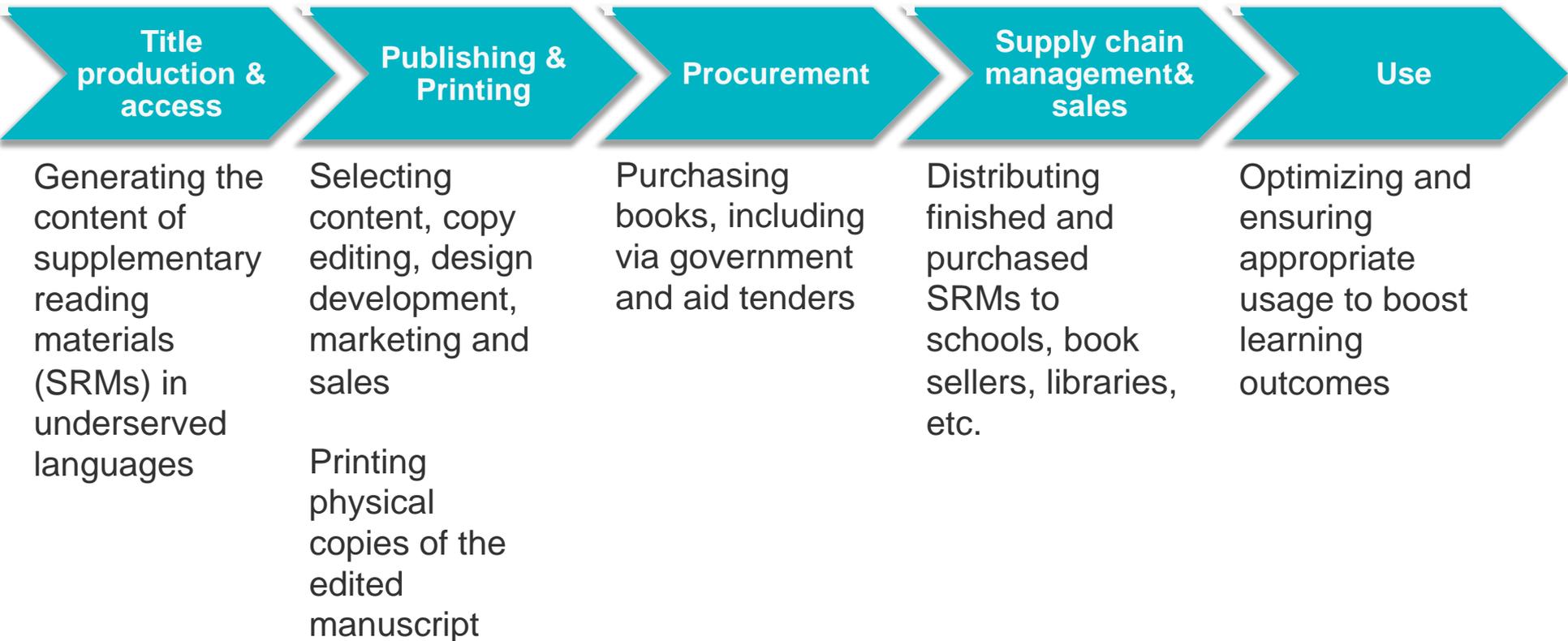
Relevance to GBF:

GBF could serve to both mobilize and channel financing.

Building a case: emerging hypotheses and themes for analysis



The book chain has multiple steps - each of which may present opportunities for efficiency and effectiveness gains



ICT may have potential to increase value chain efficiencies and boost learning

Pilots underway

Improve effectiveness and efficiencies of book chain processes

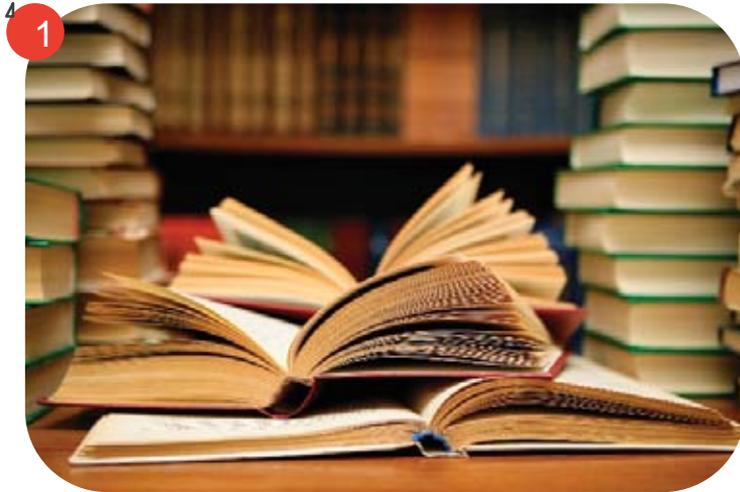
- Software for easier content development (Bloom)
- Global Reading Repository for title access
- “Track and trace” books to minimize “lost” material
- Computerized management systems

Analysis underway

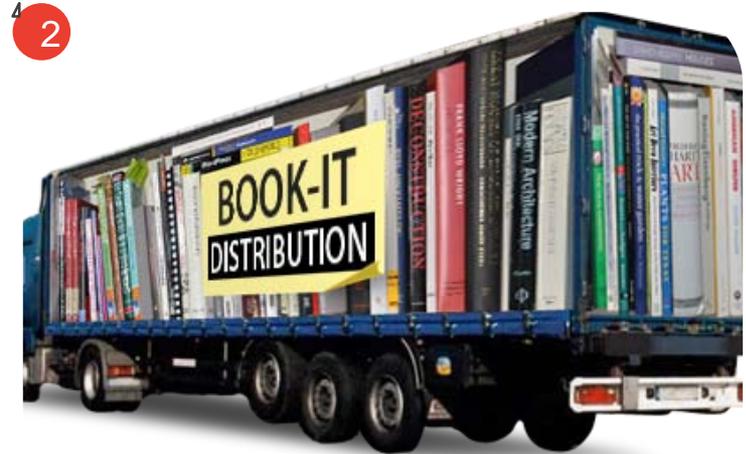
Improve access and quality of learning

- Need to assess:
 - Technical feasibility of digital materials given electrical, connectivity, environmental, and hardware and software considerations
 - Operational feasibility, considerations around policy and regulatory environment, and evidence around usage to boost learning
 - Financial feasibility

Two illustrative areas covered by our very early hypotheses on potential market opportunities for a Global Book Fund



Publisher efficiencies



Demand predictability



Increased financing certainty and payment timeliness could address inefficiencies amongst publishers and increase primary grade reading books affordability

Preliminary hypotheses on inefficiencies

- Publishers experience **payment lags** and risks associated with **unsold books**
- Publishers' overheads, bookseller margins, and profit represent **65-70% of retail prices**.



Potential solutions

- **Increasing the speed of payment** could reduce financing costs and lead to lower prices
- **Bulk orders guaranteed by a GBF** could reduce publishers' risks of overstocking and/or non-payment. The removal of risk would also reduce costs and prices

Health analogy

- The advent of major HIV/AIDS funds in 2003 drove lower costs – allowing for up **50% price decreases** on common AIDS drugs



Long-term agreements, improving demand forecasting, and pooling high-cost inputs could address inefficiencies in the printing sector

Preliminary hypotheses on inefficiencies

- A **lack of demand forecasting** limits printers to ad hoc printing requests, increasing lead times and decreasing plant efficiency
- **Paper costs fluctuate significantly**, with some printers reporting them to be as high as 50% of total costs



Potential solutions

- **Demand forecasting and market sizing** conducted by the GBF could reduce uncertainty and help printers improve production planning
- A GBF could **pool procurement of high cost inputs such as paper**, so reducing pricing uncertainty and lowering costs.

Health analogy

- The Global Fund projected the purchase of an additional **150 million malaria bed nets** through savings of \$630M over 5 years by improving demand visibility and moving to cost-effective technical specifications

What are other areas for exploration?

Library Hub
models?

Outsourcing
distribution?

Others?

Addressing
political
economy?

Standardizing
print
specifications?

Topics for consideration in Phase 2

- Refine options for the structure, institutionalization, governance, and financing of the GBF
- In-depth analysis on feasibility and provision of reading materials to targeted populations
- Test and explore specific approaches to demonstrate proof of concept
- Build momentum and buy-in from a range of stakeholders

Thank you! For questions:

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