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

<table>
<thead>
<tr>
<th>Performance dimension</th>
<th>Description</th>
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</table>
| **Product quality & innovation** | - A diverse range of products that meet user needs and preferences  
- Broad set of products that appropriately address varied user demands  
- Effective, safe, high-quality products  
- Market incentives support innovation for both new and improved products |
| **Adequate capacity and minimal supply risk** | - The right volume and minimal production risk  
  - No supply and demand gap  
  - High forecast accuracy and/or ability to flex capacity to manage unpredictability  
  - Sufficient diversity of suppliers to ensure competition in light of demand growth  
  - Sustainable margins and price relative to cost |
| **Funding and affordability** | - Sufficient funding for global purchases of low-cost commodities by donors, countries, and private procurers  
  - Low prices to procurers relative to substitutes and peer markets  
  - Funding is in place to support consistent supply of commodities and services, reaching those with highest need |
| **End user is willing and able to pay for the cost of preferred product** | - Price relative to substitutes, peer markets, and other channels |
| **A range of products and method types are properly distributed across service delivery points to reach users** | - Low percentage of stockouts to support method choice  
- High forecast accuracy and/or sufficient visibility to manage fluctuations  
- Service delivery points are accessible to end users |
| **A range of products and method types can be administered effectively by appropriate healthcare providers at service delivery points** | - Facilities have health care workers capable of counseling and administering products, and policy enables a broad range of suitable providers to deliver |
The majority of current costs in the FP system are at the country-level, and end users bear most of the cost.
Each FP method has distinctive market features, and has evolved over time

<table>
<thead>
<tr>
<th>Method</th>
<th>Where the market has come from</th>
<th>Present</th>
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<tbody>
<tr>
<td>Injectables</td>
<td>• DMPA-SC introduced in 2013, price brought to $1.00 in 2014</td>
<td>• DMPA-SC: Sole supplier; recent agreement to reduce price to $0.85</td>
</tr>
<tr>
<td>(focus area)</td>
<td>• DMPA-IM available at $1.24 in 2005, brought down to $0.85</td>
<td>• DMPA-IM: Single supplier; 2-3 generics near PQ</td>
</tr>
<tr>
<td>Implants</td>
<td>• Unit cost between $18 and $20 between 2011-2013</td>
<td>• Global access initiative price of $8.50</td>
</tr>
<tr>
<td>(focus area)</td>
<td>• 2 suppliers</td>
<td>• Dahua recently PQ’d</td>
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<tr>
<td>IUDs</td>
<td></td>
<td>• Research &amp; evidence generation underway to better understand market for hormonal IUD</td>
</tr>
<tr>
<td>EC</td>
<td></td>
<td>• WHO developing practice guidelines for EC with recurring use</td>
</tr>
<tr>
<td>Orals</td>
<td>• Have gone from 2 to 15 PQ’d suppliers over the past 6 years</td>
<td>• Wide range of generics, but donor market concentrated with Bayer³</td>
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<tr>
<td>Condoms</td>
<td>• Oldest modern methods – scaled up significantly with HIV epidemic</td>
<td>• Widely available; multiple suppliers</td>
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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)

<table>
<thead>
<tr>
<th>Total annual spend on commodities, ($M), Total = 573&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Annual units procured&lt;sup&gt;2&lt;/sup&gt; (M)</th>
<th>Product price per unit&lt;sup&gt;3&lt;/sup&gt; ($M)</th>
<th>Consumable price per unit&lt;sup&gt;4&lt;/sup&gt; ($)</th>
<th>Price per CYP&lt;sup&gt;5&lt;/sup&gt; ($)</th>
<th>Total CYP procured (M)</th>
<th>Annual units by procurer %&lt;sup&gt;2&lt;/sup&gt; (may not add to 100 due to rounding)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condoms&lt;sup&gt;6&lt;/sup&gt;</td>
<td>79</td>
<td>3,513</td>
<td>0.02&lt;sup&gt;7&lt;/sup&gt;</td>
<td>0</td>
<td>2.65</td>
<td>29.3</td>
</tr>
<tr>
<td>Orals</td>
<td>205</td>
<td>679</td>
<td>0.29</td>
<td>0</td>
<td>4.06</td>
<td>48.5</td>
</tr>
<tr>
<td>Injectables&lt;sup&gt;6&lt;/sup&gt;</td>
<td>157</td>
<td>186</td>
<td>0.73</td>
<td>0.10</td>
<td>4.38</td>
<td>46.5</td>
</tr>
<tr>
<td>IUDs&lt;sup&gt;9&lt;/sup&gt;</td>
<td>117</td>
<td>14</td>
<td>0.38</td>
<td>1.19</td>
<td>0.34</td>
<td>65.0</td>
</tr>
<tr>
<td>Implants</td>
<td>109</td>
<td>12</td>
<td>8.49</td>
<td>0.67</td>
<td>3.66</td>
<td>29.7</td>
</tr>
</tbody>
</table>

<sup>1</sup> Total commodity cost is inclusive of COGS & margins; PQ & regulatory spend and R&D costs borne by manufacturers; excludes female condoms and consumables cost for sterilization (which is included in overall TSC).<sup>2</sup> Modeled annual units procured is based on 2015 (latest full year) procurement data from Bhtl and CHAI and imputed private sector demand. Represents weighted average price across products based on 2016 Bhtl donor procurement—excludes distribution costs.<sup>3</sup> 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. Predicted a unit price of $0.015 in the private sector.<sup>4</sup> Includes both SC and IM; in 2016 donor procured SC volumes were 736,000 at $1.12—recent agreements with Pfizer have brought SC price down to IM level. 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.

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1 Percentage of all women using a modern method of contraception in 2016, source: Gates Investment Model
2 Percent of all women aged 15-49 who do not want to become pregnant but are not using any contraception; source: DHS various years
3 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
What is a healthy condom market?

Healthy market = \( \uparrow \) Condom Use across all population groups + 

\( \uparrow \) Condom Volumes + \( \downarrow \) 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 underperformance.
Condom Program Pathway

**Condom Market Stewardship**
Leadership & Coordination; Financing; Policy & Regulation

**Condom Market Management**
Equity & Sustainability

**Condom Market Development**
Analytics; Supply; Demand
Assign a market facilitator to foster an enabling environment for the total condom market across all market players.
Invest resources in building market information as a public good for evidence-based decision making at all levels of the market.
Ensure highly targeted and leveraged donor investment in Demand needed to move Use closer to Need.
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
Thank you for your attention!