



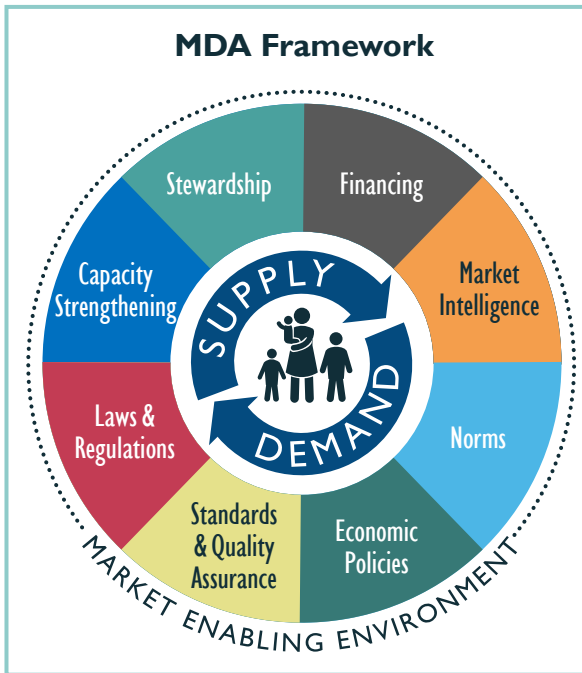
HEALTH MARKET DESCRIPTION

FAMILY PLANNING

India

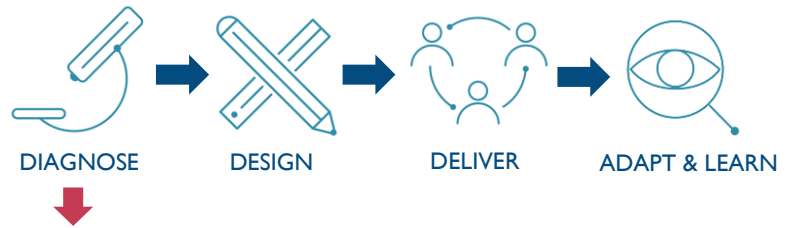


FHM ENGAGE
Healthy Markets for Healthy People



FHM Engage Market Development Approach

FHM Engage uses a market development approach (MDA) to diagnose root causes of market under-performance, such as restricted supply of and consumer demand for health products and services. FHM Engage supports local public and private market actors to design locally informed strategies and solutions that improve market systems, including core functions of supply and demand and supporting functions that strengthen the enabling environment for market growth.



Four steps to **DIAGNOSE** a health market:

1. Identify public health problem(s) and related markets
2. Assess and *describe* the core and supporting market structures
3. Diagnose root causes of market underperformance
4. Prioritize interventions with the greatest potential for impact

Population Snapshot

Total Population:	1.4 B	Urban:	35%	Modern Contraceptive Prevalence Rate (mCPR):	57%
Population Growth:	0.09%	Youth (under 15):	26%	Total Fertility Rate (TFR):	2.05

Market Description Takeaways

SUPPLY

1. Private sector market for contraceptives is driven by condoms which is only 5% of mCPR.
2. India's dynamic manufacturing capacity for a range of hormonal methods is used for exports but has no traction in domestic markets.
3. Historically dominated by free/subsidized family planning (FP) supplies, the private sector has had no incentives to invest.

DEMAND

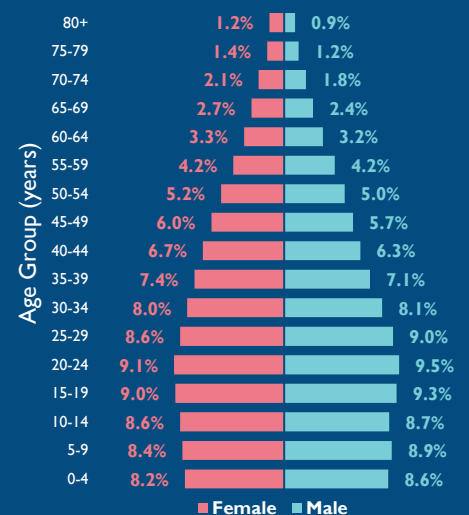
1. Low contraceptive knowledge/use in early years is linked to high levels of unmet need.
2. Quality of use (discontinuity due to side effects, other reasons), is a challenge, especially for OCPs¹ and DMPA².
3. Youth prefer discrete and on-demand modern methods.

SUPPORTING FUNCTIONS

1. FP policy and guidelines do not prioritize private sector participation.
2. FP service delivery and drug dispensing policies are different for the public versus the private sectors.
3. Price control guidelines make the introduction of newer products and product extensions costly due to low margins.

INDIA'S POPULATION PYRAMID

52% are under 30 years



¹ Oral contraceptive pill

² Depot medroxyprogesterone acetate, a hormonal medication in injectable form



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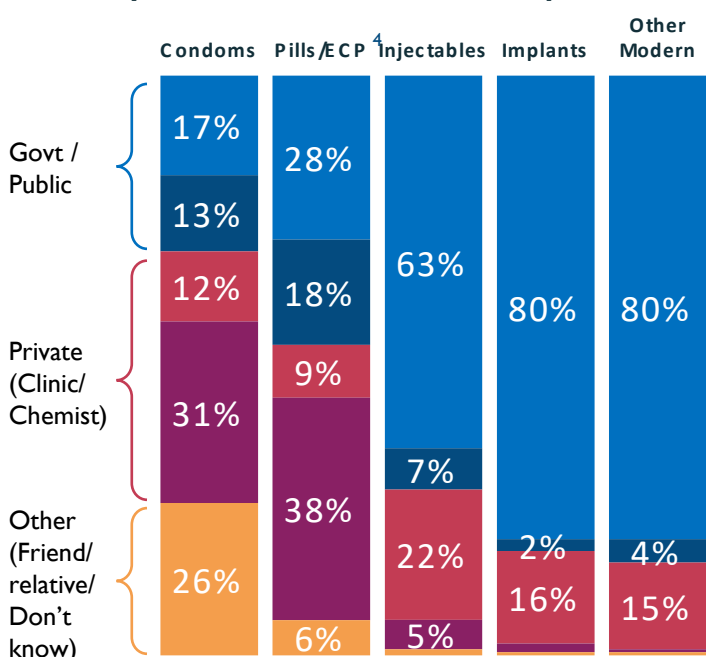
CORE MARKET FUNCTIONS:

Private sector dominates as source of short acting methods while public sector is the predominant source for LARC³ and sterilization.

Supply



Source by Method – Current Contraceptive Users



Source: NFHS Round 5 (2019-2021)

State of the FP supply chain

1. Indian manufacturers are among the top two exporters of condoms, LARCs, and OCPs. However, production capacity is underutilized for expansion of domestic growth.
2. Chemists are prevalent across India, often within a 10-minute walking distance, and almost all stock condoms and ECPs⁴.
3. Less than 25% of India's 400,000 distributors and wholesalers sell and distribute contraceptives. FP products are not priorities due to lower margins and throughput.
4. Almost all 30,000 ObGyns are located in urban areas. Rural women must depend on other types of providers for accessing FP information, products, and services.

Key Challenges

1. Private providers struggle to access information and training for newer contraceptive methods.
2. AYUSH⁵/RMPs⁶ do not have adequate access to information, infrastructure, and guidance for expanded choice provision.
3. Distributors/wholesalers are underinvesting in expanding their geographical footprint as they perceive limited financial returns/opportunity.
4. A dynamic manufacturing sector that exports a range of hormonal methods globally does not find incentives to demonstrate their range of innovation domestically.

Health Infrastructure

27% Private Health Facilities Offer Family Planning

	PUBLIC	PRIVATE
Hospitals	61k	11.3k
Health Centers	194k	-
Clinics	91k	1.3m
Chemists	est. 9k	900k+
FP Manufacturers	est. 1	est. 64
Community Health Assistants	1m	2m
Community Health Volunteers	1m	-

³ Long-acting reversible contraceptive
⁴ Emergency contraceptive pill

⁵ Physicians and surgeons trained in Indian systems of medicine and provide health care through public or private sector facilities.

⁶ Registered medical practitioners, informal medical practitioners, often the first point of contact for medical care for the rural population and the urban poor.



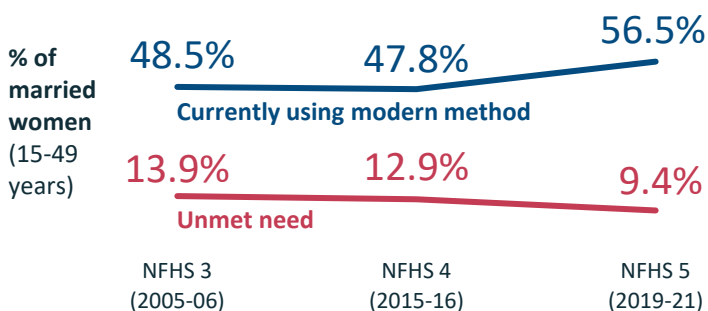
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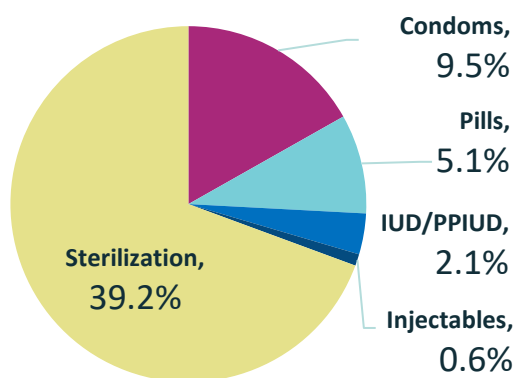
CORE MARKET FUNCTIONS:

Modern contraceptive usage/demand is growing, alongside a decline in unmet need. **However, youth are still largely underserved.**



- Sterilization and LARCs are the predominant modern methods for women who want to limit family size.
- In many states, sterilization is the first modern method a women of reproductive age (WRA) chooses. Youth want on demand and discrete methods.

Method Mix 2019-2021



Source: NFHS Round (2019-2021)

Social Norms

- Sex before marriage is a social taboo. This results in provider bias against youth and social stigma.
- Once married, women are often expected to leave their place of residence and/or jobs to migrate to husband/in-laws place of residence. This results in large drop out rates in female labor force participation.
- Religious, economic, and social desires drive son preference. The sex ratio of India has improved from 1020 females per 1000 in 2022 NFHS males from 991 females per 1000 males in 2016.

Demand



Key Challenges

1. The current FP positioning as a limiting or spacing proposition is unattractive for youth, who want choice and freedom for sexual wellbeing.
2. Youth need privacy, confidentiality, and non-judgmental care. But service and sales outlets are neither discrete nor bias free.
3. Discontinuation of FP, especially hormonal methods, is high. Last mile solution providers and marketers and suppliers do not adequately address side effects management and support.

Youth⁷ Use of Contraceptives



2 in 3 married women have unmet need for contraceptives.

Unmarried women typically are more comfortable visiting chemists, and sourcing contraceptive products.



Care Seeking Behavior for FP

- Care seeking behavior is particularly low among married women. Women sourcing contraceptive products from chemists are found to be younger, unmarried, and from urban areas.
- Limited knowledge also correlates with care seeking behavior. Less than 30% women surveyed know about IUDs, and conversation about FP is limited to less than 40% women.

Private Sector Demand Creation



Youth prefer brands, but brand building is not the core component of most distributors' business models.

⁷ Ages 19-29



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COMPONENTS OF THE MARKET ENABLING ENVIRONMENT

Stewardship

1. Insufficient understanding and appreciation of the private sector (role, potential, current impact) by the Government of India (GoI) contributes to mistrust and missed opportunities to collaborate.
2. Insufficient structures for coordination and collaboration inhibit potential public-private partnership (PPP).
3. A fractured private sector does not enable their needs or perspectives to be integrated into government strategy, policy, or the regulatory environment.
4. No platforms or coalitions exist for private sector actors to align or advocate.

Market Intelligence

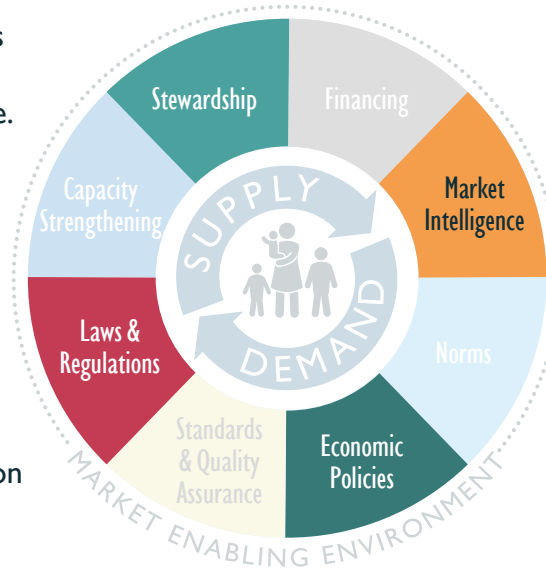
1. Limited access to tools for forecasting, determining historic trends, and quantifying market demand by method and opportunity for their brand.
2. Poor market data makes demand forecasting, business planning, and identification of market potential challenging.
3. Information asymmetries impact supply chain stakeholders, where demand is being created and clients need customized services.

Laws & Regulations

1. Private sector actors are reluctant to invest in creating a market for FP services and products without trusted information and clear guidance from Health Ministry.
2. A lack of a PPP engagement strategy prevents GoI from optimizing private sector and poor user and market segmentation inhibits a coordinated approach.
3. Price regulations restrict innovation (conflicting regulations across drug schedules and devices).
4. The regulatory environment prevents private sector providers from providing comprehensive FP services.

Economic Policies

1. Limited access to affordable finance, operating capital, mis-aligned credit cycles, and un-bankable collateral for suppliers prevent investment in expanding product portfolios.
2. Without collateral and a credit score, it is impossible for youth and women to get access to credit from banks.





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DESIGN

MARKET CHALLENGES

that may prevent women from accessing quality family planning products and services

In consultation and coordination with USAID/India, FHM Engage conducted root cause analysis workshops with a range of market actors to identify priority areas of intervention that address areas of market performance that participants identified as important. These priority areas of intervention include supply, demand, and the supporting functions of the market enabling environment. While not all market actors will or can address all of these priority areas, these are meant to focus decision-making on those areas with the highest potential for impact in a short period of time.

Key Areas of Market Underperformance



Improved **stewardship** is a felt need for understanding the scope and scale of private sector engagement, in building trust, identifying opportunities for PPP, and achieving national goals.



Absence of coordination in private sector engagement leads to lack of trust and inability to identify opportunities for PPP.



A **dearth of market intelligence** impedes the ability of the private sector to understand opportunities for product introduction, growth, and areas of investment.



Lack of market development capital hinders manufacturers and distributors to expand product basket and coverage. Low-income users can pay over time but need financing to overcome liquidity issues.

Priority Areas for Intervention

highest potential for impact in a short period of time



Identify opportunities in FP2030 vision of GoI and **align incentives and enabling policies** for the private sector to catalyze the youth FP market, with a focus on women.



Improve commercial sector coordination and strategy by **establishing an alliance that functions as a marketplace.**



Strengthen 'fit for purpose' market Intelligence to inform policies, commercial actor investments, and market intervention design and monitoring.



Expand sustainable access to relevant financing to reach more youth by manufacturers, distributors, and private providers.



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DELIVER

FHM ENGAGE PRIORITY MARKET INTERVENTIONS

FHM Engage has prioritized and designed a set of market interventions that aim to demonstrate high potential for health impact and add to global learning and best practices. The program, called India FP Marketplace, catalyzes market stewardship, improves supply chains and business access to finance, and strengthens consumer demand through women's livelihood groups and digital aggregation.



- 1** India **Women's Health & Livelihood Alliance (WOHLA)** established, and capacity built to take a leading role on advocacy, coordination, and facilitation of market interventions.
- 2** **Improved government private sector stewardship** will lead to better collaboration and alignment among key market actors in youth contraceptive markets.
- 3** Private sector actors make informed investments in the Indian contraceptive market due to availability of **fit for purpose market intelligence**.

FHM Engage is working in select cities across five states (Assam, Delhi, Karnataka, Maharashtra, and Meghalaya)

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