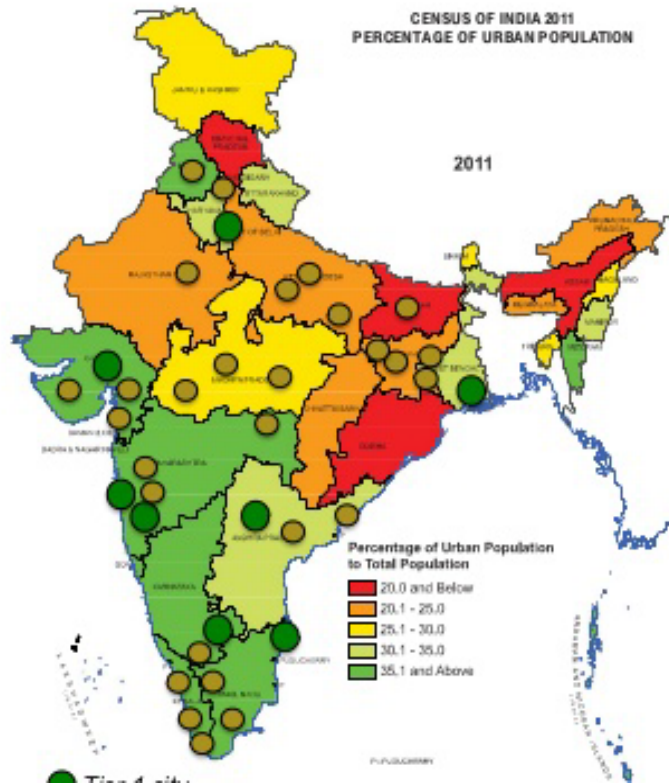


Shaping healthy FP markets in India



Moderator: Marcie Cook, Vice President, PSI, Social Enterprise.
Speaker: Shankar Narayanan, MD, PSI India Pvt Ltd.

India: So much promise and yet....



People

- Population: 1.21 Billion
- Urban and Rural population share at 31% and 69%, respectively
- Top 20 cities account for ~5.3% of its total population
- 28 states & 7 Union Territories

Key, Select Economic Indicators

- GDP, Purchasing Power Parity basis
 - Total: US\$ 5.3 Trillion
 - Per Capita: US\$ 4,209

○ Nearly 70% of medical expenditure in non-hospitalised treatment is spent on purchasing medicines

○ Over 70% ailments treated in the private sector

○ Over 80% of population is not covered under any insurance scheme

○ Nearly 25% families in rural India depend on 'borrowings' to meet health expenses

Too Close

59.3 % of births (Approx. 16 million births) have birth interval of less than 36 months

Too Many

24% (Approx. 6.5 million births) are 3rd or more order births

Too Early

6.3% of births (Approx. 1.7 million births) are in mothers with age group 15-19 years

Deep Dive to identify critical market failures of the FP market in India

- 1** How does the market system work, what are its key functions and who are the key players (private, public, formal, and informal)?
- 2** What are the dynamics of the market in terms of its overall effectiveness, competitiveness, productivity, or level of coverage or access?
- 3** What are the potential opportunities to improve market performance to meet total FP needs in the market?

1. Set the Strategic Framework:

Who is the market failing?

Who is the Market Failing? | All Women & Girls.

The market is failing WRAs across urban and rural areas of both UP and Bihar

The market is most acutely failing young, lower wealth quintile women in peri-urban & rural areas

Use / need gap in relative terms has declined

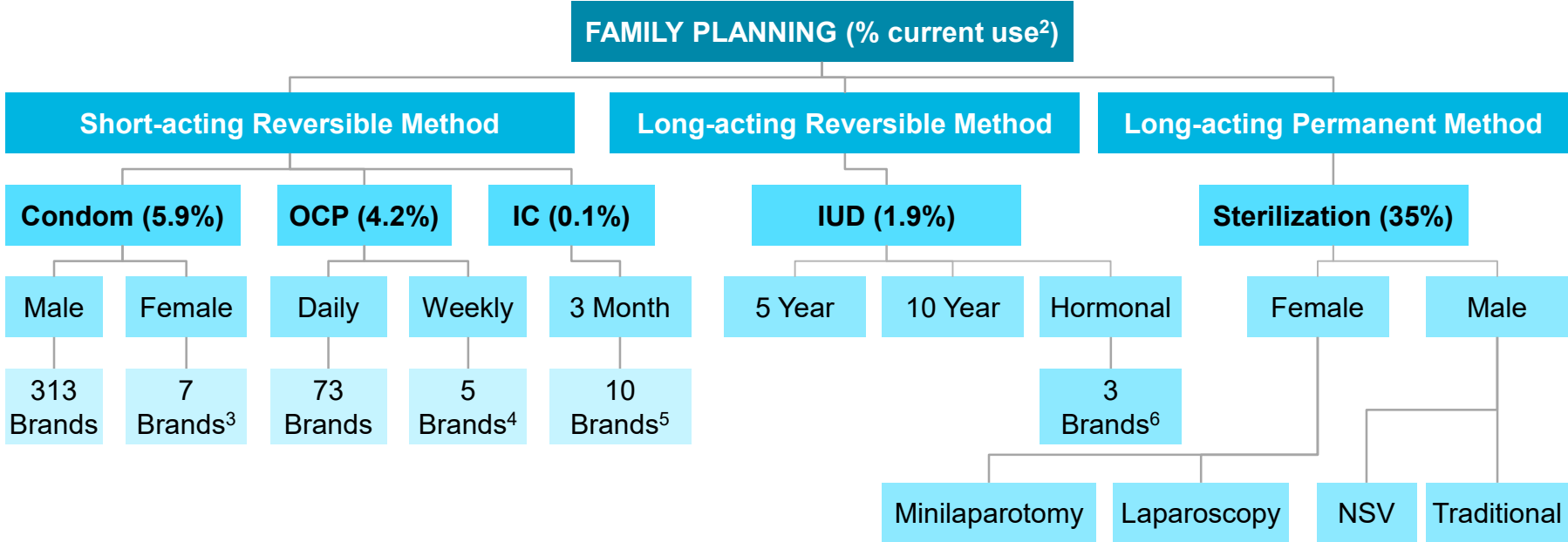
Lack of appropriate design is a key reason for discontinuation

2. Understand the Total Market:

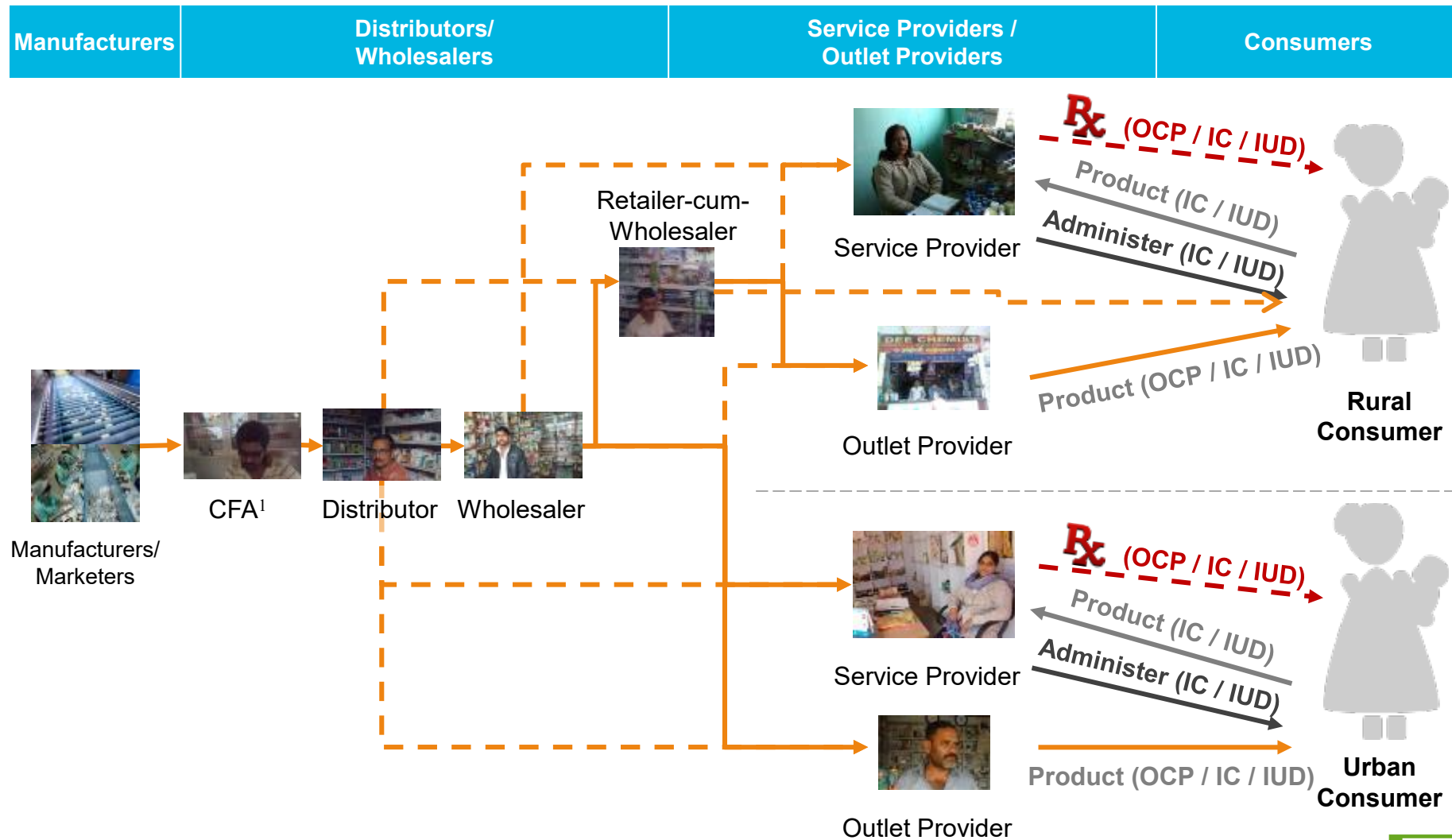
How is the market failing?

Market Breadth | Product and service landscape in India

Select FP Products / Services Available in India¹



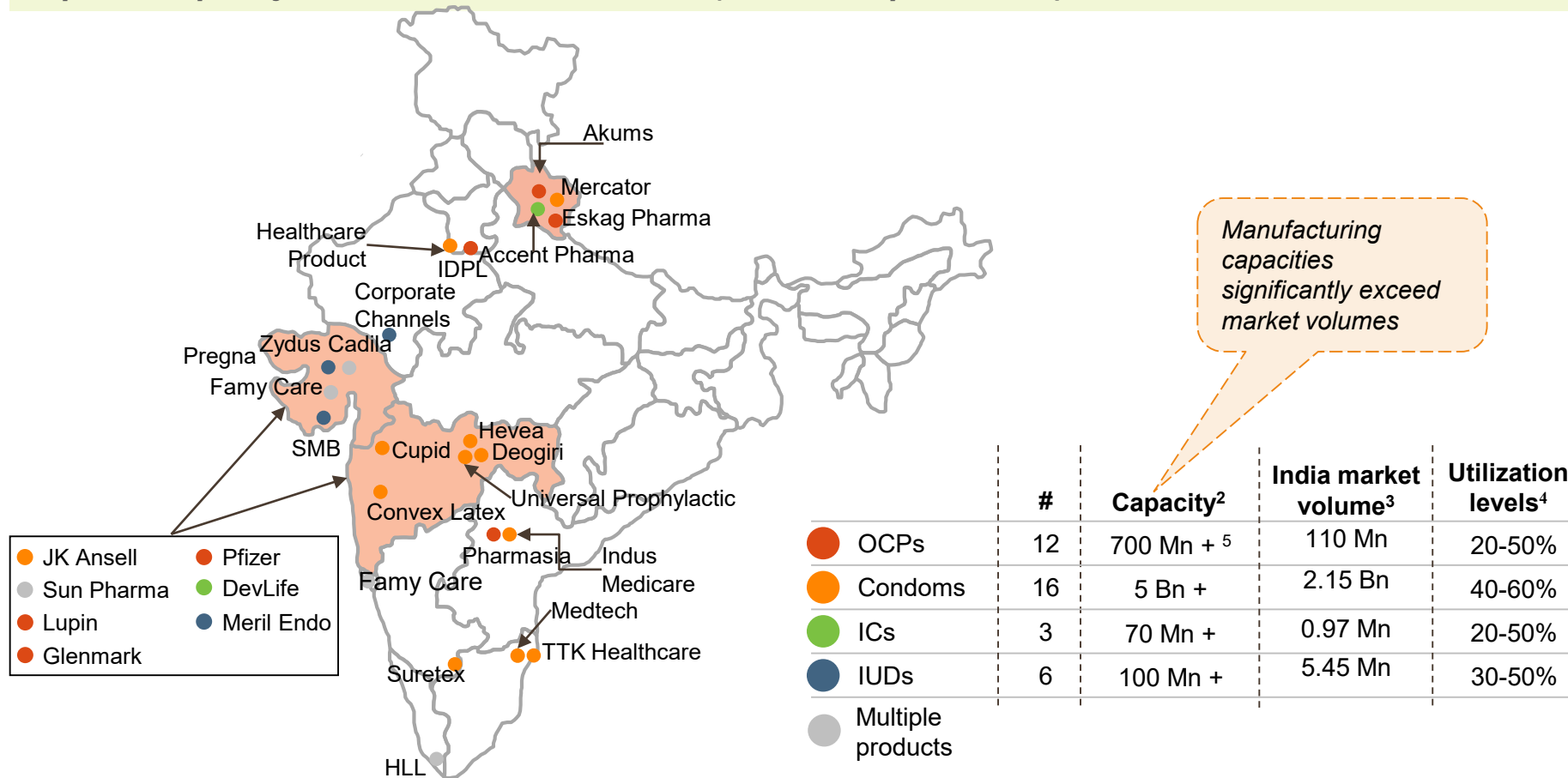
How does the product reach the consumer? Private sector value chain



¹CFA – Carrying & Forwarding Agent
Source: FSG Analysis

Manufacturers | Large capacity, significantly underutilized domestically.

Most manufacturers are concentrated in Gujarat, Maharashtra, and Uttarakhand, and are focused on exports; capacity exceeds domestic demand (and actual production)

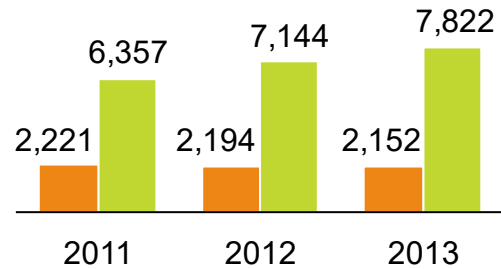


¹The number of manufacturers is not exhaustive. By FSG estimates, they cover 60-90% of domestic production; ²Capacity information not available for all manufacturers; ³India market volumes for 2013; ⁴Overall utilization levels; ⁵OCP data is in Mn cycles
Sources: Primary interviews; Secondary research; FSG Analysis

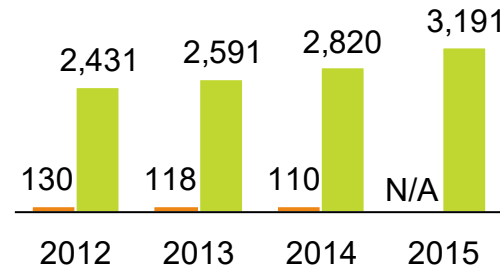
Market Depth | Across Method remains stagnant (Volume)

Market volumes are stagnant or declining for most methods, except ICs, whose volumes are small but rising

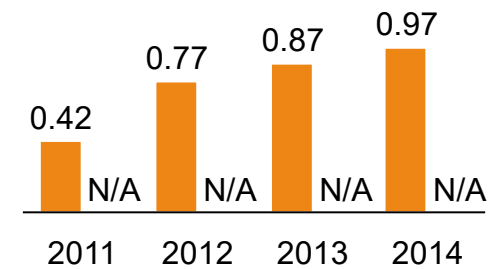
Condoms



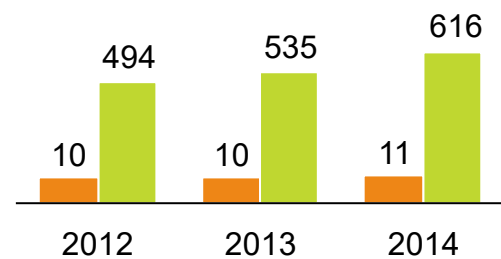
OCPs¹



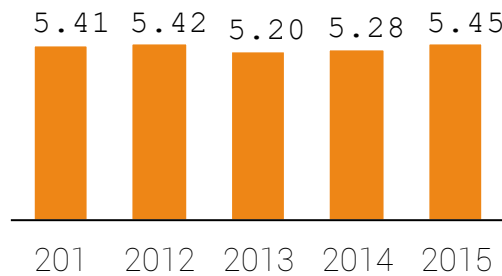
ICs²



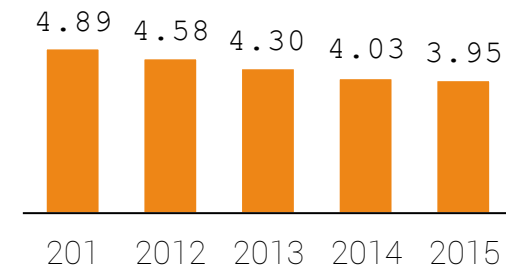
ECPs³



IUDs⁴



Sterilizations



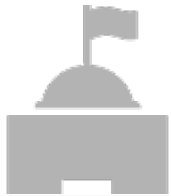
■ Volume (in million units)
 ■ Value (in INR million)

¹ OCPs data is for million cycles, market value for OCPs only includes non-subsidized products sold through the commercial channel; ²The scale for IC volumes has been modified for representation purposes; ³Market values for ECPs only includes products sold through the commercial channel; ⁴IUD volumes based on number of units inserted, as per HMIS records.

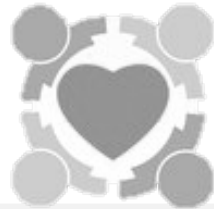
Note: This category level market value excludes medical abortion pills (MAPs); data for Condoms, OCPs, ECPs and ICs calculated using multiple sources. Private sector data available for year Oct-Sept; SMO / public sector data available for year Apr-Mar.

Sources: IMS TSA data; DKT SMO data; MoHFW HMIS; FSG Analysis

How is the Market Failing?



Government incentives for sterilization are distorting demand for other methods and players across the value chain



Domestic product market is over-reliant on SMOs, and this is limiting market growth



OB.GYN/MBBS doctors are not providing balanced and adequate FP



Domestic manufacturers' capacity (for innovation, range and scope) is not reflected in the domestic market

Vision for the Indian FP market

Towards

A diversified and dynamic FP market that serves all WRAs¹, with special emphasis on:

- **Younger women (15-24 yrs) who are earlier in their reproductive life-cycle stage**
- **Women living in rural areas**
- **Women from lower wealth quintiles**

By

- **Expanding choice by diversifying method mix in the country.**
- **Increase market performance (volume and value growth) across all FP methods**

Through

Enhanced role of all market players (shift away from current stagnating roles):

- **TA to GoI towards strategic stewardship role, for Market growth by unlocking domestic financing and partnerships.**
- **Improve choice and availability through sustainable business models**
- **Work with commercial players in growing domestic market.**

3. Design:

Where do we work in the market?

POPULATION SERVICES INTERNATIONAL
Presents

1 OUR ULTIMATE GOAL
— for —
SARITA and SAM...



2 ...is for them to ACCESS the HEALTH SERVICES they need, without suffering FINANCIAL HARDSHIP.

3 So we asked ourselves... ?



- How do we BETTER SERVE SARITA and SAM'S NEEDS?
- How do we BETTER MANAGE DONOR and INVESTOR RESOURCES?
- How do we BETTER MANAGE OUR OWN RESOURCES?
- How do we SUPPORT the GOVERNMENT to DELIVER on UNIVERSAL HEALTH CARE?



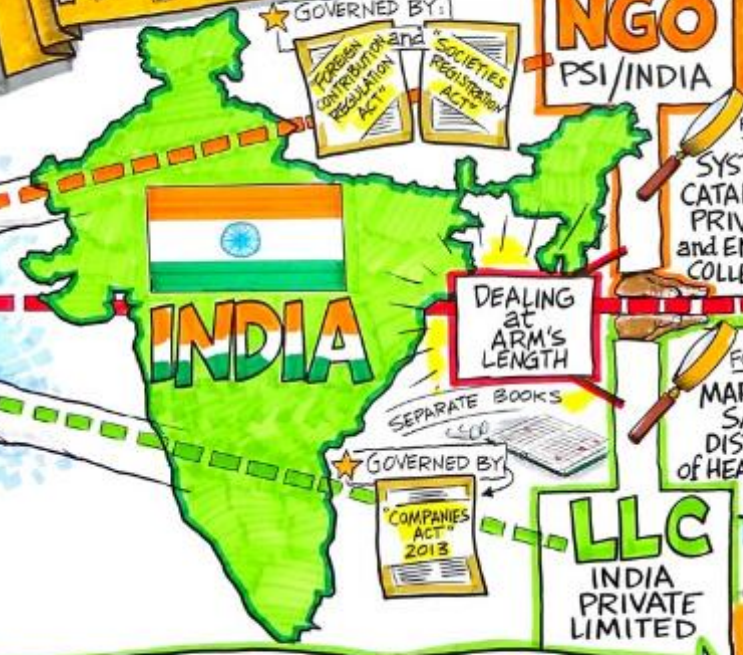
4 SOLUTION —
Through a PARTNERSHIP between the NEWLY ESTABLISHED SOCIAL ENTERPRISE and the PSI INDIA NGO!

5 The two entities will have an ARM'S LENGTH RELATIONSHIP as SEPARATE LEGAL ENTITIES registered in INDIA.

A DEVELOPMENT MODEL FOR TOMORROW



MEMORANDUM OF AGREEMENT
NETWORK SERVICES AGREEMENT
[WHOLLY OWNED SUBSIDIARY OF PSI/HQ]



NO COMMERCIAL ACTIVITIES

FOCUSING ON: SYSTEM CHANGE, CATALYZING the PRIVATE SECTOR, and ENSURING COLLECTIVE IMPACT.

FOCUSING ON: MARKETING, SALES, and DISTRIBUTION of HEALTH PRODUCTS.

FAMILY PLANNING
TUBERCULOSIS

GENDER-BASED VIOLENCE
SANITATION

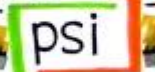
BASKET OF COMMODITIES
IUDs, CONDOMS, ORAL CONTRACEPTION, NATURAL CONTRACEPTIVES, MEDICAL ABORTION KITS

6 WHY?

- ★ SOCIAL ENTERPRISES that are NOT DEPENDENT on FUNDERS can QUICKLY RESPOND to SARITA'S CHANGING NEEDS.
- ★ By operating as TWO ENTITIES, PSI can APPROPRIATELY MANAGE SUBSIDY to ENSURE that IT'S APPLIED APPROPRIATELY.
- ★ THIS MODEL allows PSI in INDIA to INVEST in RELATIONSHIPS and OPPORTUNITIES that STIMULATE the MARKET to ACHIEVE HEALTH IMPACT at SCALE.

7 THE PATH TO SUSTAINABILITY

WE BELIEVE MARKETS CAN SUPPORT POSITIVE SOCIAL OUTCOMES in a way that is MUCH MORE SUSTAINABLE than...
...ALONE



United by Vision and Complimenting

**PSI India
NGO**

- Collaborate with stakeholders and work with National and state GoI for providing TA
- Unlock domestic financing for expanding access across sectors.
 - Improve performance of public-private partnerships for scale and quality.
 - Improve market intention and capacity to reach youth and adolescents.

**PSI India Pvt
Limited**

Expand access and choice SUSTAINABLY.

- Enhanced market segmentation to allocate resources efficiently.
- Expand sales and distribution.
- Manage the operations and business process to consistently improve efficiency.

A) Unlock Domestic Financing



Government incentives for sterilization are distorting demand for other methods and players across the value chain

In UP PSI India under Hausala Saajedhari, addressed the following barriers

1

No purchasing of out-patient services from the private sector for informal sector

2

No promotion of the private sector by the government.

3

Government does not play any role in the quality assurance at the private sector

4

Mid level providers can not provide clinical FP services

How to make markets work for ALL women in need of FP

Young 18-24 years



Strategy 1

Demonstrate proof of concept for strategic purchasing of spacing methods



Strategy 2

Strengthen the role of interfacing agency (SIFPSA) for improved coverage and quality of private sector engagement



Strategy 3

Advocacy for accelerating government led strategic purchasing of range of FP services adopting the project model of private sector engagement

How was the market facilitated?

- ❖ Budgetary Allocation
- ❖ Centralize payment gateway
- ❖ Improved role of DQAC
- ❖ Monitoring dashboard
- ❖ GO-143



Govt. Sector



Intermediary



One window IT enabled accreditation platform for

- ❖ Empanelment
- ❖ Verification
- ❖ MoU
- ❖ Reimbursement

- ✓ Purchased **USD 3.2 million FP services** from private sector
- ✓ **Reimbursement time reduced** from 102 days to 30 days



Private Sector

FP benefit package made available at:

- ❖ 812 additional private sector facilities
- ❖ 16% contribution to total sterilization of state
- ❖ 31% male sterilization by accredited providers
- ❖ 725 Community workers generating demand

Total FP beneficiaries

- ✓ Sterilization: 75189 (NSV-3623, FST-71566)
- ✓ DMPA- 26106
- ✓ IUCD- 76268



Sarita

In UP: The past, current state and future plans

1

No purchasing of out-patient services from the private sector for informal sector

\$3 million value of services purchased from the private sector

Budgetary allocation of \$10 million in one state for purchasing of FP services

Nationally, \$60 million budget allocation for purchasing FP services

Additional public resource to purchase all FP services

New resources to purchase additional services (Deliveries, ANC, PNC)

2

No promotion of the private sector by the government.

Pilot test of utilizing public health workers to create demand for the private sector

1 million health workers in India are referring clients to the private sector as well

3

Government does not play any role in the quality assurance at the private sector

Quality Assurance Committees are activated to audit and indemnify the private sector providers

Government transfers QA role to the NABH and can empanel all NABH accredited private sector provider for purchasing FP services.

4

Mid level providers can not provide clinical FP services

Trained mid level providers can provide IUD services

NABH has accreditation mechanism for the mid-level providers to also include the FP quality indicators.

B) Shaping FP Markets through social enterprise approach



Domestic product market is over-reliant on SMOs, and this is limiting market growth

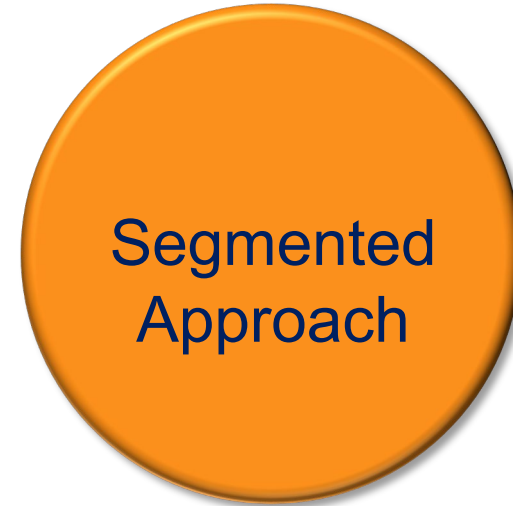
3 Operational Pillars of PSI India Pvt Limited



**Expand
ACCESS**

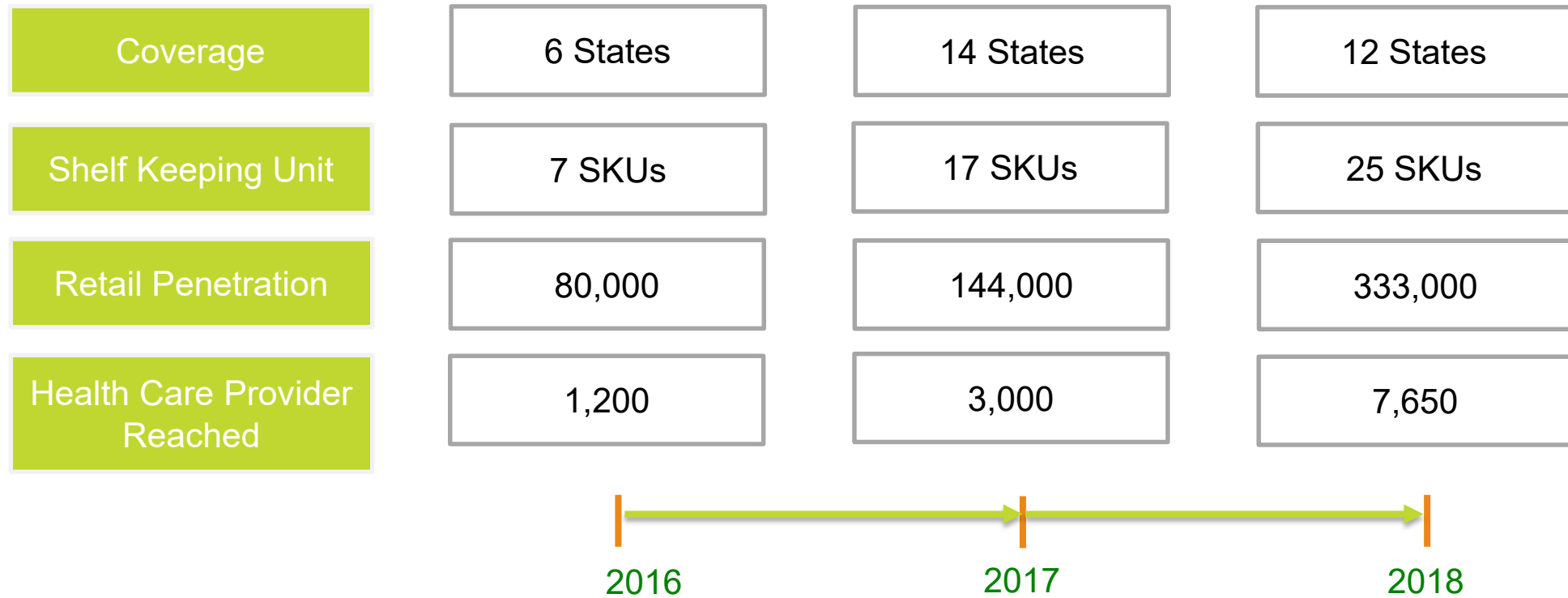


**Increase
CHOICE**



**Increase
VALUE**

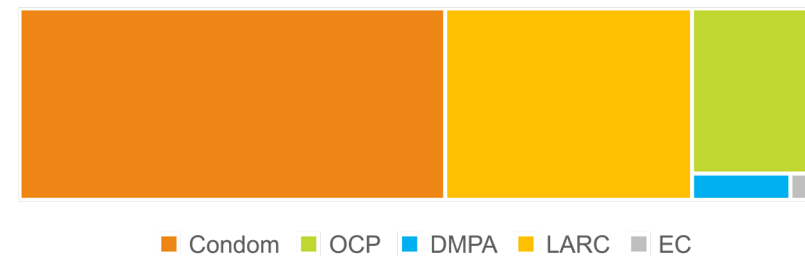
Expanding ACCESS : 2016 - 2018



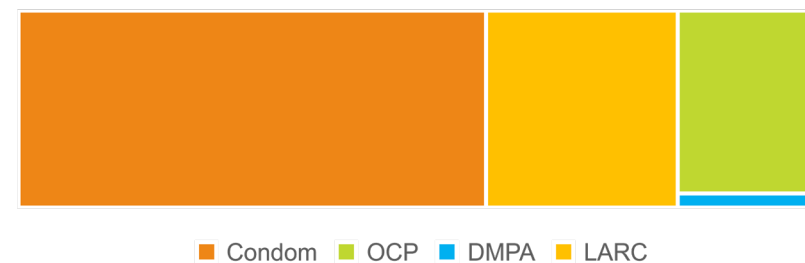
Increasing Choice: Diversifying Method Mix



2018 CYPs



2017 CYPs



2016 CYPs



Enhanced Market Segmentation

Grooming

Marriage

Motherhood

Balancing Family

Stabilising

Life Continues



ADAPTIVE FOLLOWER



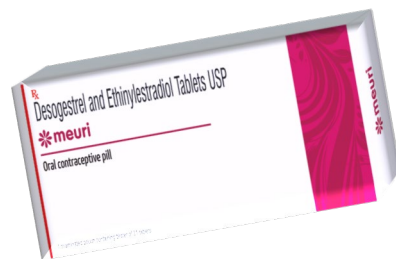
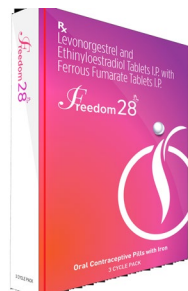
EQUAL ALLIES



CONSERVATIVE ROMANTIC



LATE BLOOMER



Increasing Volume and Value

Volume and Value - LARCs



Volume and Value - Injectables

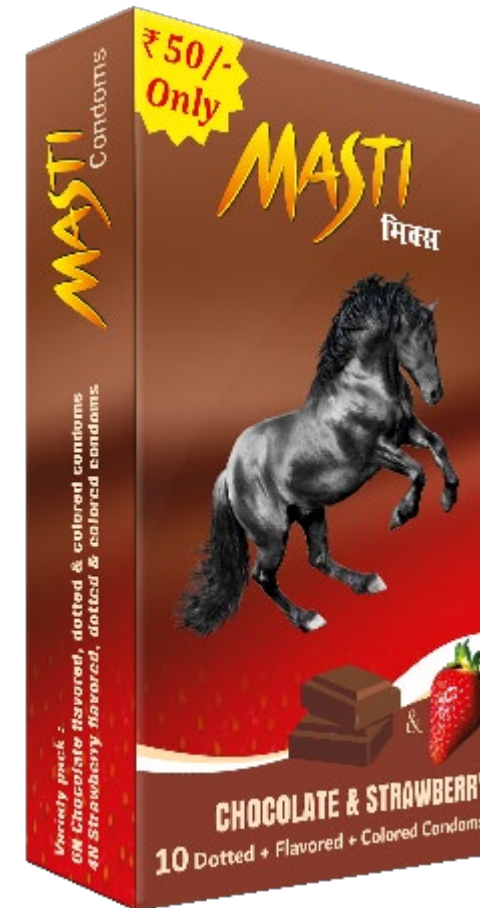
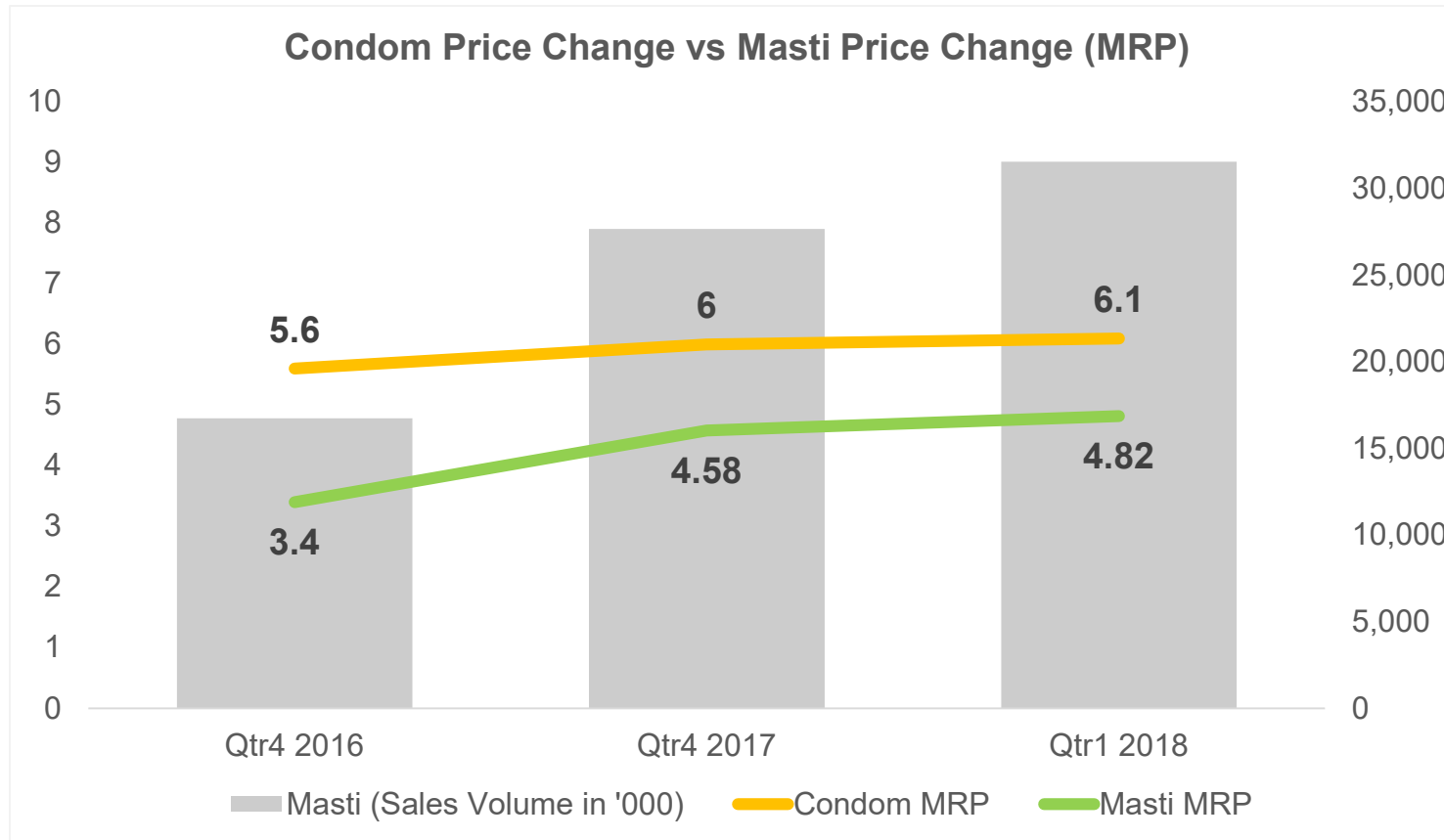


Volume, Value and Price Point - Pearl

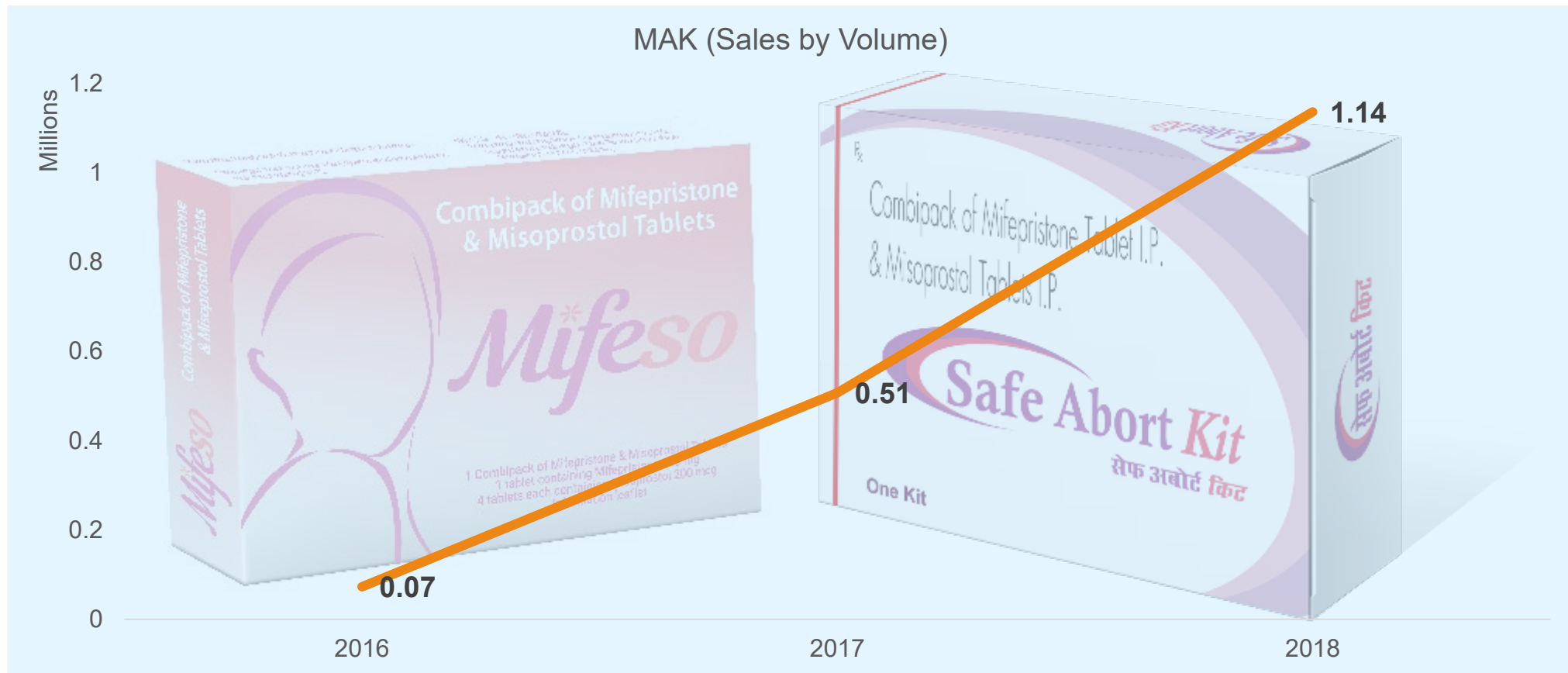


Source: PSI IPL audited financials & CTL

Increasing Value and Volume in condoms



Scale Up Medication Abortion &



Support the consumers with Innovations.



 Follow these steps to watch a video on how to use Safe Abort:

- Install **Safe Abort app** from Google Playstore
- Open the app, which further opens the phone camera
- Focus the camera on the Safe Abort logo on the front of the pack
- Once the video starts, tap the phone to pause, play and/or rewind

AF/PS/007/SL/HC/02

Key Takeaways

- ✓ In Market shaping, from diagnostics to design, seeking insights and agreements early for **collaboration** is crucial.
- ✓ Defining **who does and who pays** is critical, but everyone is delighted to do the right thing.
- ✓ **Unlocking domestic financing** and making policy work is the largest lever towards UHC and creating resilient markets.
- ✓ The path to sustainability and self reliance needs **blending of subsidy, grants and private capital**.

Thanks



BILL & MELINDA
GATES *foundation*

the David &
Lucile Packard
FOUNDATION



Questions?