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# Building Sustainable Markets through South-to-South Partnerships

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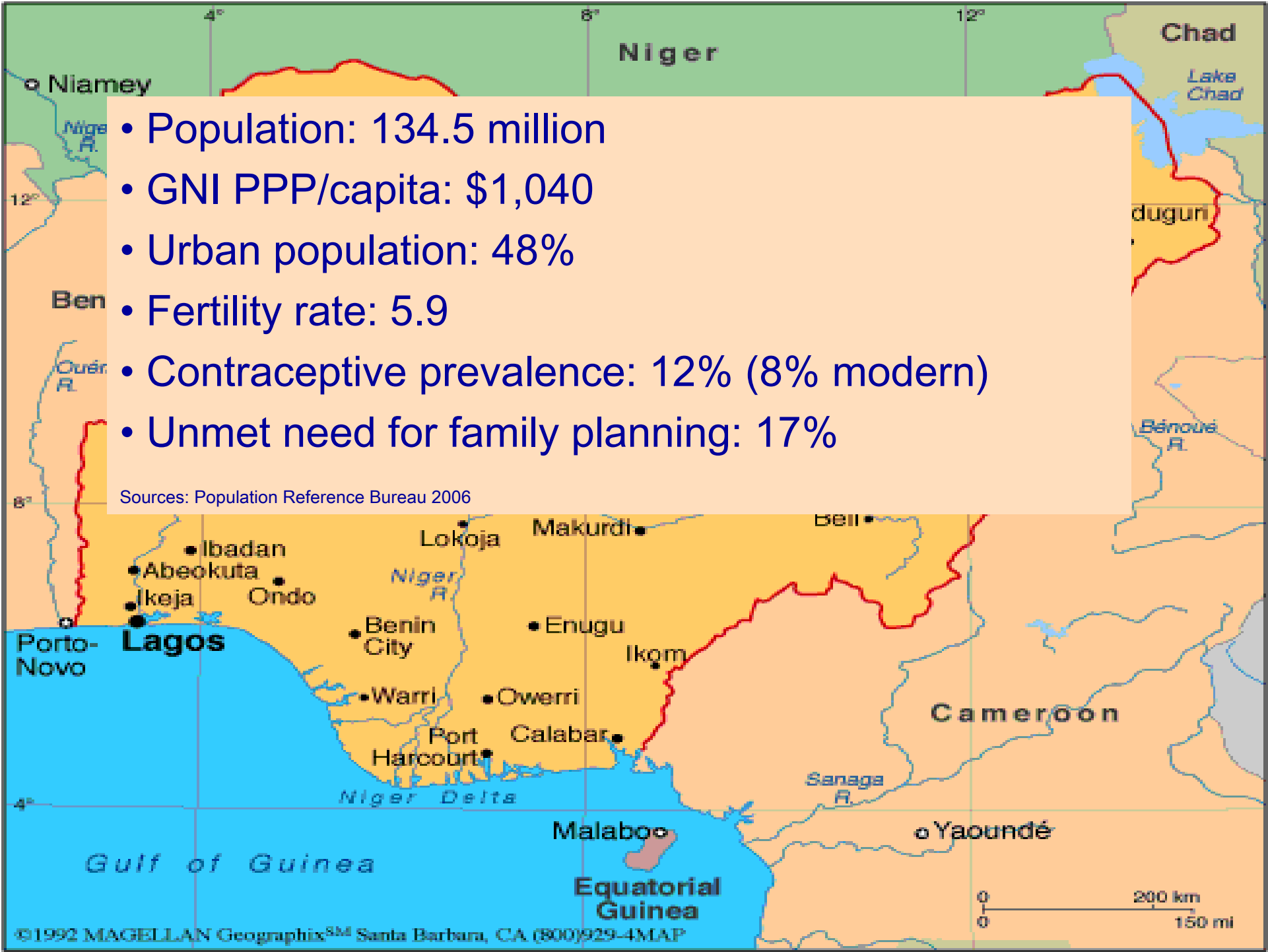
Venkatesh Iyer, Vice President International Marketing, Famy Care Ltd.

**Abt**

Abt Associates Inc. in partnership with:  
Banyan Global  
Dillon Allman and Partners, LLC  
Family Health International  
Forum One Communications  
IntraHealth International  
O'Hanlon Consulting  
Population Services International  
Tulane University School of Public Health and Tropical Medicine





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- The map displays Nigeria in the center, bordered by Niger to the north, Chad to the northeast, Cameroon to the east, and Equatorial Guinea to the southwest. Major cities like Niamey, Lagos, Abuja, and Yaoundé are marked. Rivers such as the Niger, Benue, and Sanaga are shown, along with Lake Chad and the Niger Delta. A scale bar at the bottom right indicates 200 km and 150 miles. The map is overlaid with a grid of latitude and longitude lines.
- Population: 134.5 million
  - GNI PPP/capita: \$1,040
  - Urban population: 48%
  - Fertility rate: 5.9
  - Contraceptive prevalence: 12% (8% modern)
  - Unmet need for family planning: 17%

Sources: Population Reference Bureau 2006

# Context: Nigeria's pharmaceutical market

- Among the fastest growing in Africa
- Well-developed commercial infrastructure
- Challenging business environment
- Problems with quality and safety of drug supply
- Dominance of Nigerian and Asian generic drugs

# Highly subsidized contraceptive market

Donated Contraceptives: January 1– December 31 2005

	<b>Condoms</b> (units)	<b>OCs</b> (cycles)	<b>Injectables</b> (vials)	<b>IUDs</b> (units)
USAID	3,204,000	6,000,000	900,000	100,000
UNFPA	2,569,680	376,897	436,625	52,440
IPPF		2,700		
<b>Total</b>	<b>5,773,680</b>	<b>6,379,597</b>	<b>1,336,625</b>	<b>152,440</b>

Source: RH Interchange/JSI 2007

Commercial sales of OCs: 400,000 cycles/year (2005)

# Partnership model

- **Goals:**
  - Segment the oral contraceptive market
  - Reduce Nigeria's dependence on donated commodities
  - Introduce affordable commercial brands
- **Approach**
  - Introduce a mid-price (less than \$1.50) OC brand
  - Bring together a manufacturer and local distributor
  - Provide time-defined donor support for new brand
- **Partners**
  - PSP-*One*, Famy Care, Society for Family Health, Population Services International

# Partnership model

PSP-One

Brokering, project design and  
market-building support

Famy Care Ltd.

Manufacturing & branding

*Products*



Society for  
Family Health

Marketing & distribution

India

PSI

Nigeria

Funding for first order and  
technical support

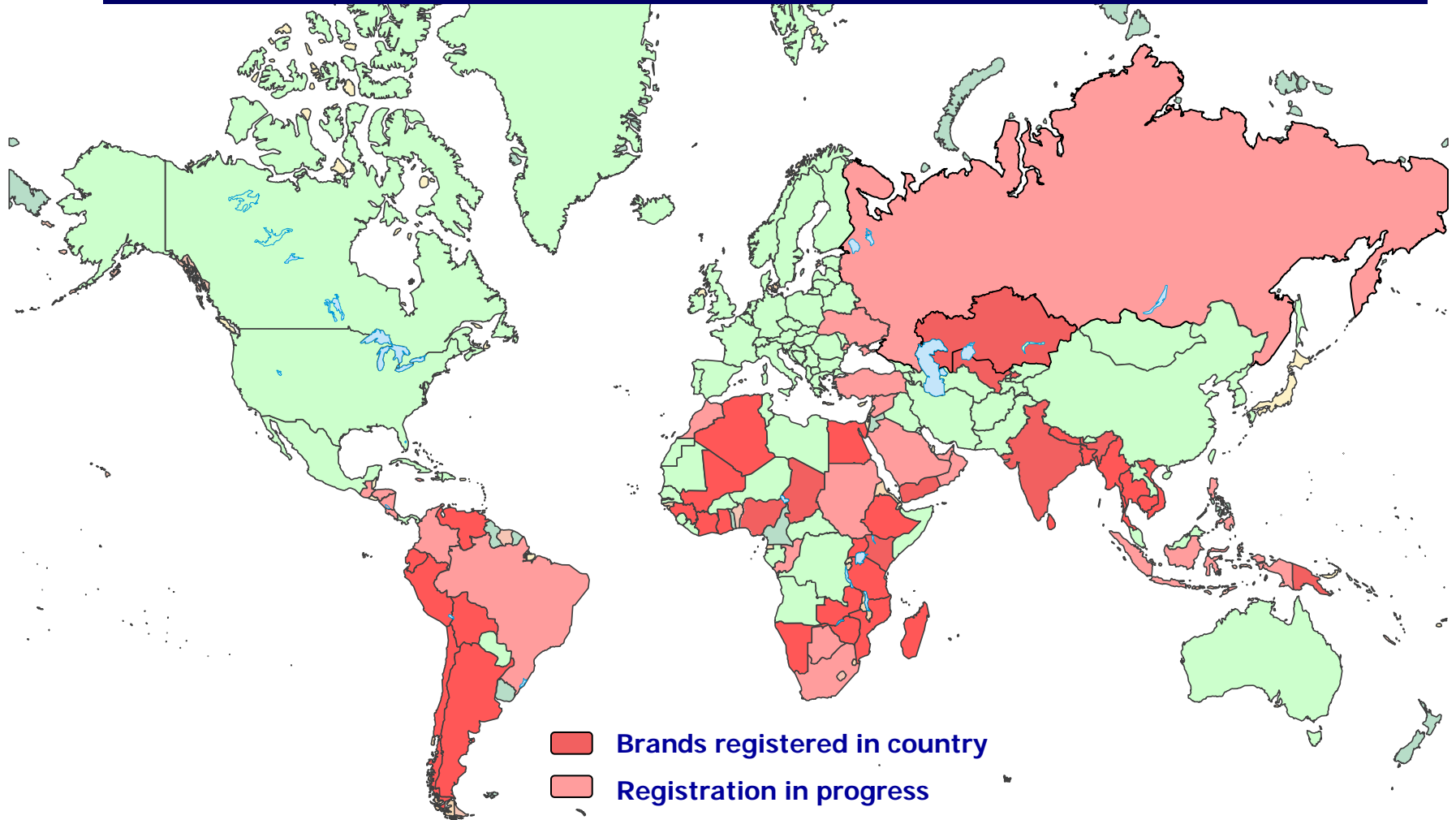
# Famy Care Ltd.

- Mumbai-based generic manufacturer
- Asia's largest producer of OCs and IUDs
- Turnover: US\$30 million.
- Exporting to 35 countries
- Supplier of UNFPA, IPPF, MSI, PSI, DKT Intl.



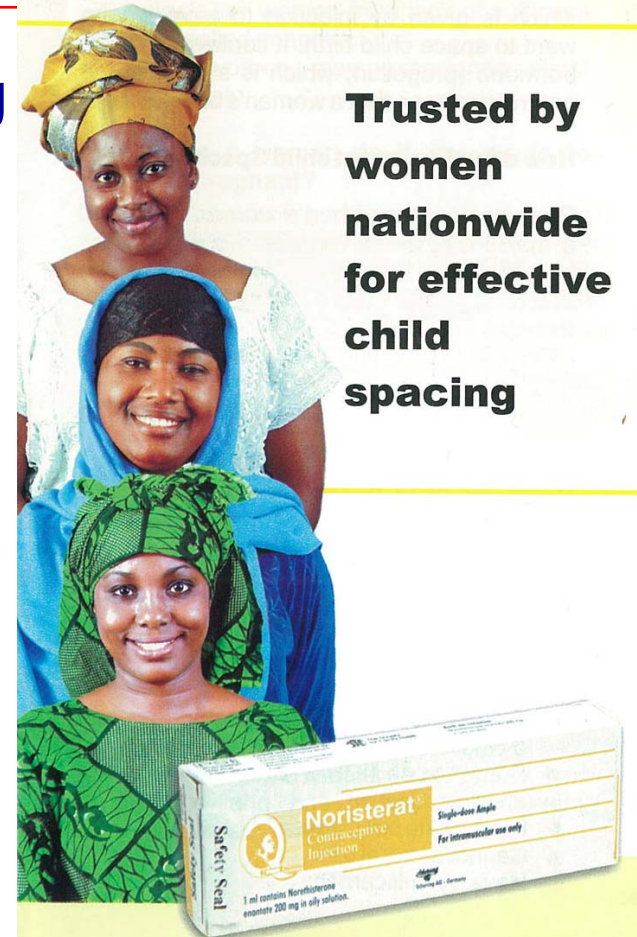


# Famy Care's worldwide presence



# The Society for Family Health

- Largest local social marketing organization in Africa
- Major implementer of reproductive health and malaria programs
- Extensive distribution and sales network
- Large social marketing portfolio (13 brands)
- 55% share of the OC market (3.8 million cycles)



# Manufacturer's perspective

Comparing Partnering Options	SFH	Commercial Distributor.
Affordability	+++++	+
Distribution Reach (for contraceptives)	++++	+
Experience in Contraceptive Marketing	+++++	+
Market Knowledge (OC Mkt.)	+++++	+
Training Infrastructure (For Hormones)	+++	++

# Results

- 5 year distribution contract between FamyCare and SFH
- MOU and cost-sharing between FamyCare, SFH, PSI and USAID
- First affordably priced very-low dose OC in Nigeria
- Estimated launch: July 2007



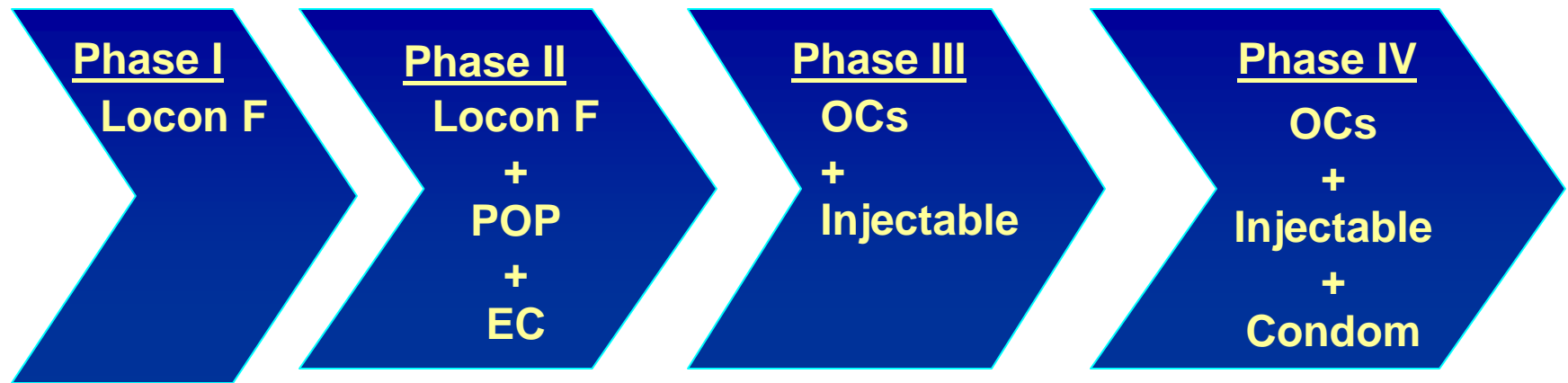
# Benefits

- For SFH :
  - Diversified product basket
  - Increased self-sufficiency
  - Potential cross-subsidy scheme
- For Famy Care :
  - Building of brand equity
  - Accurate market intelligence
  - Strong market presence in Nigeria

# Lessons learned

- Generic manufacturers are willing to market their own commercial brands
- Presence of highly subsidized products limits market potential, requires creative marketing
- NGO partners experience “mission conflict” and learning curve in for-profit partnerships
- Trademark ownership is critical in building sustainable commercial markets

# The Future: manufacturer's perspective



New markets: Francophone Africa, Tanzania, Uganda, Bangladesh

# The Future: manufacturer's perspective

Business model 2006-07	
Revenue	US \$ 30 M
Tender	80%
NGO	15%
Pvt Mkt	5%

Business model 2009-10	
Revenue	US \$ 75 M
Tender	50%
NGO	25%
Pvt Mkt	25%