



LAPM Brief

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Expanding Access to Contraception: The Role of the Commercial Sector in Providing Long-Acting and Permanent Methods of Contraception

BACKGROUND

Strengthening the role of the commercial sector in contraceptive provision is an important strategy for reducing costs to donors and to local governments. Attention has focused on increasing the commercial market for short-acting methods of contraception like pills and condoms; less attention has been paid to commercial sector provision of long-acting and permanent methods (LAPMs): IUDs, implants, and female and male sterilization. This brief, based on a Private Sector Partnerships-One technical report, *The Commercial Sector's Role in Providing Long-Acting and Permanent Methods*, provides data on the use and source of LAPMs. Such data are useful in designing and evaluating interventions to increase the commercial sector's role.

RESEARCH

Information on the use of LAPMs by in-union women are from 63 of the most recent reproductive health survey reports (1996 and later). To classify countries as having high use of LAPM, we used a method prevalence cut-off of 9 percent,¹ high enough to show that there is potential for the commercial sector to make an important contribution to LAPM provision.

¹ Researchers had planned to use 10 percent but there were not enough cases that met that target.

In discussing the commercial sector, it is important not to confuse it with the private sector, which comprises both the commercial and NGO sectors. While private, NGOs resemble public sector entities in that their clients' payments only partially cover costs. NGOs rely partially on donor funding to cover their costs, whereas commercial unsubsidized providers must collect sufficient revenue from their customers to cover costs.

FINDINGS

LAPM use: Despite some regional similarities in LAPM use, in general, specific method use varies widely. Countries in the CA/WA/NA/E region have the highest IUD use. While countries in LAC have high female

sterilization use. Four countries are on both lists. (see Figure 1)

SOURCES OF IUDS AND STERILIZATIONS, BY SECTOR

Source of method provision: For eight countries where use prevalence is at least 9 percent and source could be divided into commercial and NGO, use of the commercial sector for IUDs varies from 16 percent to 39 percent (see Figure 2). Three countries (Colombia, Honduras, Peru) have commercial sector use of less than 20 percent, while in the remaining five, it is 30–40 percent.

For the 10 countries in which use of sterilization is high and source could be divided between commercial and NGO, there is substantial variation in the commercial sector's share,

from just over 40 percent in the Dominican Republic to about 1 percent in Nepal. Seven countries (Colombia, El Salvador, Guatemala, Honduras, Nicaragua, Nepal, Peru) have commercial sector shares of less than 20 percent.

Figure 1: Use of any LAPM, IUDs, and Female sterilization by region

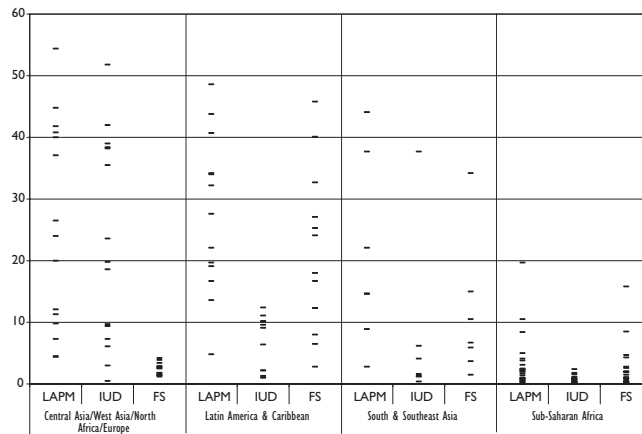
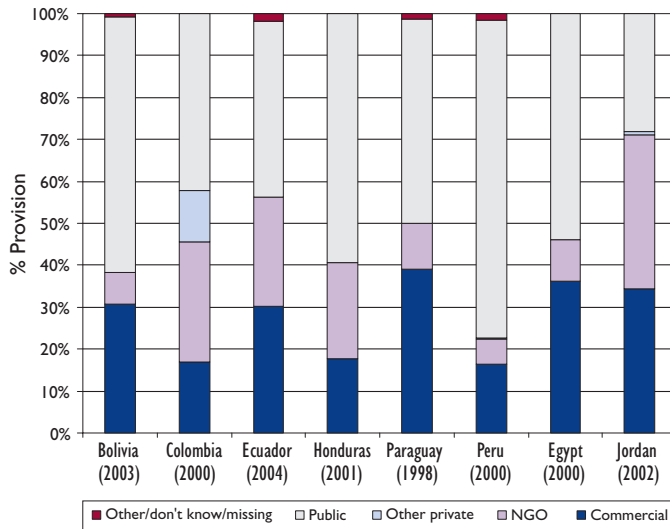


Figure 2: Source of IUDs for selected countries where private sector is disaggregated into commercial and NGO sectors



There are also substantial differences in NGOs' shares (data not shown).

Trends in the use and source of LAPMs: We reviewed trend data for countries that had information on source for a minimum of three surveys and any that had IUD or sterilization use prevalence of 9 percent or higher in any year. There is no one pattern of change in method use: IUD use has risen in Egypt, Honduras, Jordan, and Paraguay, fallen in Nicaragua and Peru, and remained unchanged in Colombia and Ecuador. Only in Colombia did the commercial sector's share of the IUD increase, although overall use of the method stayed the same. Sterilization use has increased in nine countries but in no country has the commercial sector's share of the market increased; in fact, it decreased in two (Honduras, Peru). In sum, even where IUD and female sterilization use

is growing, at best the commercial sector also grows, but its share of the market decreases.

Conclusions:

The role of the commercial sector shows wide variation by type of method. In five of the eight countries with high IUD use, the sector's share is 30–40 percent. However, in the 10 countries with high use of female sterilization, its share

reaches 20 percent or more in only three countries.

Substantial variation in commercial sector use across countries and large swings in the categorization of source over time raise the question of clients misreporting because of difficulties in classifying source.

The market share of the commercial sector for the IUD has grown in only one country (Colombia), and there, IUD use has remained steady. In no country has the market share of the commercial sector for female sterilization increased.

While analysis of the failure of the commercial sector to gain market share is beyond the scope of this study, it may be that efforts to support and improve the public and NGO

sectors have resulted in wealthier clients preferring these less costly sources. Moreover, unlike re-supply methods, LAPMs may have high up-front costs in the commercial sector and these costs may deter use. However, we know little about the prices charged for LAPMs in the commercial sector and the affordability of these prices, especially by women in the higher ability-to-pay groups; only two surveys contained information on price paid for LAPMs.

POLICY IMPLICATIONS

Many countries face a phase-out of donor-provided contraceptives and need to prepare for this by encouraging growth of the commercial sector. This brief shows that there is scope to expand commercial sector provision of high-quality and affordable LAPM services. Doing so successfully, however, will demand the cooperation of all sectors – commercial providers cannot effectively segment the market if the public and NGO sectors pursue all consumers. Also, the progression from public to commercial providers is not a natural process. Thus, we need to know more about the barriers to “graduation” and to develop new strategies to work across sectors.

SOURCE

Janowitz, B., Gmach, R., Otterness, C. April 2006.

The Commercial Sector's Role in Providing Long-Acting and Permanent Methods. Bethesda, MD: Private Sector Partnerships-One project, Abt Associates Inc. Available at: <http://www.psp-one.com/content/resource/detail/3170/>

About PSP-One

The PSP-One project is USAID's flagship project, funded under Contract No. GPO-I-00-04-00007-00, to increase the private sector's provision of high-quality reproductive health and family planning (RH/FP) and other health products and services in developing countries. PSP-One is led by Abt Associates Inc. and implemented in collaboration with eight partners:

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