



**POUR ELLE**

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**18<sup>TH</sup> GENERAL MEMBERSHIP MEETING OF THE  
REPRODUCTIVE HEALTH SUPPLIES COALITION**

# Assessing market health and system performance for FP commodities: some recent learnings

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# Healthy systems & markets are needed to realize our vision and goals

## How we assess market health and system performance for family planning at the global and country levels

| Market     | Purchaser / user   | Performance dimension                     | Description  |
|------------|--|---|--|
| Global     | Donors, governments and private procurers (including NGOs, SMOs) | Product quality & innovation              | <ul style="list-style-type: none"> <li>▪ <b>A diverse range of products that meet user needs and preferences</b> <ul style="list-style-type: none"> <li>– Broad set of products that appropriately address varied user demands</li> <li>– Effective, safe, high-quality products</li> </ul> </li> <li>▪ <b>Market incentives support innovation for both new and improved products</b></li> </ul>  |
|            |  | Adequate capacity and minimal supply risk | <ul style="list-style-type: none"> <li>▪ <b>The right volume and minimal production risk</b> <ul style="list-style-type: none"> <li>– No supply and demand gap</li> <li>– High forecast accuracy and/or ability to flex capacity to manage unpredictability</li> <li>– Sufficient diversity of suppliers to ensure competition in light of demand growth</li> <li>– Sustainable margins and price relative to cost</li> </ul> </li> </ul>    |
|            |  | Funding and affordability                 | <ul style="list-style-type: none"> <li>▪ <b>Sufficient funding for global purchases of low-cost commodities by donors, countries, and private procurers</b> <ul style="list-style-type: none"> <li>– Low prices to procurers relative to substitutes and peer markets</li> <li>– Funding is in place to support consistent supply of commodities and services, reaching those with highest need</li> </ul> </li> </ul>                       |
| In-country | End users  |   | <ul style="list-style-type: none"> <li>▪ <b>End user is willing and able to pay for the cost of preferred product</b> <ul style="list-style-type: none"> <li>– Price relative to substitutes, peer markets, and other channels</li> </ul> </li> </ul>  |
|            |  | Availability                              | <ul style="list-style-type: none"> <li>▪ <b>A range of products and method types are properly distributed across service delivery points to reach users</b> <ul style="list-style-type: none"> <li>– Low percentage of <u>stockouts</u> to support method choice</li> <li>– High forecast accuracy and/or sufficient visibility to manage fluctuations</li> <li>– Service delivery points are accessible to end users</li> </ul> </li> </ul> |
|            |  | Service delivery                          | <ul style="list-style-type: none"> <li>▪ <b>A range of products and method types can be administered effectively by appropriate healthcare providers at service delivery points</b> <ul style="list-style-type: none"> <li>– Facilities have health care workers capable of counseling and administering products, and policy enables a broad range of suitable providers to deliver</li> </ul> </li> </ul>                                  |

## Our vision

**Our goal is 120x20 on the pathway to universal access**

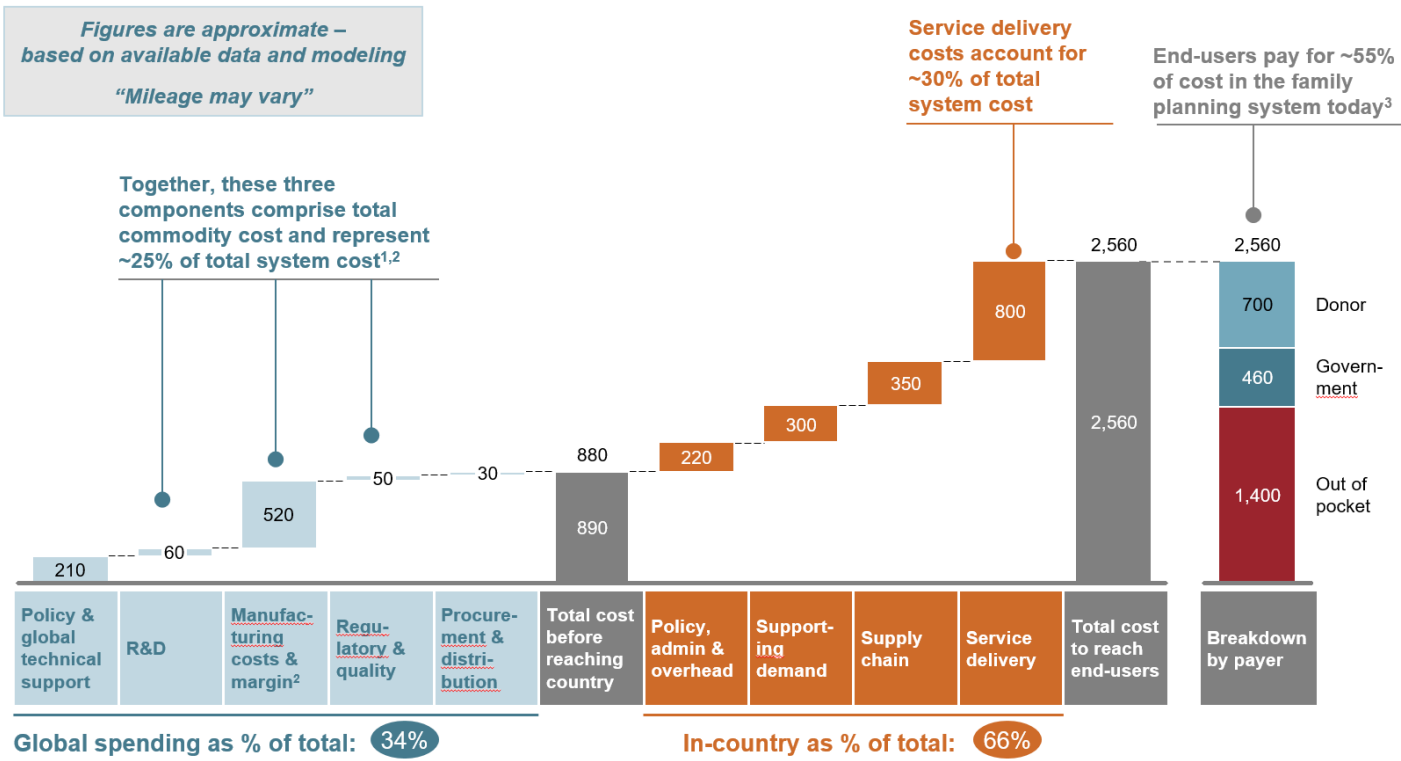
**The way that we do this is by creating sustainable systems** that do not rely on donor financing and provide access to affordable, preferred methods for the end user

**Specific dashboard indicators** that will demonstrate our progress include:

- **Improve quality, accessible commodities** (e.g. 3+ methods available at service delivery points)
- **Improve quality, accessible services** (e.g. method mix concentration score; modern share of method mix)
- **Improve quality accessible counseling** (e.g. FP information availability & method information index)

# The majority of current costs in the FP system are at the country-level, and end users bear most of the cost

Current state of annual family planning total system cost in 69 FP2020 countries, \$M, 2016



## Additional comments

- This cost breakdown represents current state – costs in certain areas of the family planning system could increase in the future (e.g. R&D)
- This provides a starting point to identify areas of potential efficiency gain – it is not a performance review

## Key total system cost stats for the 69 FP2020 countries

- ~300M Users of modern contraception
- ~9 Total system cost per user, \$
- ~180M Users of non-sterilization modern methods
- ~12 Total system cost per non-sterilization user of modern methods, \$

<sup>1</sup> These three waterfall steps comprise total commodity costs, with the exception of R&D which also includes investments from outside industry, specifically NIH funding for development of contraception; <sup>2</sup> Manufacturing costs and margin are impacted by procurement practices given pricing differences; <sup>3</sup> Estimated breakdown – existing estimates in family planning community vary. Estimates used are based on Avenir Health methodology using DHS and NIDI survey data. Numerous country level data points are missing. Estimates correspond to those of Avenir Health in FP Momentum at the Midpoint Report.

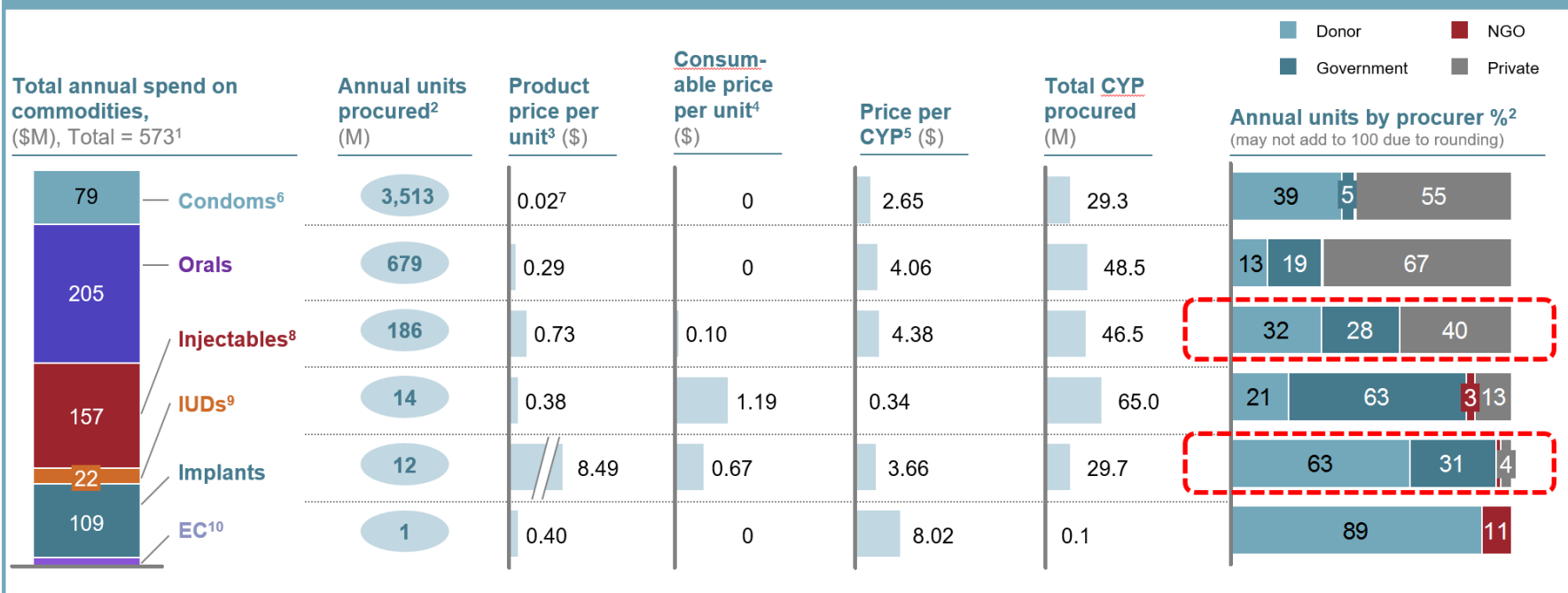
# Each FP method has distinctive market features, and has evolved over time

## Results of our market health assessment, by method

| Method                                    | Where the market has come from   | Present  |
|---|--|--|
| <b>Injectables</b><br><i>(focus area)</i> | <ul style="list-style-type: none"> <li>▪ <b>DMPA-SC introduced in 2013</b>, price brought to \$1.00 in 2014</li> <li>▪ <b>DMPA-IM available at \$1.24 in 2005</b>, brought down to \$0.85</li> </ul> | <ul style="list-style-type: none"> <li>▪ <b>DMPA-SC</b>: Sole supplier; recent agreement to reduce price to \$0.85</li> <li>▪ <b>DMPA-IM</b>: Single supplier; 2-3 generics near PQ</li> </ul> |
| <b>Implants</b><br><i>(focus area)</i>    | <ul style="list-style-type: none"> <li>▪ <b>Unit cost between \$18 and \$20</b> between 2011-2013</li> <li>▪ <b>2 suppliers</b></li> </ul>   | <ul style="list-style-type: none"> <li>▪ <b>Global access initiative price of \$8.50</b></li> <li>▪ <b>Dahua recently PQ 'd</b></li> </ul>   |
| IUDs                                      |  | <ul style="list-style-type: none"> <li>▪ <b>Research &amp; evidence generation underway</b> to better understand market for hormonal IUD</li> </ul>  |
| EC  |  | <ul style="list-style-type: none"> <li>▪ <b>WHO developing practice guidelines for EC with recurring use</b></li> </ul>  |
| Orals                                     | <ul style="list-style-type: none"> <li>▪ <b>Have gone from 2 to 15 PQ'd suppliers</b> over the past 6 years</li> </ul>   | <ul style="list-style-type: none"> <li>▪ <b>Wide range of generics, but donor market concentrated with Bayer<sup>3</sup></b></li> </ul>  |
| Condoms                                   | <ul style="list-style-type: none"> <li>▪ <b>Oldest modern methods</b> – scaled up significantly with HIV epidemic</li> </ul>   | <ul style="list-style-type: none"> <li>▪ <b>Widely available; multiple suppliers</b></li> </ul>  |

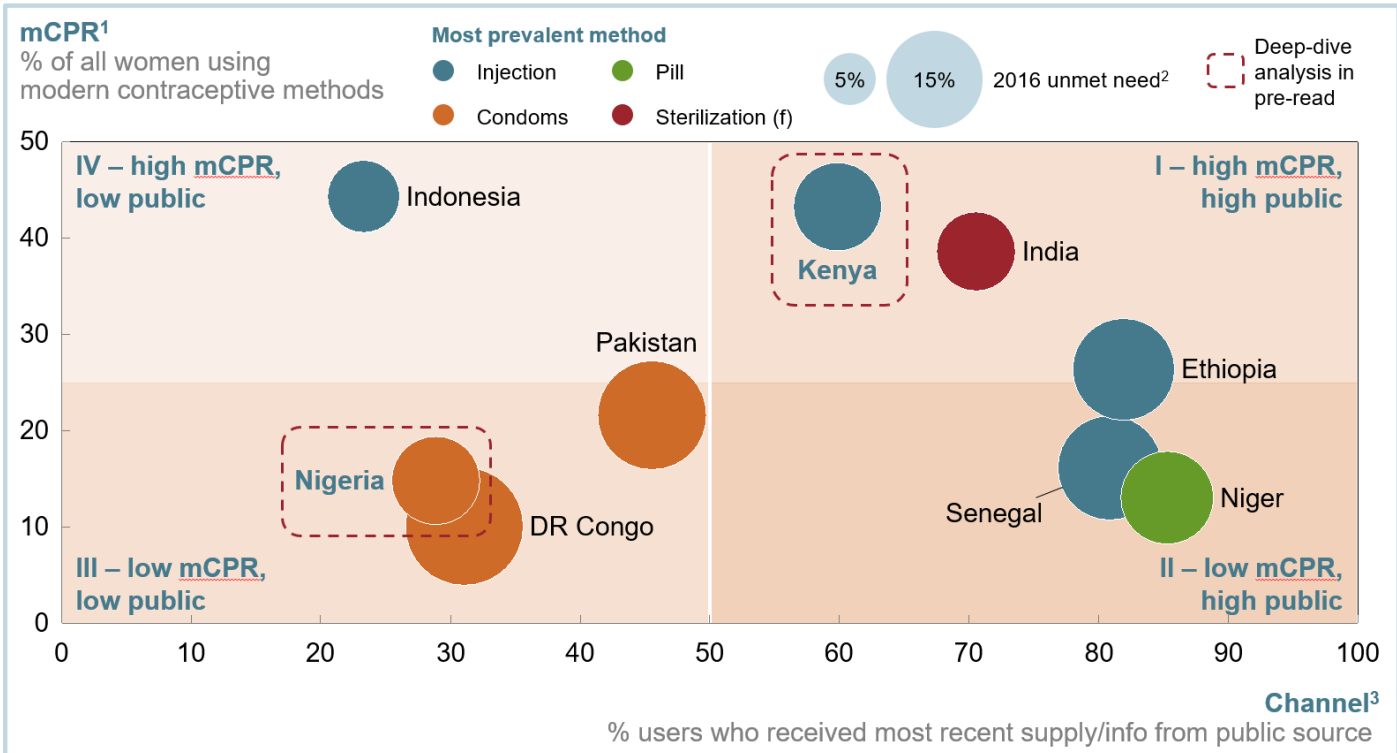
# Methods vary significantly by product price and procurement profiles

Overview of method-specific economics in 69 FP2020 countries (all focused on product price, not total system cost)



1 Total commodity cost is inclusive of COGS & margin; PQ & regulatory spend and R&D costs borne by manufacturers; excludes female condoms and consumables cost for sterilization (which is included in overall TSC) 2 Modeled annual units procured is based on 2015 (latest full year) procurement data from RHI and CHAI and imputed private sector demand 3 Represents weighted average price across products based on 2016 RHI donor procurement – excludes distribution costs 4 Based on Guttmacher (2014), except for Injectables where assumption is based on \$0.07 for syringe and \$0.02 for bandage and topical antiseptic and \$0.01 for pregnancy test 5 Units procured multiplied by units per CYP based on Guttmacher (2014) 6 Female condom users are not directly reported in data – some government procurement of female condoms is captured in male condoms due to CHAI data availability 7 Donor procurement price is typically \$0.03 vs \$0.015 in the private sector 8 Injectables includes both SC and IM; in 2016 donor procured SC volumes were 736,600 at \$1.12 – recent agreements with Pfizer have brought SC price down to IM level 9 Price reflects only non-hormonal IUDs which range from \$0.25-\$0.56, hormonal IUDs can reach up to \$15 10 Data visibility on EC use is especially poor; EC users are not directly reported in data - additional EC volume likely captured within Orals

# Countries vary significantly in their channel, method, and mCPR dynamics



## Key takeaways

- There isn't a clear relationship or strong correlation among mCPR, channel mix, and method mix
- This variability suggests that tailored-interventions are needed at a country level

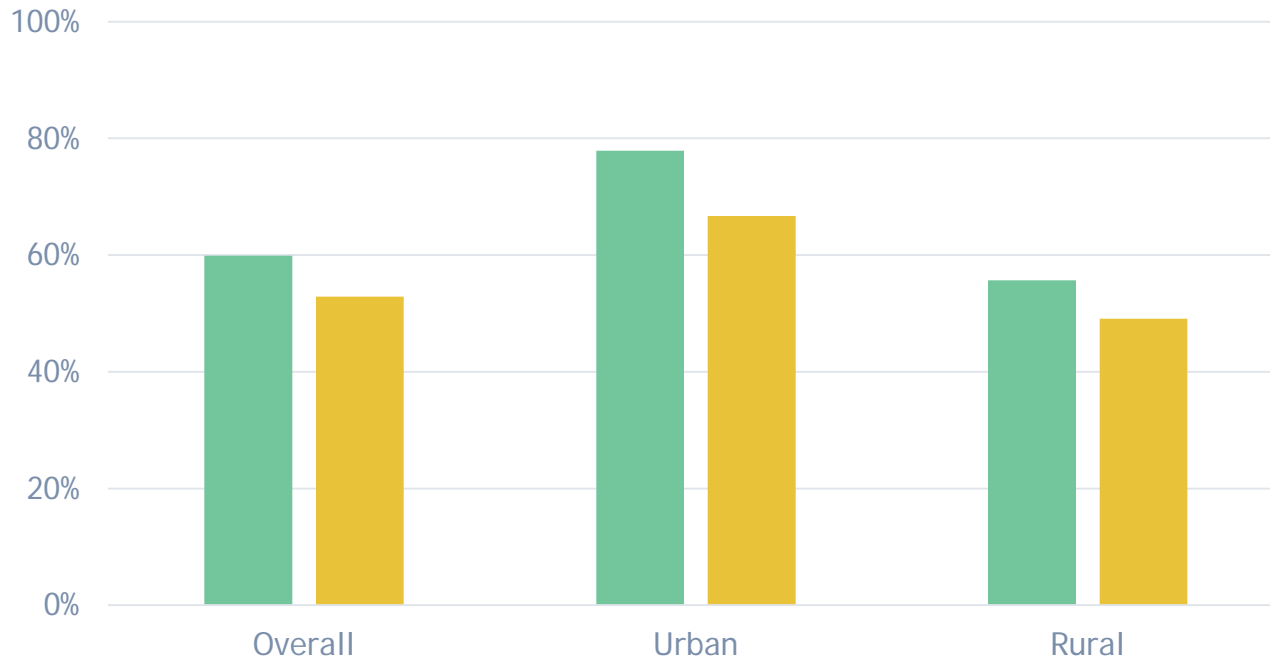
<sup>1</sup> Percentage of all women using a modern method of contraception in 2016, source: Gates Investment Model

<sup>2</sup> Percent of all women aged 15-49 who do not want to become pregnant but are not using any contraception; source: DHS various years

<sup>3</sup> Percentage of women currently using modern contraceptive methods who received their most recent supply or information from a public source; source: DHS various years

# The Problem: Condom use is decreasing or plateauing in many markets.

TANZANIA: CONDOM USE AT LAST SEXUAL INTERCOURSE AMONG MEN WHO PAID FOR SEX IN THE LAST 12 MONTHS



Sources: THMIS 2007/2008 and THMIS 2011/2012

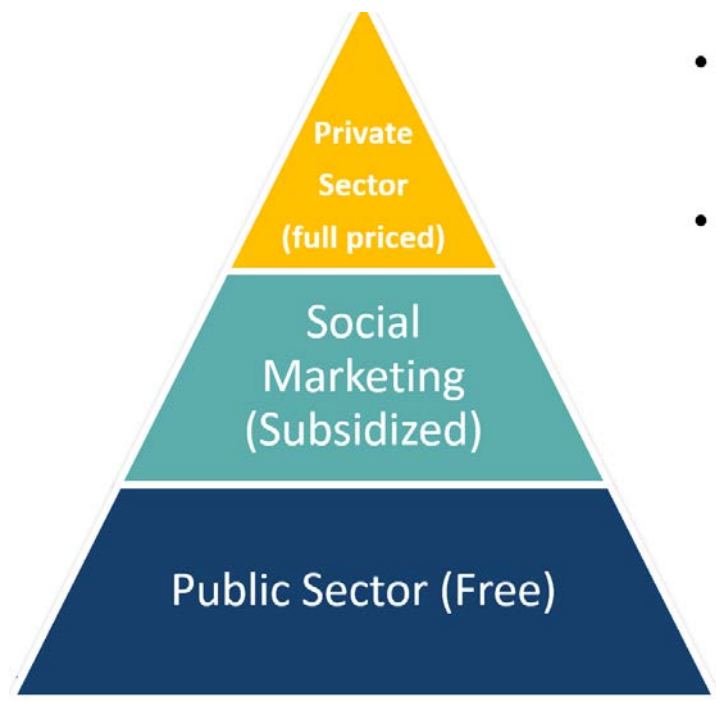
■ 2007 ■ 2012

# What is a healthy condom market?

**Healthy market = ↑ Condom Use across all population groups  
+  
↑ Condom Volumes + ↓ Reliance on external funding**



# Moving from TMA Sector Focus to Market Function Focus



- Concept of Total Market Approach has been around for over a decade.
- TMA as an operational framework is limited to analysis of the role of **sectors**, rather than understanding specific **functions** in the market that are underperforming, and the causes of that under-performance

# Condom Program Pathway

## Condom Market Stewardship

Leadership & Coordination; Financing;  
Policy & Regulation

## Condom Market Management

Equity & Sustainability



## Condom Market Development

Analytics; Supply; Demand



**Mann Global Health**  
HEALTHIER PEOPLE. STRONGER GLOBAL HEALTH ORGANIZATIONS.

# Specific Intervention 1

*Assign a market facilitator to foster an enabling environment for the total condom market across all market players.*

# Specific Intervention 2

*Invest resources in building market information as a public good for evidence-based decision making at all levels of the market.*

# Specific Intervention 3

*Ensure highly targeted and leveraged donor investment in Demand needed to move Use closer to Need.*

# Specific Intervention 4

*Improve supply chain by leveraging current investments and securing additional resources for all players in the public and private sector value chain.*

# Dashboards supporting decision-making

- Gauge and track country-specific performance over time, using indicators supporting Condom Program Pathway
- Benchmark/compare multiple countries' performance
- Advocate and inform stakeholders on the importance of market intelligence, and identify critical market functions supporting sustainable condom markets
- Identify and advocate for interventions/resources to improve market health

# Condom Pathway working prototype dashboard

## Country comparison

Choose country/ies.

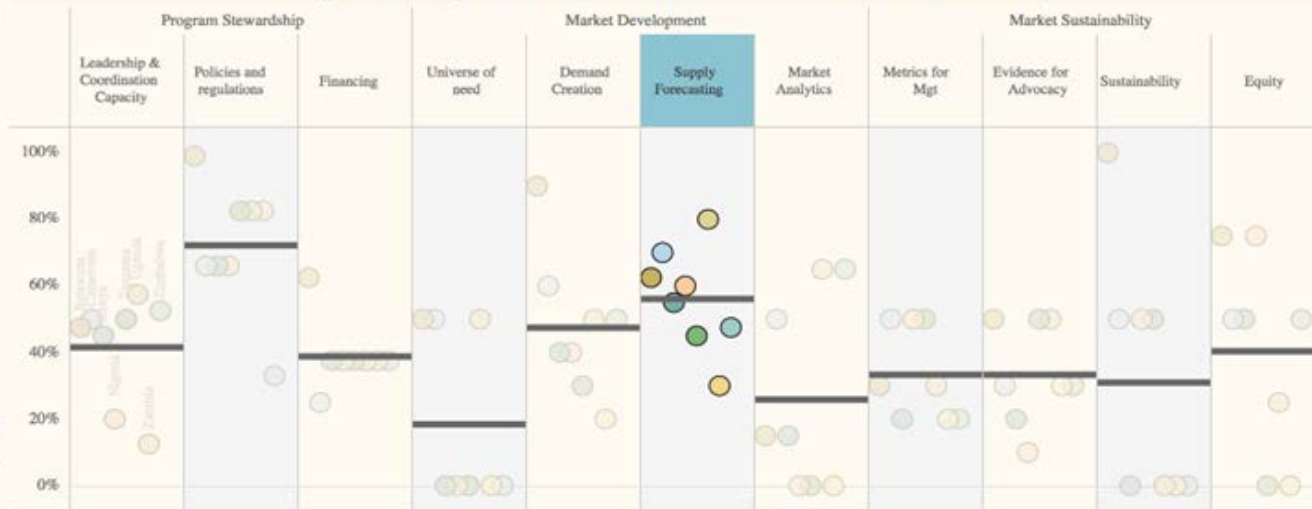
(All)

Click country to

- Botswana ●
- Cameroon ●
- Kenya ●
- Nigeria ●
- Tanzania ●
- Uganda ●
- Zambia ●
- Zimbabwe ●

Average of all countries

Weighted scores per Element (Click on an Element label to see details below.)



## Supply forecasting (Hover for details.)





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Thank you for your  
attention!

A stylized, monochromatic illustration of a tree with several branches and leaves, rendered in a dark grey color against a black background. The tree is positioned on the right side of the frame, with its trunk and branches extending towards the left. The leaves are simple, rounded shapes.