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FHM ENGAGE
Healthy Markets for Healthy People

Family Planning Health India Market Description

FHM Engage India

Summary Deck

June 2023

STRUCTURE OF PRESENTATION

FP Market Description is diagnosis of constraints for effective private sector market participation.

01 **India: An Introduction**
Population, Market and Health Context

02 **FP Use Need Analysis**
Use, Trends related to Use, Quality of Use

03 **Macro & Policy Trends**
Country Health & FP policy trends

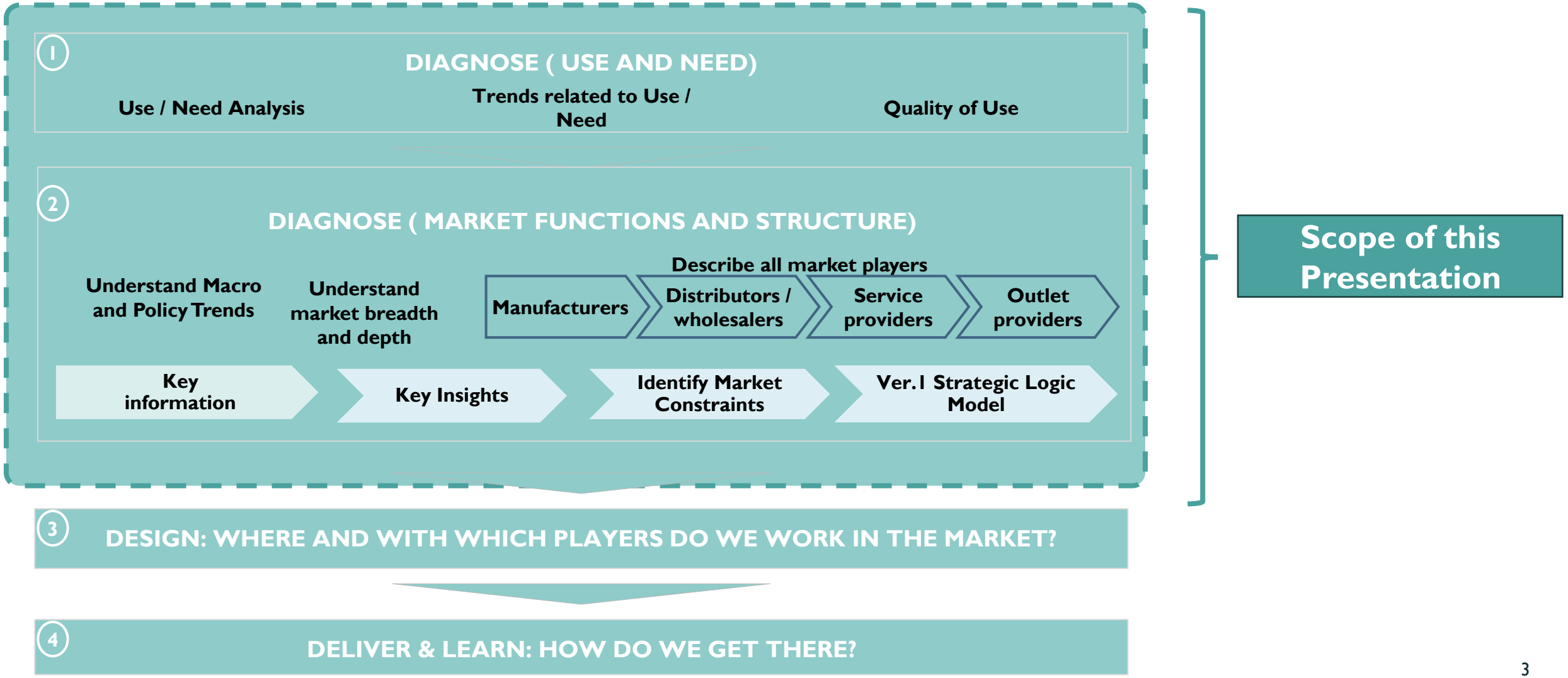
04 **Market Breadth & Depth**
Describe FP category, Brands, Value, Volume, Channel analysis

05 **Market Players Description**
FP Market Value Chain Players key information

06 **Key Market Constraints**
A summary of key constraints identified by market function using the AIM framework

07 **Strategic Logic Model**
Initial market interventions based on market description information, discussions with key informants and experiential inputs.

Market Description: Diagnosis Approach



01 INDIA: AN INTRODUCTION

A subcontinent with world's largest population, thriving private sector and growing private consumption

~1.4 billion population
(overtaking China this year; median age of 28 vs China's 38)

$2,450 per capita income
(CY22; China = $12,970)

65Mn MSMEs of whom 70% are sole proprietors

66.37% Private Health Expenditure
(CY22; $42.3)

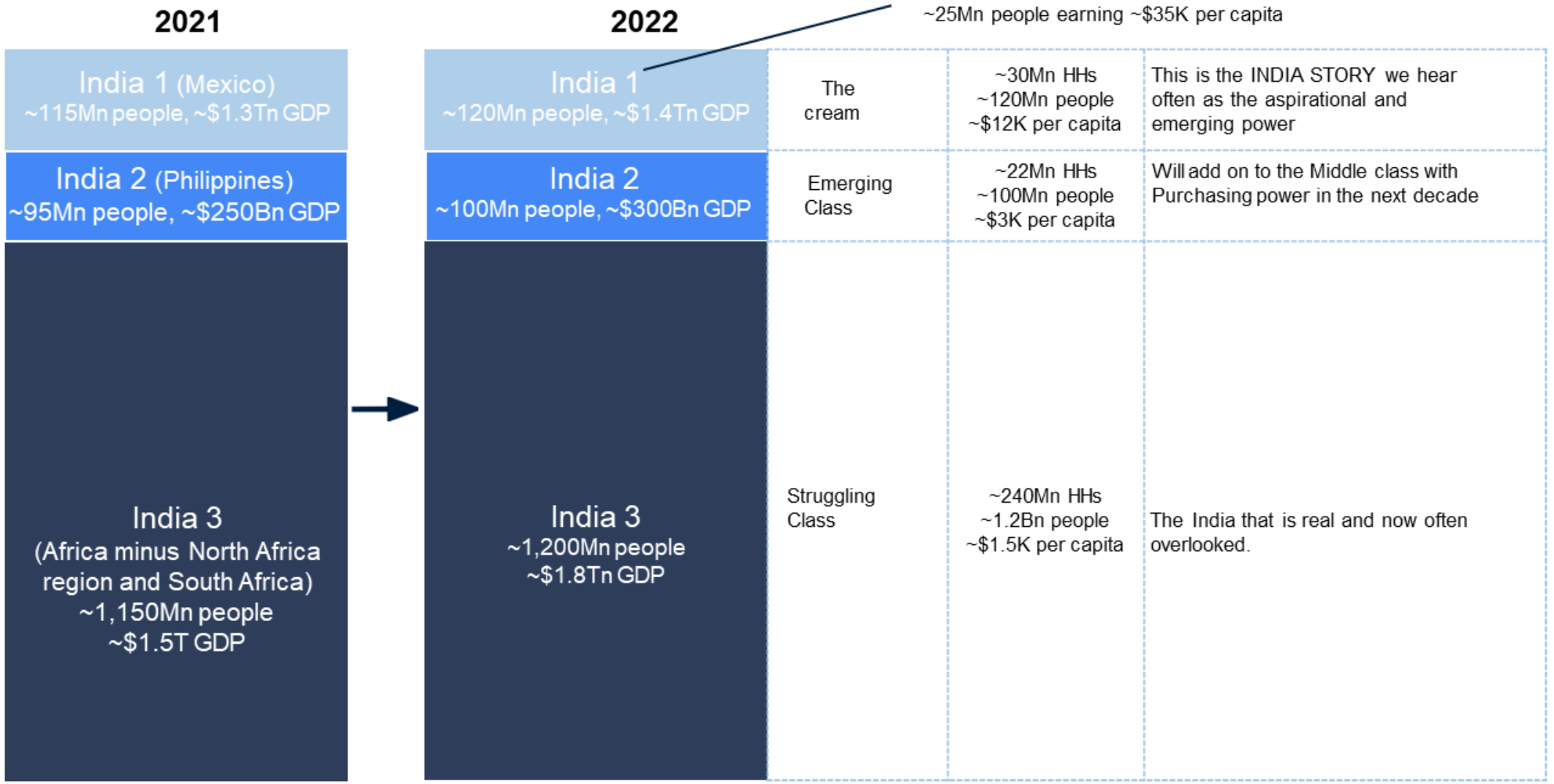
Formal, organized workforce at ~10% of total workforce
(51m of total organised workforce of 535m)

82.52 % OOP Expenditure
(CY22; $ 34.90)

12 Mn retail outlets
(vs US 1Mn)

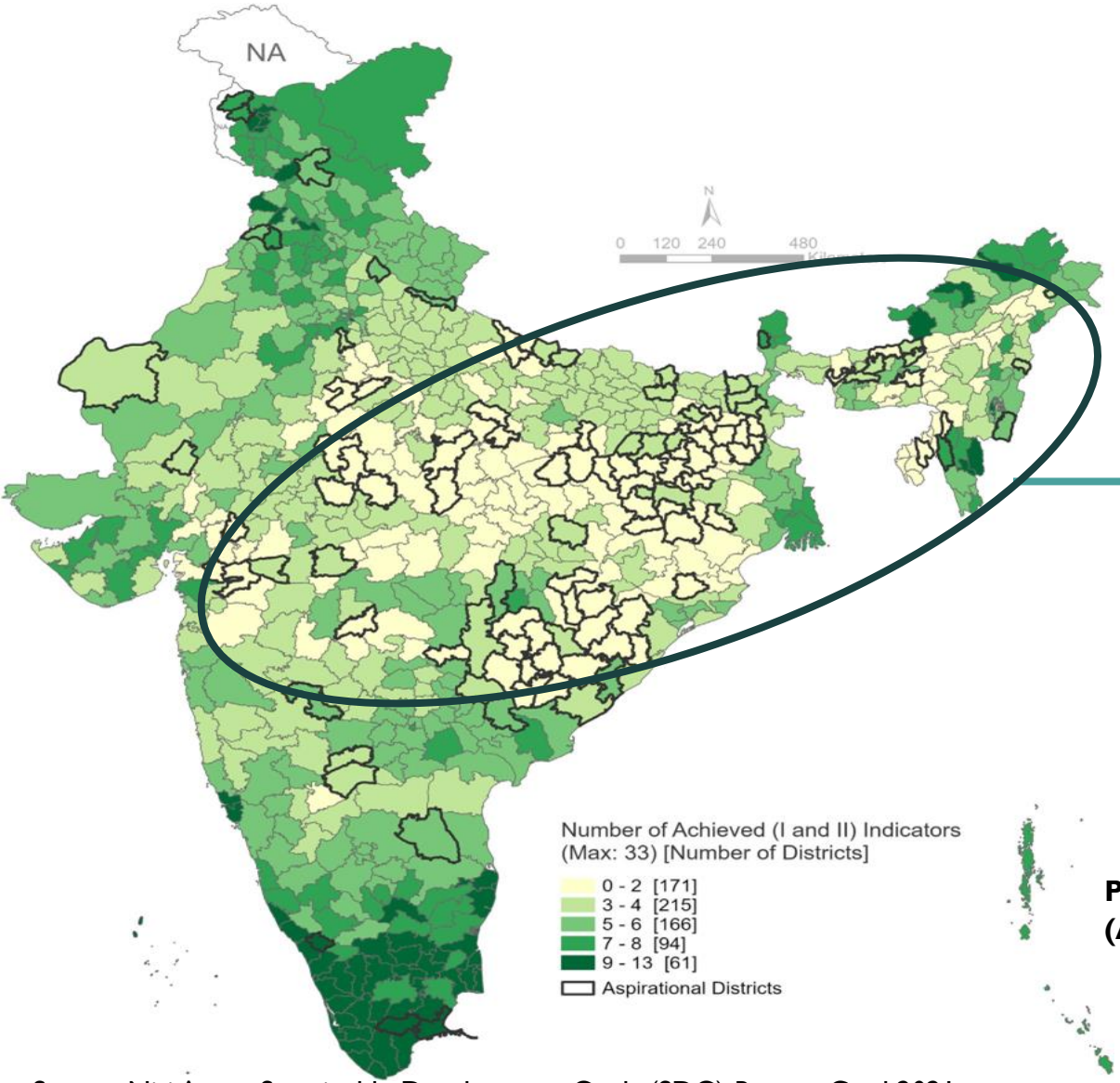
Source: Blume Report 2023, MSME: Micro, Small and Medium Enterprises, OOP: Out Of Pocket

There are 3 India's: Fastest growing major economy globally, but an undersized consuming class



Source: Blume Report 2023

Significant Progress in SDG performance: Last sweep districts concentrated as clusters around few states



Approximately 171 districts least performing Districts are mostly located in

1. Maharashtra.
2. Madhya Pradesh
3. Assam
4. Odisha
5. Northeast

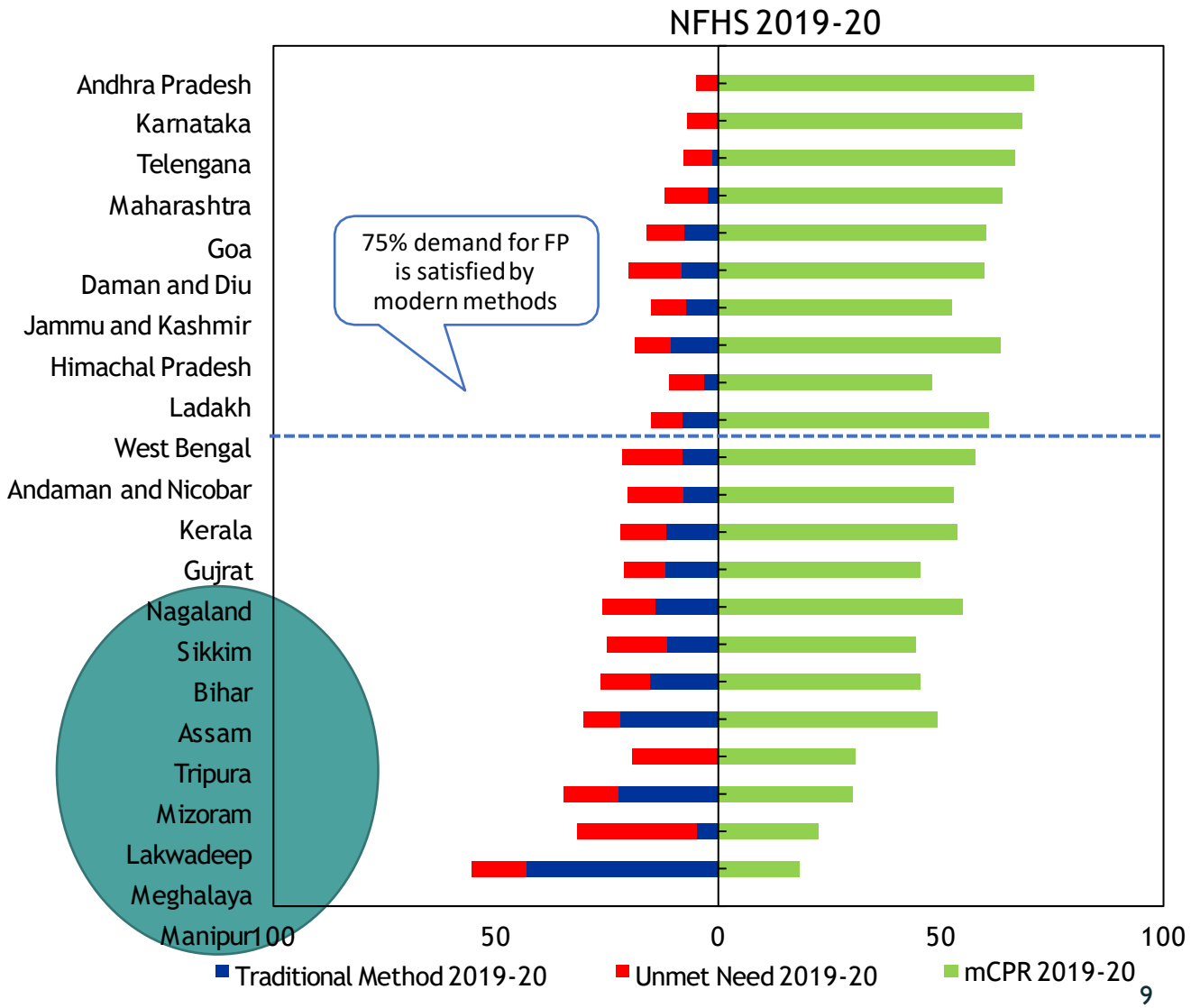
Percentage of Sustainable Development Goal (SDG) indicators that have met (Achieved-I & Achieved-II) the goal in 2021 for each district of India.

Source: Niti Aayog Sustainable Development Goals (SDG) Report Card 2021

02 FP USE NEED ANALYSIS

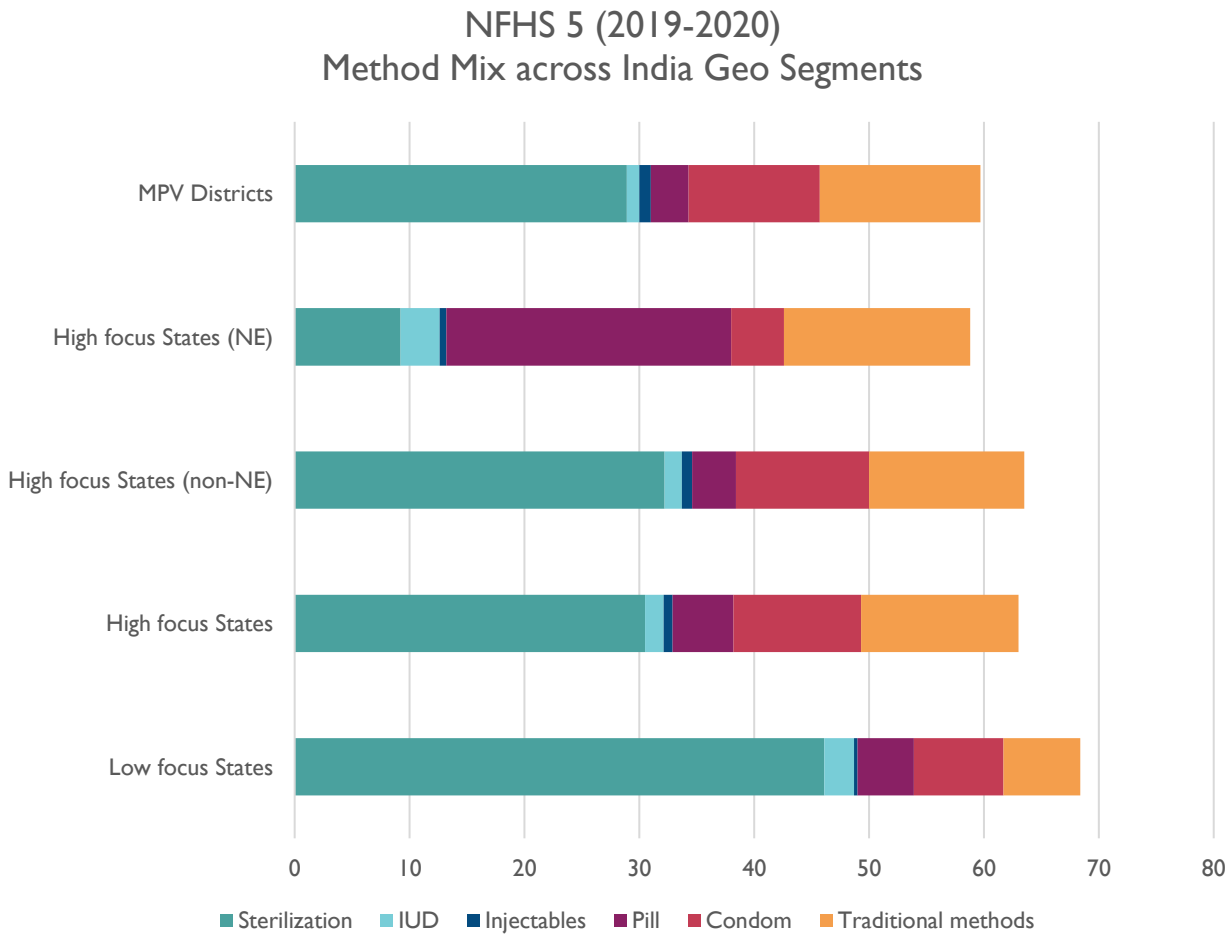
India Use Need Analysis

1. Teenage pregnancies higher than 10% in East/Northeast India.
2. Favorable shifts to reversible methods.
3. In 5 states Urban unmet need is higher than rural.
4. Selection of FHM Engage India intervention states are High Unmet need USAID focus states.



Source: Pop Council National Family Health Survey (NFHS) 5 2019-2020 Analysis

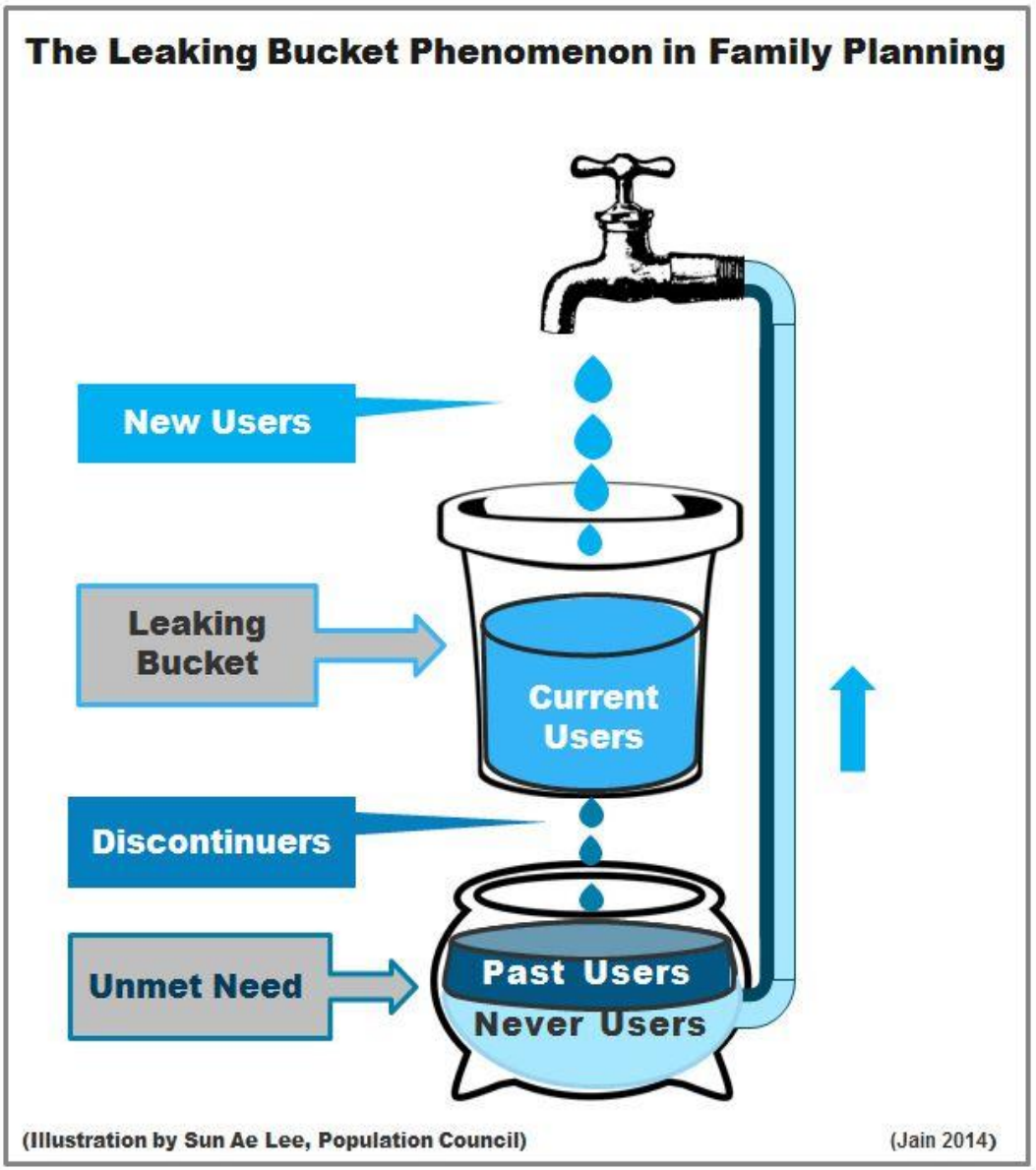
Basket of choice, Quality of information and Services Still a gap



In some states, Sterilization is often the first modern method adoption for women in India.

a) Source: India FP 2030 Vision MoHFW, MPV: Mission Parivar Vikas Focus districts NE: Northeast states of Assam,Manipur,Nagaland,Tripura,Mizoram,Arunachal Pradesh, Meghalaya India FP 2030 Vision document here

Quality of Use: Reversible Modern Method Discontinuty continues to be High



Awareness/ Acceptance

- >43% CMWs have never used a modern method; OCPs, IUDs and ICs have been used by a small proportion of CMWs.

Availability / Access

- Govt. is preferred source for IUD and sterilization.
- 90% of the users prefer pharmacies for purchasing condoms and OCPs;.

Affordability

- Out of CMWs who discontinued[1] use of IUDs, condoms and OCPs, <1% mentioned high cost as a reason for discontinuation

Assured Quality

- A very small proportion of users were informed of potential side effects before they adopted modern family planning methods (40% for IUDs, 26% for OCPs and 21% for sterilization)

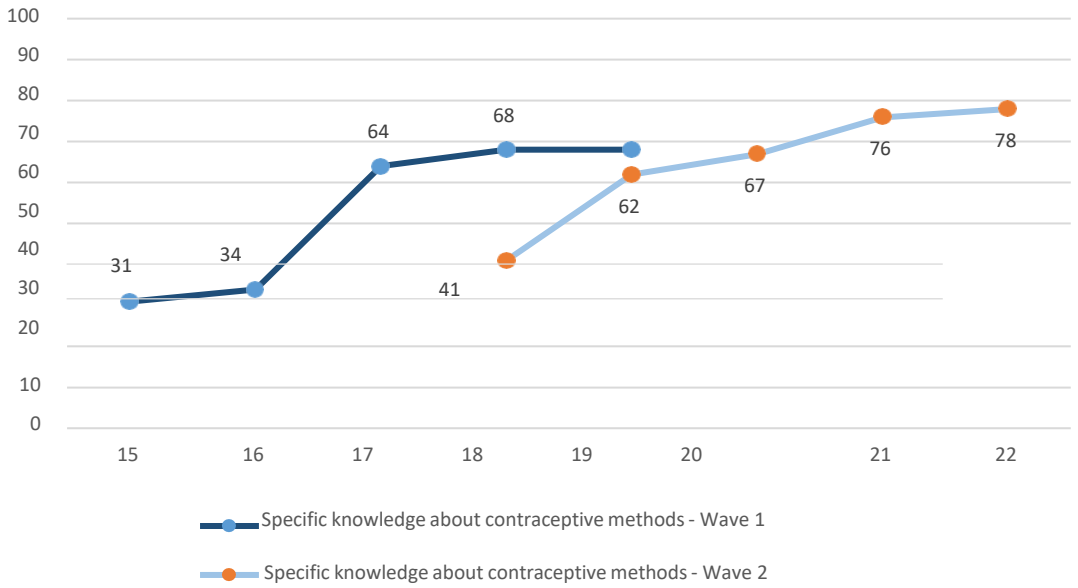
Appropriate Design

- Out of CMWs who discontinued[1] OCPs, 22% discontinued due to side effects and 3% because the method was inconvenient to use

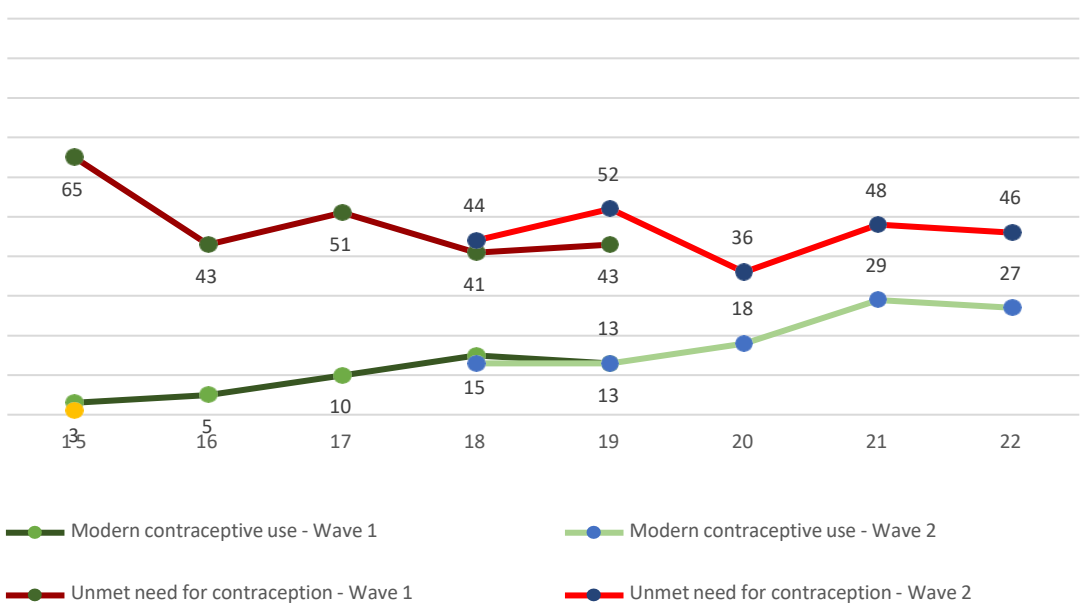
1. Defined as percent of Currently Married Women (CMW) who have used the mentioned modern FP product in the past, but are currently not using any modern FP method

Younger people needs unmet and they prefer reversible methods from private sector

Knowledge of contraceptive methods among older adolescents married, recruited in 2015-16 (%)



Use of contraceptive methods among older adolescents married, recruited in 2015-16 (%)



- **Low contraceptive knowledge, low use of contraception in early years of marriage is linked to high levels of unmet need for contraception.**
- **When the young people use contraception, they go for reversible contraceptive methods and most get those from private sector.**

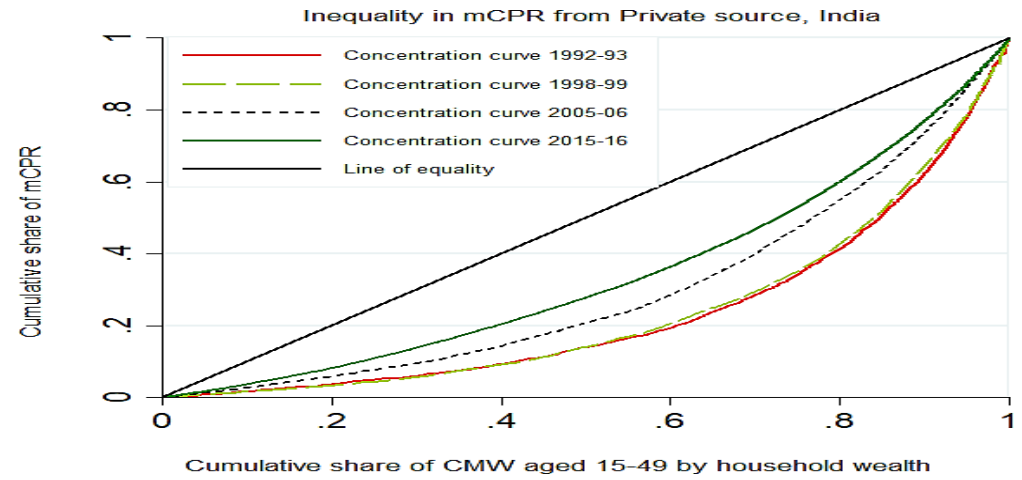
Source: UDAYA study by Population Council, supported by BMGF & Packard Foundation

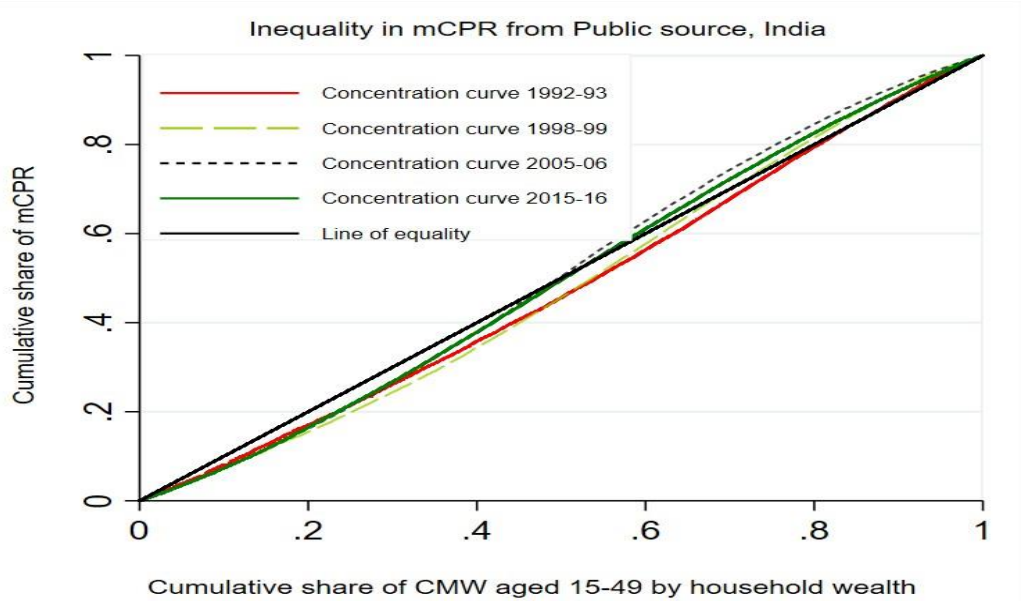
Read more from our thematic briefs on UDAYA website: https://www.projectudaya.in/resources/#reports

Private sector role is important for achieving FP Equity

Inequity in Modern Contraceptive Prevalence Rate (mCPR)is primarily attributed to user pattern of services in private sector

Expanding private sector may be helpful in reducing economic inequities

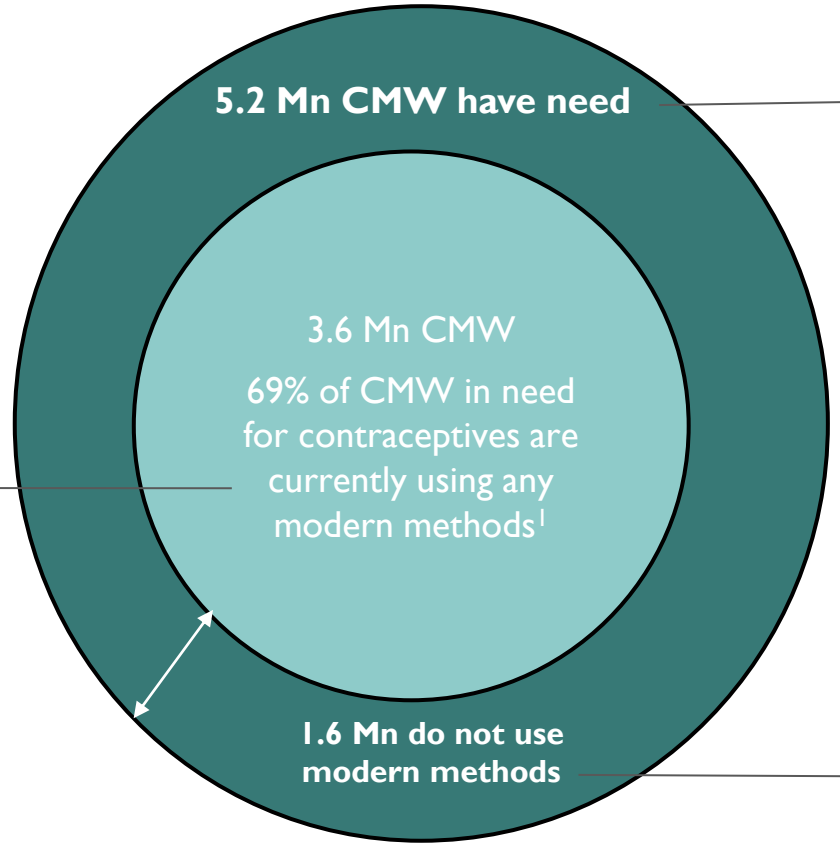




Kumar A, Jain AK, Aruldas K, Mozumdar A, Shukla A, Acharya A, Ram F, Saggurti N (2019). Is economic inequality in family planning in India associated with the private sector? ***Journal of Biosocial Science***. doi:10.1017/S0021932019000415.

Modern FP Use / Need – Maharashtra (NFHS 2019-21) among currently married women of 19-29 years

- **3.6 Mn CMW** (62% of CMW who are 'in need' for contraceptives) **currently use modern methods**
  - **51%** of modern method users are using **permanent methods** i.e., female/male sterilization
  - **Condoms are the 2nd most used** modern method (36% of modern method use)
  - While share of sterilization is high in rural areas (58%), condoms have a higher share in urban areas (38%)



Total CMW population = 8.3 Mn
mCPR = 44%

- **Out of 8.3 Mn CMW in Maharashtra, 5.2 Mn are in need for contraception** (i.e., the population at risk of unintended pregnancies if not using a contraception)
  - If we exclude permanent method users, this reduces to 3.4 Mn
- **Rural Maharashtra accounts for 3.1 Mn (64%) CMW 'in need' for contraceptives**

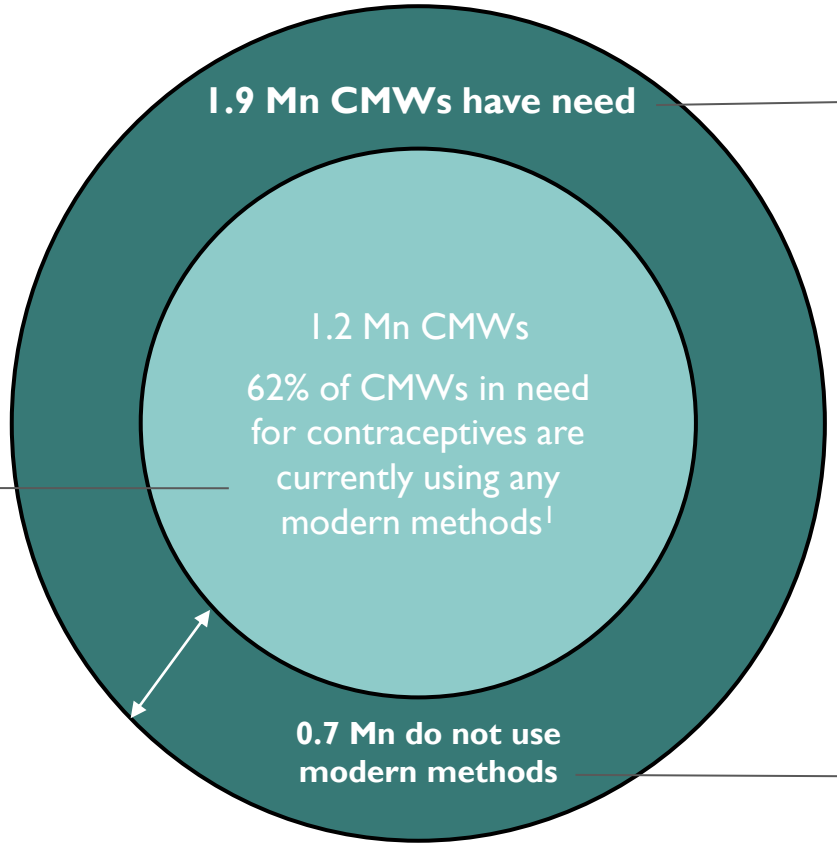
- **1.63 Mn CMW in Maharashtra need contraception but do not use any modern methods**
  - **0.26 Mn use traditional methods** while 1.37 Mn do not use any contraception
  - **Use / Need gap for modern contraceptives —in terms of number of CMW— is marginally higher in rural areas** (0.9 Mn) than in urban areas (0.7 Mn) but the % of the gap to number of women 'in need' is higher in urban areas (34%) than in rural areas (29%)

The market is 'matured' yet 34% CMW in urban and 29% in rural areas are not using any modern methods; less than 16% of non-users of modern methods, who are in need, are using traditional methods

Sources: 2023 Population of currently married women (CMW) of 19-29 years based on projections by Registrar General of India (RGI); Rural and Urban CMW population determined using the sample weights of NFHS 2019-21; Use / Need percent were generated using NFHS 2019-21

Modern FP Use / Need – Assam (NFHS 2019-21) among currently married women of 19-29 years

- **1.2 Mn CMW** (62% of CMW who are 'in need' for contraceptives) **currently use modern methods**
  - **Pills are the most used** modern method (68% of modern method use)
  - **Condoms are the 2nd most used** modern method (15% of modern method use)
  - **7%** of modern method users are using **permanent methods** i.e., female/male sterilization
  - While share of pills is high in rural areas (69%), condoms have a higher share in urban areas (23%) compared to rural areas (14%)



Total CMW population = 2.7 Mn
mCPR = 45%

- **Out of 2.7 Mn CMW in Assam, 1.9 Mn are in need for contraception** (i.e., the population at risk of unintended pregnancies if not using a contraception)
  - If we exclude permanent method users, this reduces to 1.9 Mn
- **Rural Assam accounts for 1.7 Mn (71%) CMW 'in need' for contraceptives**

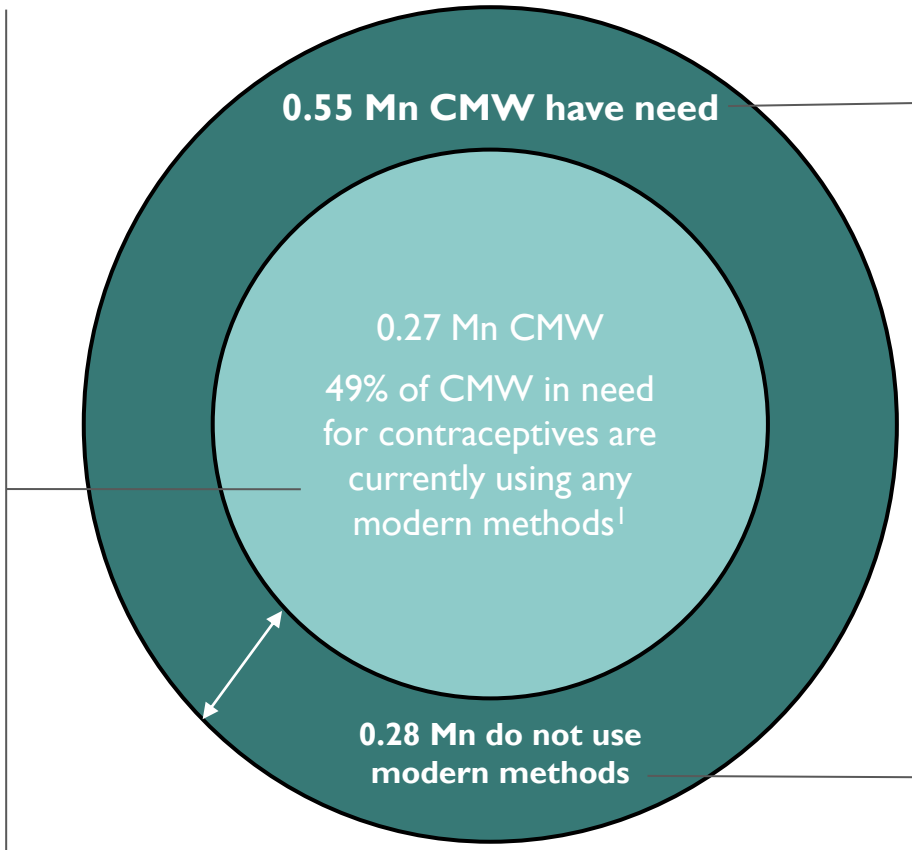
- **0.7 Mn CMW in Assam need contraception but do not use any modern methods**
  - **0.4 Mn use traditional methods** while 0.3 Mn do not use any contraception
  - **Use / Need gap for modern contraceptives —in terms of number of CMW— is higher in rural areas** (0.6 Mn) than in urban areas (0.1 Mn) but the % of the gap to number of women 'in need' is higher in urban areas (40%) than in rural areas (37%)

The market is evolving as 40% CMW in urban and 37% in rural areas are not using any modern methods; 54% of non-users of modern methods, who are in need, are using traditional methods

Sources: 2023 Population of currently married women (CMW) of 19-29 years based on projections by Registrar General of India (RGI); Rural and Urban CMW population determined using the sample weights of NFHS 2019-21; Use / Need percent were generated using NFHS 2019-21

Modern FP Use / Need – Northeastern states except Assam (NFHS 2019-21) among currently married women of 19-29 years

- **0.27 Mn CMW** (49% of CMW who are 'in need' for contraceptives) **currently use modern methods**
  - **Pills are the most used** modern method (63% of modern method use)
  - **Condoms are the 2nd most used** modern method (15% of modern method use)
  - **6%** of modern method users are using **permanent methods** i.e., female/male sterilization
  - While share of pills is high in rural areas (64%), condoms have a higher share in urban areas (20%) than in rural areas (13%)



Total CMW population = 0.81 Mn
mCPR = 33%

- **Out of 0.81 Mn CMW in NE states, 0.55 Mn are in need for contraceptives** (i.e., the population at risk of unintended pregnancies if not using a contraception)
  - If we exclude permanent method users, this reduces to 0.53 Mn
- **Rural areas of NE states accounts for 0.41 Mn (67%) CMW 'in need' for contraceptives**

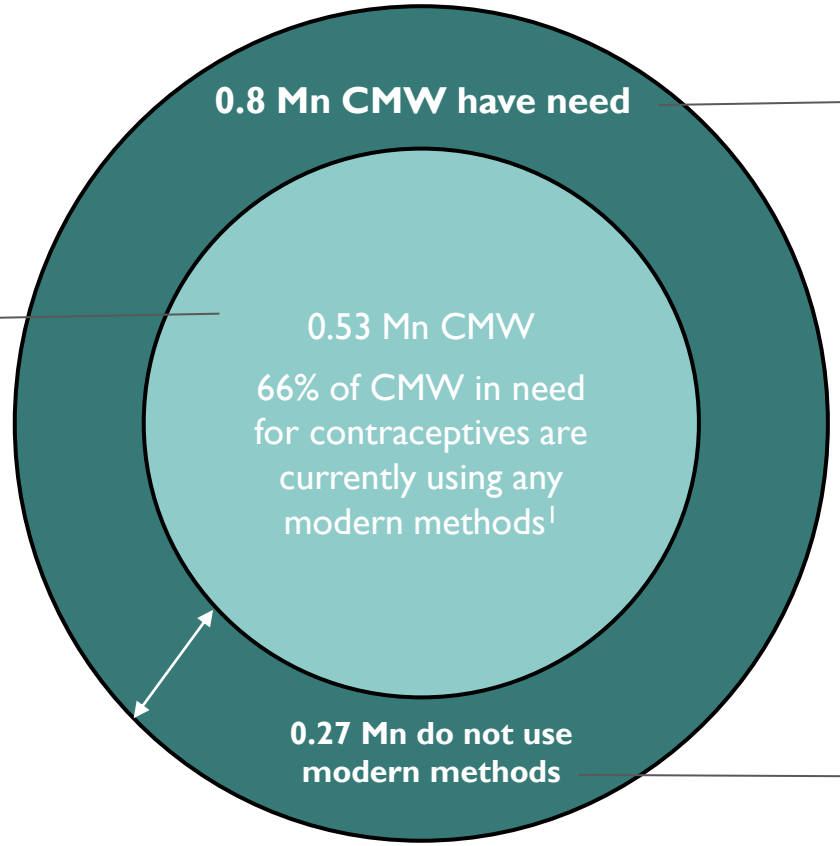
- **0.28 Mn CMW in NE states need contraception but do not use any modern methods**
  - **0.145 Mn use traditional methods** while 0.135 Mn do not use any contraception
  - **Use / Need gap for modern contraceptives —in terms of number of CMW— is much higher in rural areas** (0.215 Mn) than in urban areas (0.065 Mn) but the % of the gap to number of women 'in need' is higher in rural areas (52%) than in urban areas (46%)

The market is 'challenging', as 52% CMW in rural and 46% in urban areas are not using any modern methods; 52% of **non-users** of modern methods are using **traditional methods**

Sources: 2023 Population of currently married women (CMW) of 19-29 years based on projections by Registrar General of India (RGI); Rural and Urban CMW population determined using the sample weights of NFHS 2019-21; Use / Need percent were generated using NFHS 2019-21

Modern FP Use / Need – National Capital Territory Delhi (NFHS 2019-21) among currently married women of 19-29 years

- **0.53 Mn CMW** (72% of CMW who are 'in need' for contraceptives) **currently use modern methods**
  - **Condom are the most used** modern method (64% of modern method use)
  - **IUCD is the 2nd most used** modern method (17% of modern method use)
  - **10%** of modern method users are using **permanent methods** i.e., female/male sterilization



- **Out of 1.1 Mn CMW in NCT Delhi, 0.8 Mn are in need for contraceptives** (i.e., the population at risk of unintended pregnancies if not using a contraception)
  - If we exclude permanent method users, this reduces to 0.75 Mn

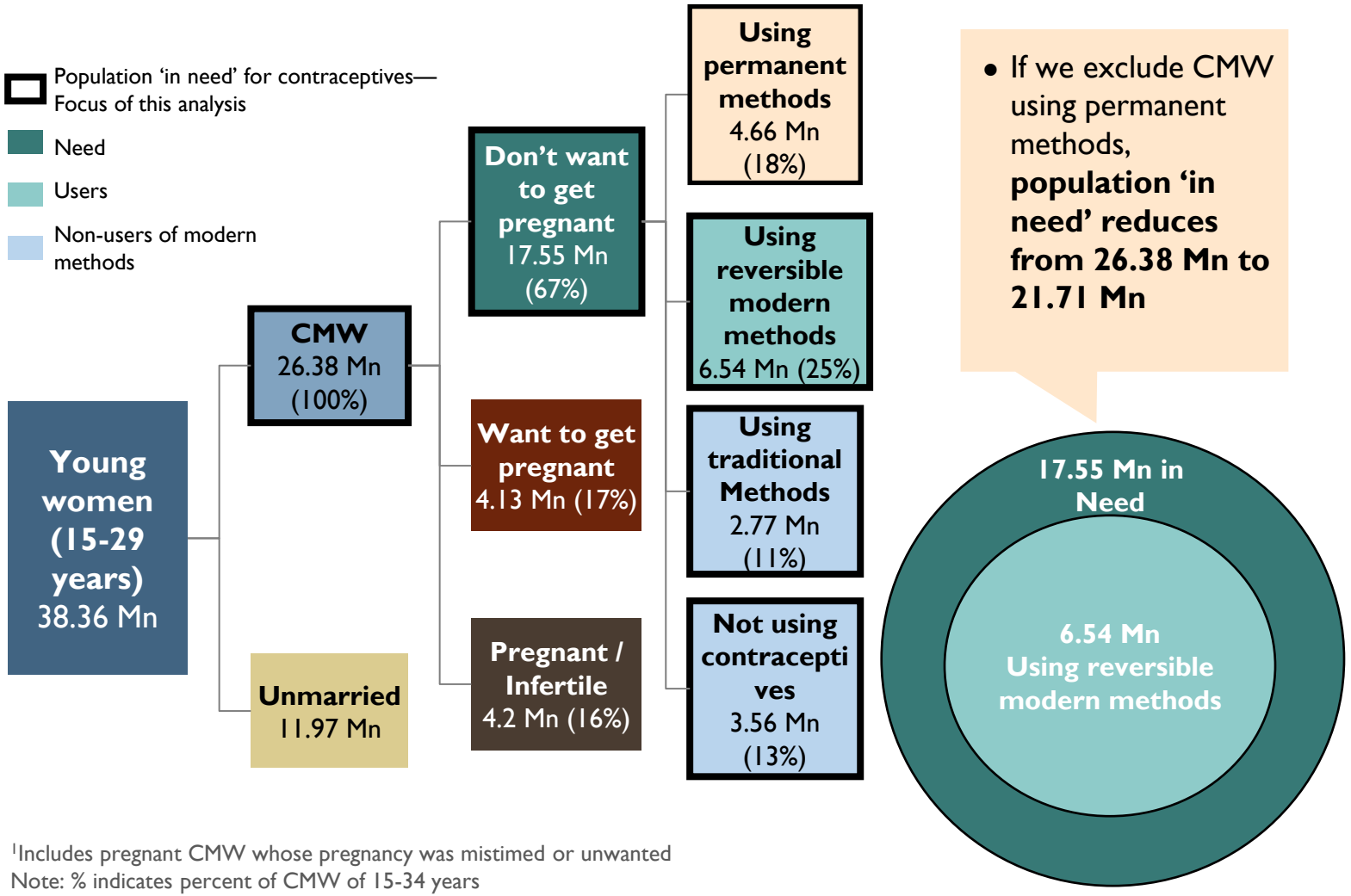
- **0.27 Mn CMW in NCT Delhi need contraception but do not use any modern methods**
  - **0.18 Mn use traditional methods** while 0.09 Mn do not use any contraception

Total CMW population = 1.1 Mn
mCPR = 48%

The market is somewhat 'matured', as 34% CMW 'in need' are not using any modern methods; 67% of **non-users** of modern methods are using **traditional methods**

Sources: 2023 Population of currently married women (CMW) of 19-29 years based on projections by Registrar General of India (RGI); Rural and Urban CMW population determined using the sample weights of NFHS 2019-21; Use / Need percent were generated using NFHS 2019-21

SUMMARY: USE NEED ANALYSIS
Modern FP Use & Need among 15-29 years women—Select USAID focus states*



- If we exclude CMW using permanent methods, **population 'in need' reduces from 26.38 Mn to 21.71 Mn**

[1]Includes pregnant CMW whose pregnancy was mistimed or unwanted
Note: % indicates percent of CMW of 15-34 years
Sources: Based on 2023 female population projections of 15-49 years by RGI; female population of 15-34 years derived using NFHS 2019-21 sample weights

- **Maharashtra, Delhi, Assam, Northeast**

OCP: Oral Contraceptive Pills, DMPA: Depot-medroxyprogestrone acetate Injection)

The Market is currently underserving

-Youth and adolescents

- Both Urban and rural (across wealth quintiles for Choice and method mix)

Other trends:

- Quality of use (discontinuity) continues to be a big challenge for OCPs and DMPA Inj.
- Younger consumers discrete and on demand modern methods and sourcing from private sector.

03 MACRO & POLICY TRENDS

Government of India (GoI) Policy focus: Regulation of Major Private Sector

Segments in India's Healthcare Sector

Hospitals	Government (healthcare centres, district hospitals, general hospitals) Private (nursing homes, mid-tier & top-tier private hospitals)
Pharmaceutical	Includes manufacturing, extraction, processing, purification & packaging of chemical materials for use as medications for humans or animals
Diagnostics	Comprises businesses & laboratories that offer analytical or diagnostic services, including body fluid analysis
Medical Equipment and Supplies	Includes establishments primarily manufacturing medical equipment & supplies, e.g. surgical, dental, orthopedic, ophthalmologic, laboratory instruments, etc.
Medical Insurance	Includes health insurance & medical reimbursement facility, covering an individual's hospitalization expenses incurred due to sickness
Telemedicine	Has enormous potential in meeting the challenges of healthcare delivery to rural & remote areas besides several other applications in education, training & management in the health sector

Policy Thrust: Shoring Domestic Drugs & Medical devices Manufacturing with Incentives

PLI (Production Linked Incentive) Scheme for promotion of domestic manufacturing of Pharmaceutical Products & Medical Devices.	
Overview	India possesses a complete ecosystem for the development and manufacturing of pharmaceuticals and a robust ecosystem of allied industries. The new PLI scheme will incentivize global and domestic players to engage in high-value production.

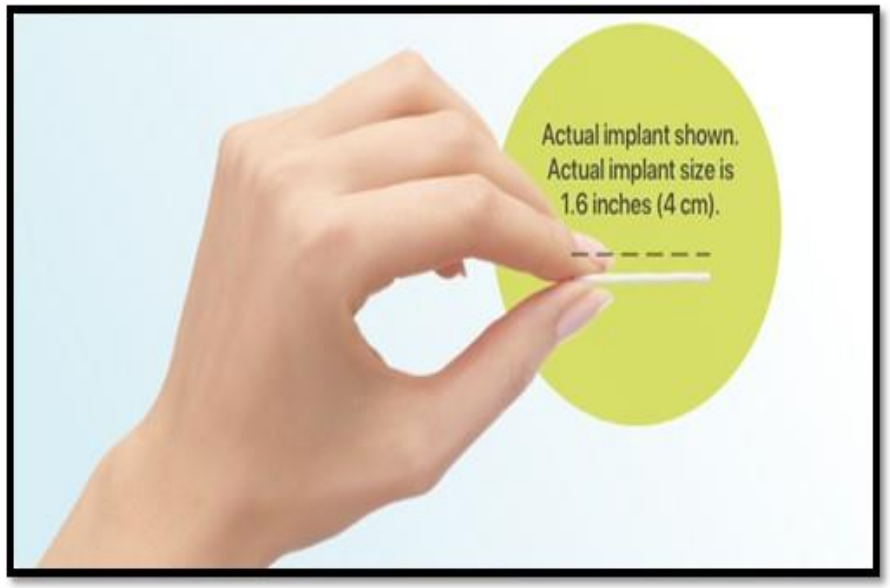
PLI Production linked incentive
Aligning Rewards and incentives for domestic manufacturing.

1. A robust Indian drugs and devices manufacturing sector gets incentives for manufacturing and selling in India.
2. Easy to access and promotes import substitution for commodity security (a post pandemic move for building resilience)

PLI: Production Linked Incentive

Regulations are Aligning with Global Frameworks: Adoption and use Health Technology Assessments (HTA)

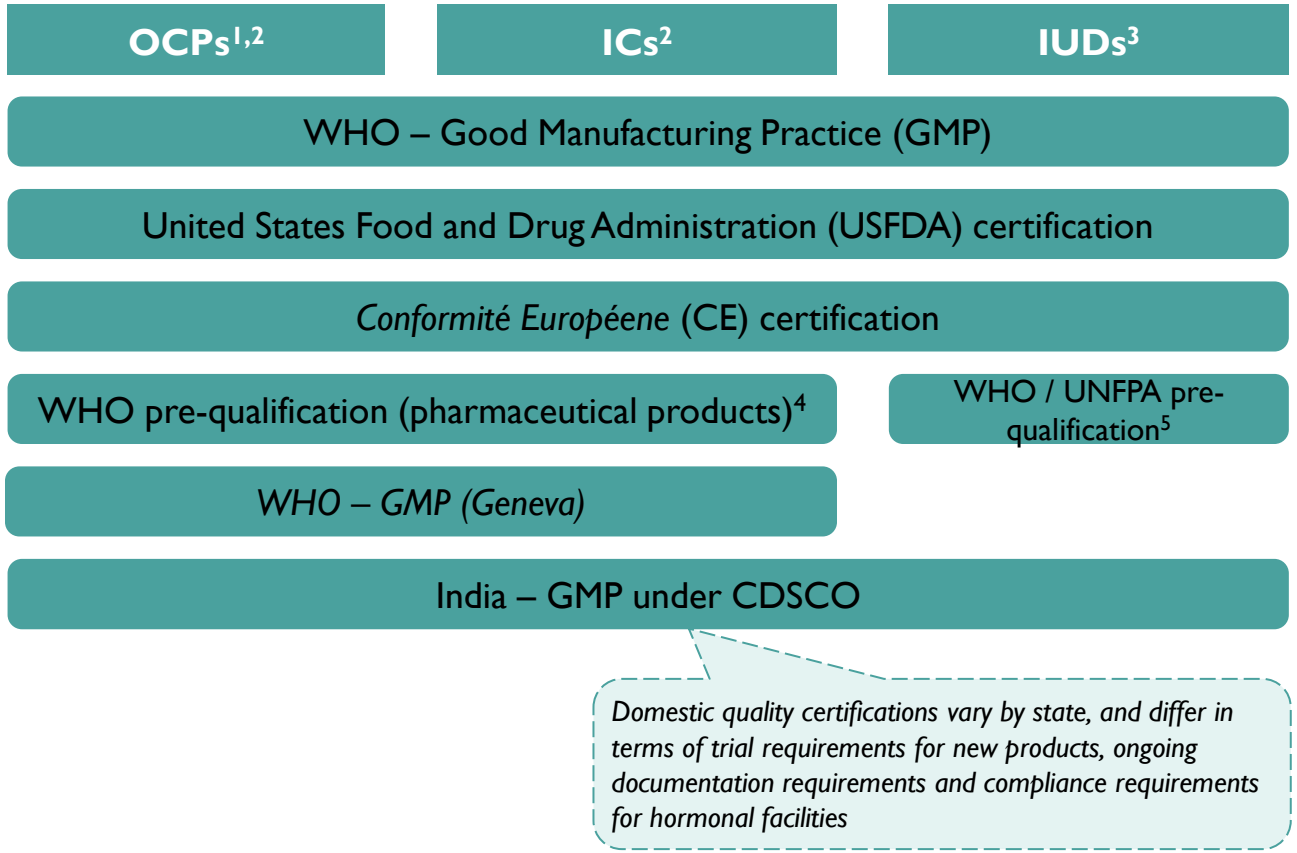
Implant HTA assessment done & included in National FP Basket of choice



HTA adoption benefits

1. Streamlining Reimbursements process for Users and private sector.
2. Rationalizing FP Private sector Benefit Packages
3. Addressing FP Adoption and post adoption user support needs & mechanisms.
4. Improving FP public procurement pricing policies

Strengthening FP Quality Assurance and certification: Work in Progress



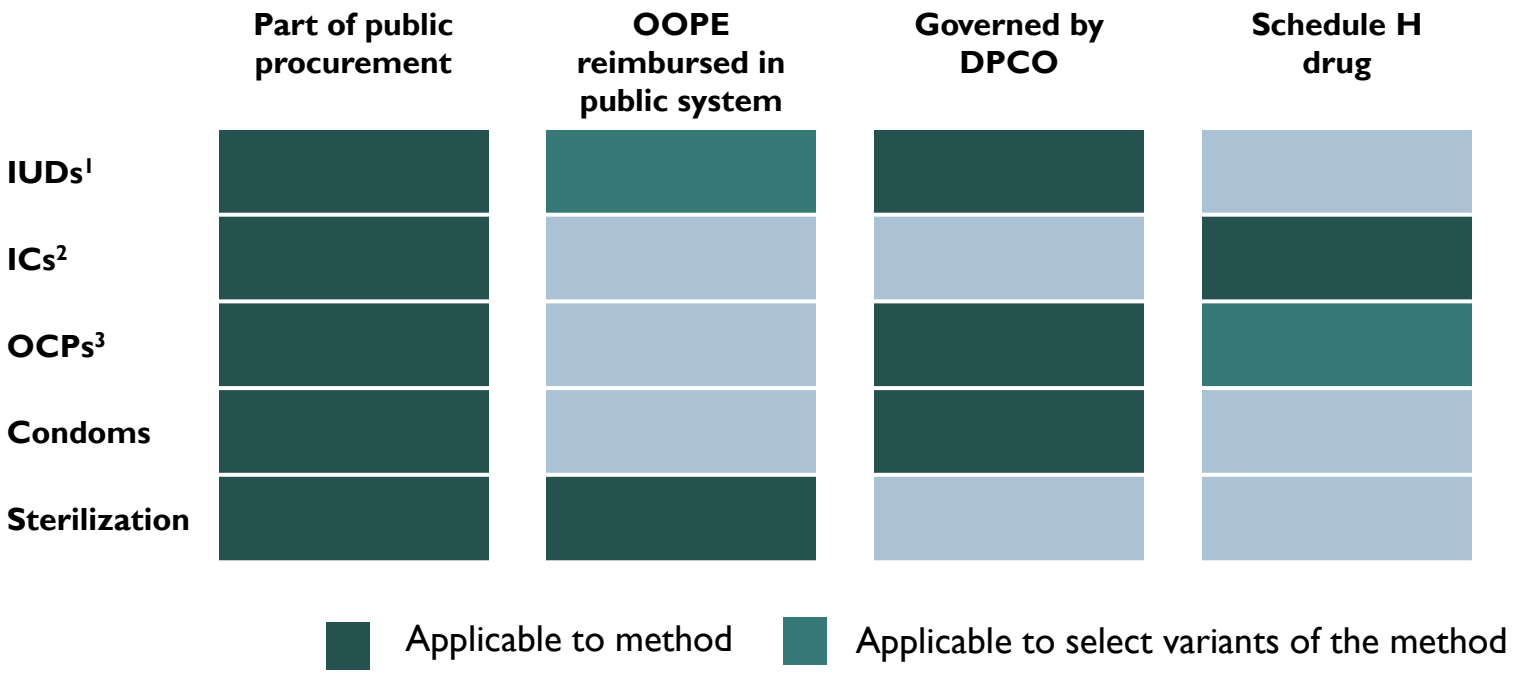
1. India GMP under National Drug Authority has lessor ' regulatory standards' for QA and certification, and lax enforcement.
2. India is a Zone IV a/b ICH stability zone with poor ' stability testing' QC across supply chain.

Given Domestic Pharma industry is branded generics and mostly third-party manufacturing, these challenges are barriers for quality supply of formulations and devices.

[1]Most guidelines require OCP manufacturers to have a separate facility for manufacturing of hormonal products, this can be within a plant but there must be a clear, proper separation; [2]For OCPs and ICs, most large international procurers require a manufacturer to have WHO-GMP (Geneva) certification, and in some cases WHO-pre qualification; [3]For IUDs, most large international procurers require a manufacturer to meet at least two pre-qualifications amongst USFDA, CE, and WHO / UNFPA, mentioned above; [4]WHO pre-qualification for pharmaceutical products requires a manufacturer to undergo pharma equivalence tests for their hormonal products. These can cost up to USD 2 million, without a guarantee of equivalency approval. For ICs, Pfizer is the only WHO pre-qualified vendor in the world; [5]Since 2007, WHO and UNFPA have harmonized the pre-qualification process for condoms and IUDs.
Note: The certifications above reflect the common standard for tenders agreed on by most large international procurers

FP Private sector Policy: Not a level Field

With introduction of ICs into the National Family Planning Programme, all 5 modern contraceptive methods are part of the public procurement system; Implants are currently under procurement process.



1. Government of India procurement for subsidized social marketing awaits new guidelines.
2. OOPE incurred by users have differential payments for methods and sectors.
3. Price control constrains margins and investments in FP.
4. Drug schedules are unharmonized across public and private sector. Distorts OTC and self care market.

[1]Insertion of PPIUCDs has OOPER throughout the year in the public system, while IUD insertion only during certain months; [2]IC has been approved for introduction into the public procurement system; [3]Government brands, all subsidized brands, and a few commercial brands of 2nd generation OCPs are Schedule K drugs

Sources: Secondary Research

Policy environment governing digital counselling & E-Commerce, Direct to consumer (DTC) marketing for family planning

Criteria	Digital Counselling				
	Eth	Ind	Ken	Nig	Pak
Digital Counselling	●	●	●	●	▼
Digital health standards in place	▼	▼	▼	●	▼
Integrated in FP policies	●	●	●	●	●
Digital counseling in use for FP	▼	●	●	▼	▼
Quality oversight in place	▼	▼	▼	●	▼
Formal training in place	▼	▼	▼	▼	▼

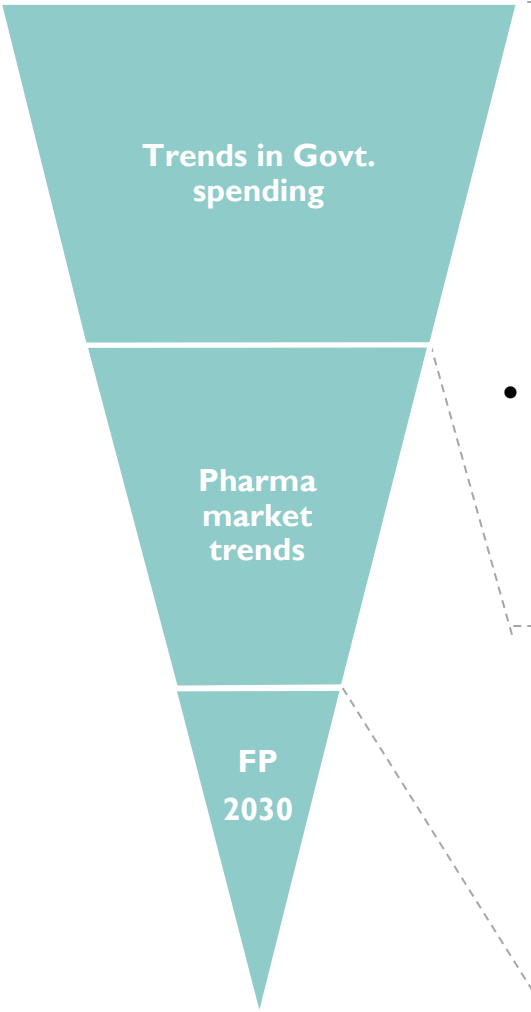
Criteria	DTC Channels				
	Eth	Ind	Ken	Nig	Pak
DTC Marketing allowed	▼	●	●	●	●
Licensing/registration requirement	▼	▼	▼	▼	▼
Quality oversight in place	▼	▼	▼	▼	▼
Integrated in FP policies	▼	▼	▼	▼	▼
Included in supply chain systems	▼	▼	▼	●	▼
Drug schedule clarifies sales permissions	▼	▼	▼	▼	▼
Formal training in place	▼	▼	▼	▼	▼

● Yes
▼ No

1. FP Digital Counselling guidelines published during the Covid Pandemic.
2. E-Commerce policies face headwinds from trade & poor coordination between different Government departments.
3. DTC Marketing allowed for over the counter (OTC) schedules; however self regulation of social media platform is a barrier for promotion.

SOURCE: PATH ICFP 2022 PPT ANALYSIS

FP Division in MoHFW: In transition with promise and potential to address FP 2030



- GoI is devolving more financial powers to states
  - It is unclear how expenditure will evolve; implementation is stalling as relevant bodies / ministries take a "wait and watch" approach
- Over last 5 years, expenditure on health as % of GDP has increased from1.3 to 2.1,it has decreased over 2022 RE. Omnibus Capex expenditure on Infra in Urban areas.

- Since 2013, many pharma products have been brought under Drug Price Control, including condoms, OCPs, and IUDs
  - Recent amendments to new drug approval process have made the process more stringent, and potentially slower
  - IC roll out stalled by pandemic. Sayana Press and Implants approved for public sector roll outs. DCGI generic DMPA SubQ generic file approvals under progress.

Policy and governance (FP 2030 Commitment)

Developing the country's roadmap/guidance for improved private sector engagement through establishing a national level platform/Leveraging the existing private sector platforms (with participation from all health-related private sector). The platform can play a crucial role in advocacy for improving involvement of the private sector, strengthening inter-sectoral convergence, **strengthening a market development approach**, expanding social health insurance schemes and building partnerships with pharmaceutical companies to understand the requirements and **align them with 'Make in India' campaign.**

SOURCE: SECONDARY RESEARCH,INDIA FP 2030 VISION DOCUMENT

FP 2030 Private Sector role in India
Transition from Government led to an intersectoral convergence

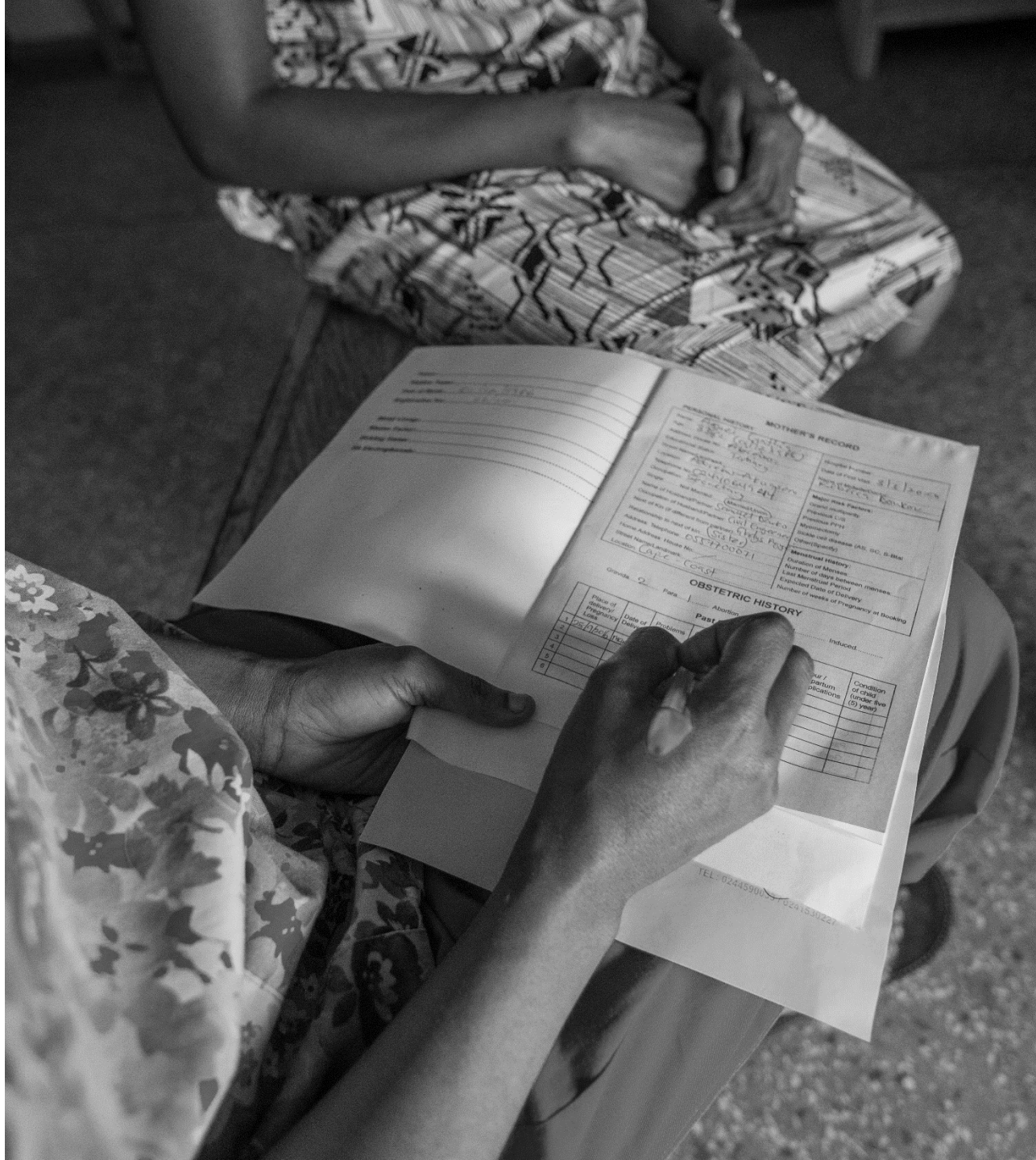
Policy and governance	❯ **Developing the country's roadmap/guidance for improved private sector engagement through establishing a national level platform/Leveraging the existing private sector platforms (with participation from all health-related private sector).** The platform can play a crucial role in advocacy for improving involvement of the private sector, strengthening inter-sectoral convergence, strengthening a market development approach, expanding social health insurance schemes and building partnerships with pharmaceutical companies to understand the requirements and align them with 'Make in India' campaign.
Improving access to FP services	❯ **Revamping Social marketing** -GoI envisions revamping the social marketing scheme and identifies it as one of the potential strategies to improve supplies and demand. ❯ **Expansion of contraceptive basket with the introduction of implants and SC MPA:** Moving ahead the private sector has a crucial role to play in terms of product availability (manufacturing), demand generation and service provision. **India also envisions increasing the basket of choice in social marketing.** ❯ **Exploring digital innovations**- India envisions leveraging digital technology for FP information and services; data collection and analysis and contraceptive social marketing. Through development partners the innovative models will be tested. The Ayushman Bharat Digital Mission could serve as the bedrock on which this ecosystem can be built. ❯ **Strengthening social franchising.** ❯ **Extension of the COT model for all States.** ❯ **Fostering collaborations** from professional bodies and corporates to improve access to Family Planning services.
Improving quality of FP services	❯ **Integrated approach** for capacity building of providers for FP quality guidelines, need for adolescent and youth reproductive health. ❯ **Strengthening Quality assurance mechanisms.** ❯ **Frequent mapping and engagement with the private sector (at the local level- District/block) for improved data reporting.** ❯ **Strengthening the beneficiary-based reporting systems.**
Strengthening health financing	❯ Demonstrating Innovative financing schemes through development partners and Integrating technology-based solutions. ❯ Creating a platform for Corporate partners to pledge their support through workplace and CSR initiatives (Like Corporate TB Pledge).
Commodity security	❯ **Strengthening capacity** of private sector on efficient FP logistic management. ❯ **Testing digital innovations** for improving reporting across different supply chain models.

1. **Supportive Policy Environment:** Stewardship through MDA in a decentralized governance through strategic alliances with Private Sector.
2. **Accreditation for Private Sector:** Innovations in PPP in collaboration with private sector and Civil Society.
3. **Strengthening Health Financing**: Adopting a segmented approach to who will pay for what?
4. **Ensuring Commodity Security:** Catalyzing domestic private sector manufacturing & Supply chain through incentives.

SOURCE: SECONDARY RESEARCH,INDIA FP 2030 VISION DOCUMENT

SUMMARY | POLICY TRENDS

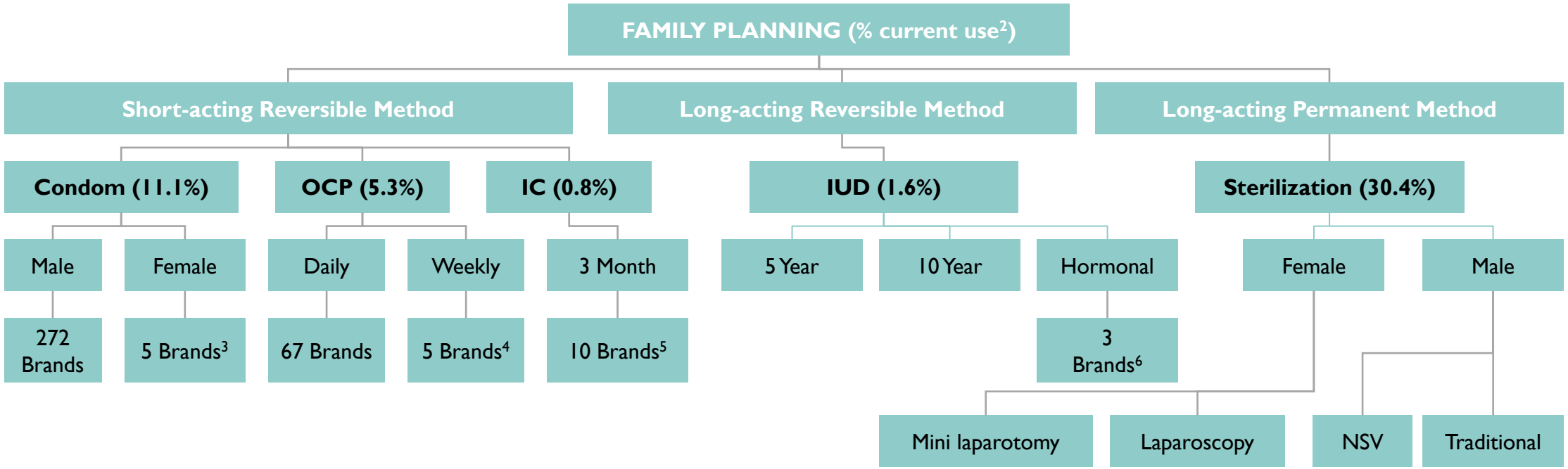
1. Positive trends & incentives for domestic manufacturing of Commodities.
2. Market access barriers for FP high due to Price, Promotion and Harmonization controls.
3. Absence of a Clear and complete Private sector and Self Care strategy for FP 2030.
4. Social Marketing, Strategic Purchasing and Clinical Outreach schemes perform sub optimally with outdated guidelines which have not kept pace with market and user needs.



04 MARKET BREADTH & DEPTH

India Market Breadth & Depth
Number of Modern FP Methods/ Brands

Select FP Products / Services Available in India[1]

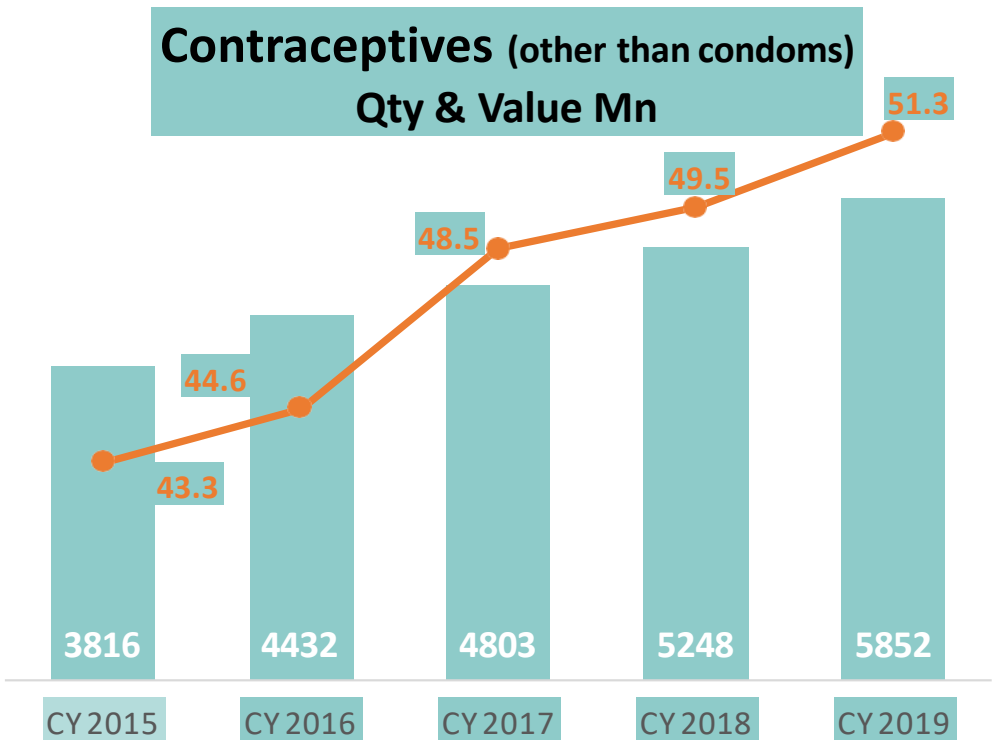


Note: [1]Only includes major FP products/services available in India, based on primary and secondary research and may not be exhaustive; [2]Percentages in brackets below each product denote the proportion of CMWs of 15-49 years currently using the product (at an all-India level); [3]Available female condom brands include Confidom, Velvet, Reddy, V Amour, L'amour, VA WOW Feminine condom and Sutra; [4]Centchroman (ormeloxifene) is now a part of the National FP Program. Available brands in India are Saheli, Centrn, Ormetect, Novex and Sevista; [5]Pfizer's Depo-Provera is the market leading brand for ICs. Other major brands include Myone Depot, Petogen, Depo-Kare, Freedom Inject, Pari, Procosteron, Khushi, B Sure, and Noristerat (Net-en); [6]Hormonal IUD brands present in India are Eloira, Emily, and Mirena

IQVIA, 2019

Method Prevalence %: High focus states NFHS 2019

Market Value and Volume
9% Brands drive 75% value

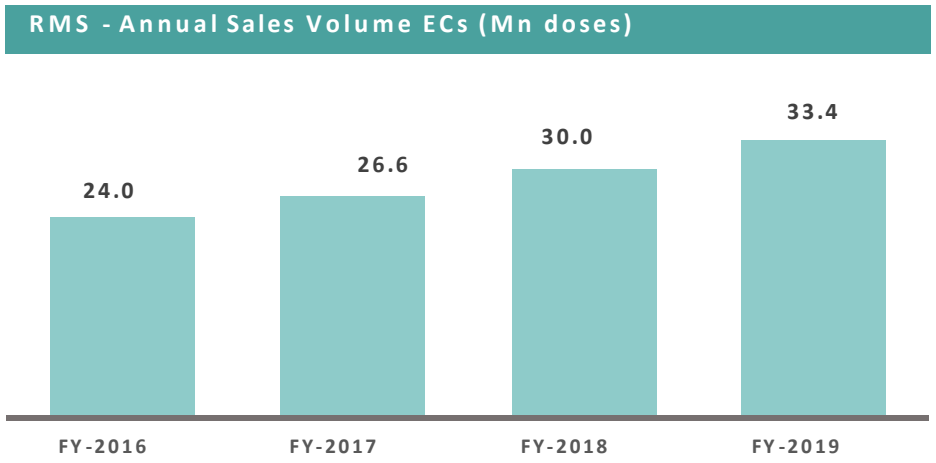


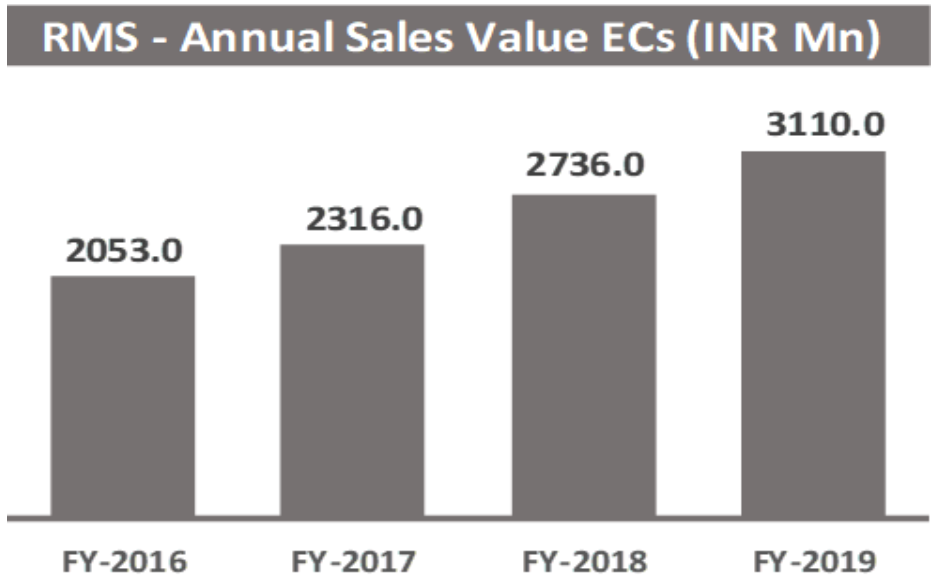
Insights

- The Indian Private contraceptive market (Minus Condoms) constituting around 175 brands* is valued at INR.5852 Mn as at December 2019 and represents around 8.5% of the Gynaecology market. The contraceptives have grown at a CAGR of 11% over the period CY-2015 to CY-2019.
- Ovral-L (Ethinyl Estradiol + Levonorgestrel) is the largest contraceptive brand valued at app. INR.850 Mn. It holds 75th position amongst all Pharma brands in India.
- Top-15 Contraceptive Brands constitute 75% of the overall Market of INR. 5852 Mn. Amongst the top-15 brands, we have 11 OCPs, 2 ECs, 1 Injectable and an IUS brand.
- Depo-Provera Injection is the 14th biggest contraceptive brand valued at app. INR. 145 Mn.
- There are a total of 84 brands which constitute less than 1% of the contraceptive market.

* IQVIA Moving Annual Turnover (MAT) 2019 March

EC in India: Market Concentration with 2 brands, which gives them access and pricing power





- The private EC market is entirely dominated by 2 brands namely, Unwanted-72 (Mankind Pharma) & I-pill (Piramal Enterprises Ltd).

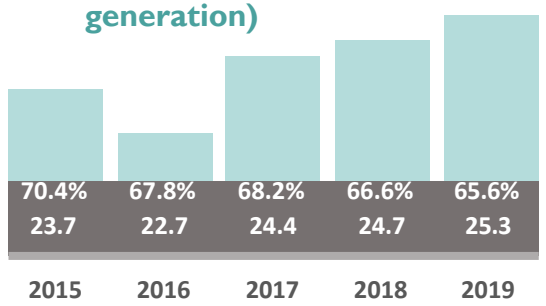
- Unwanted-72 is the market leader with about 80% Market Share (26.5 Mn doses) while Piramal's i-pill has app. 18% market share (6.0 Mn doses). The 3rd biggest brand sells only about 0.2 Mn doses.

Source : IQVIA RMS ending March 2020.

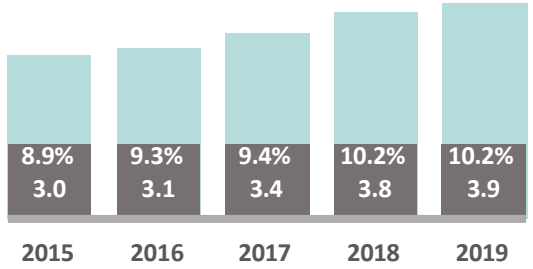
OCP: 3 out of every 4 pills sold is still a 2nd generation COC.

Generation wise Volume (Mn Cycles) and % share of COCs from CY-2015 to CY-2019

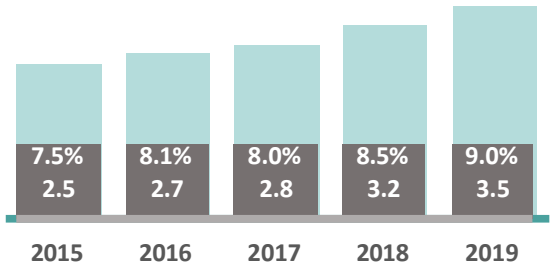
EE + Levonorgestrel (2nd generation)



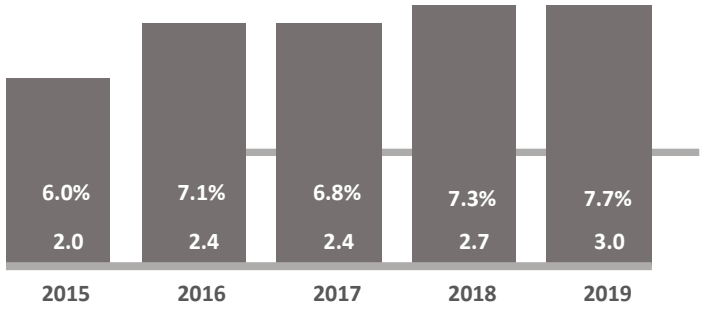
EE + Desogestrel (3rd generation)



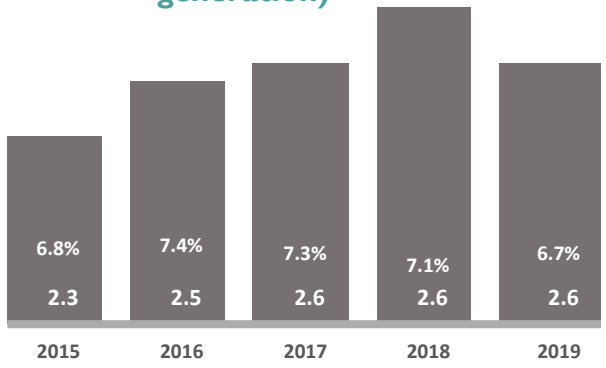
EE + Cyproterone



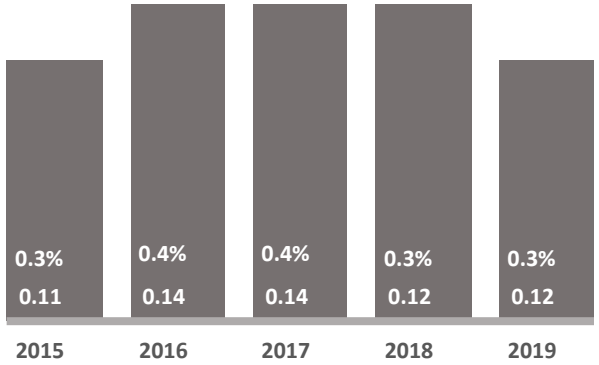
EE + Drospirenone (4th generation)



EE + Norgestrel ((2nd generation)

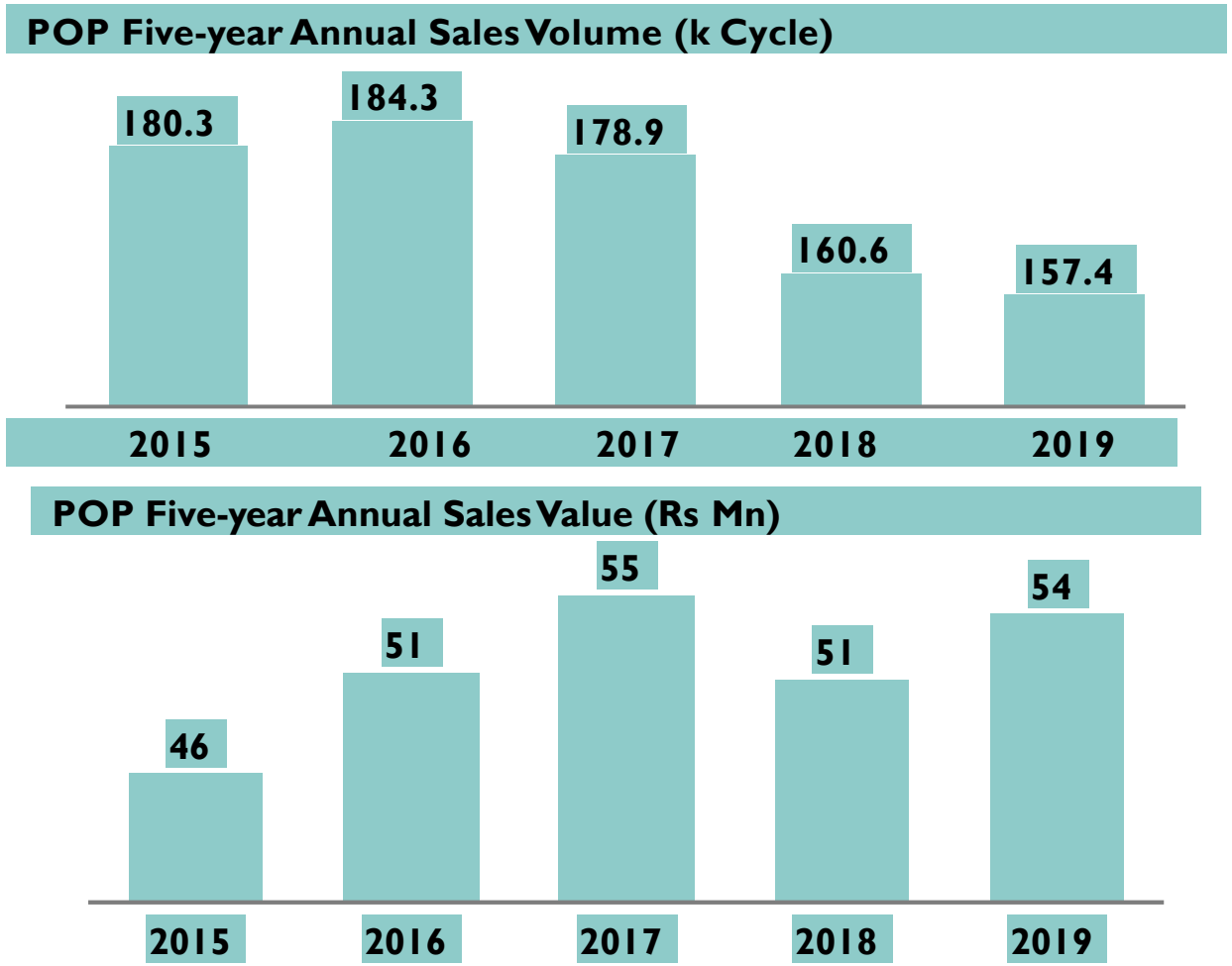


EE + Gestodene (3rd generation)



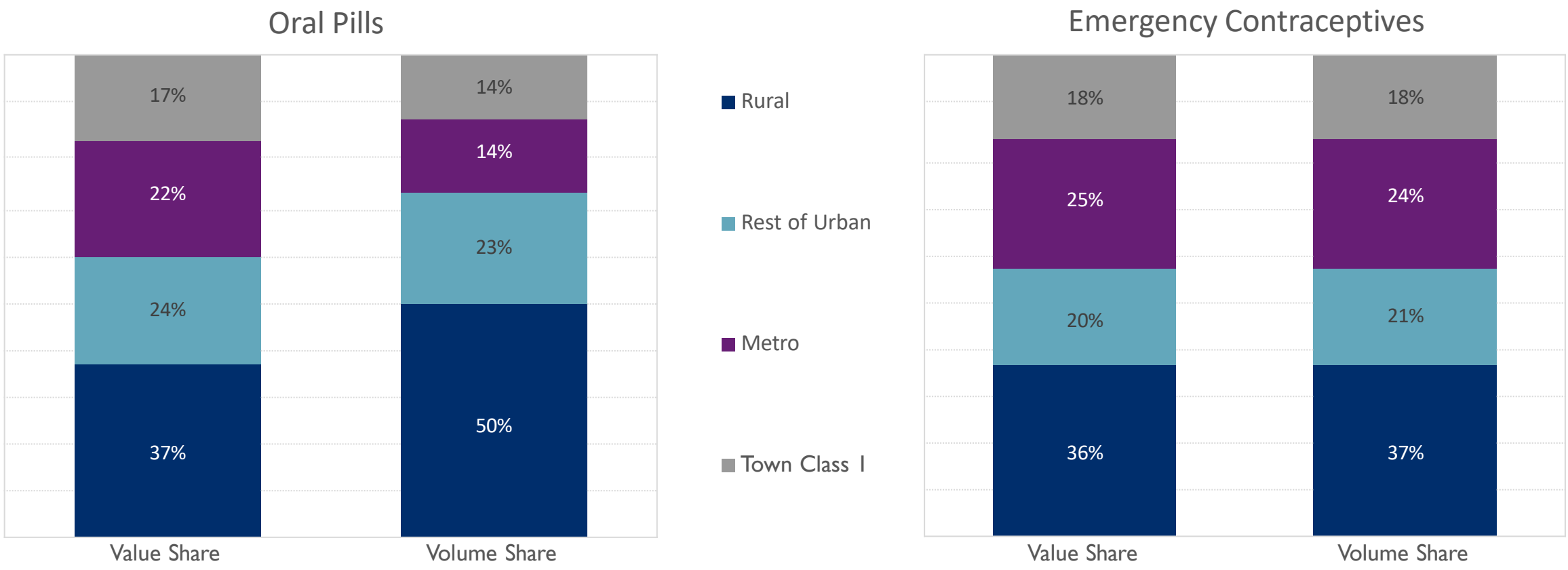
Source : IQVIA RMS ending March 2020.

Pills Landscape Analysis
Progestin Only Pill (POPs) market is the smallest category in OCP



- Market Volume for POP shows sharp degrowth at CAGR 8%: 160 Thousand cycles of the total 130 Mn cycles of OCP is negligible.
- However, Value shows marginal CAGR growth due to inflationary price increase.

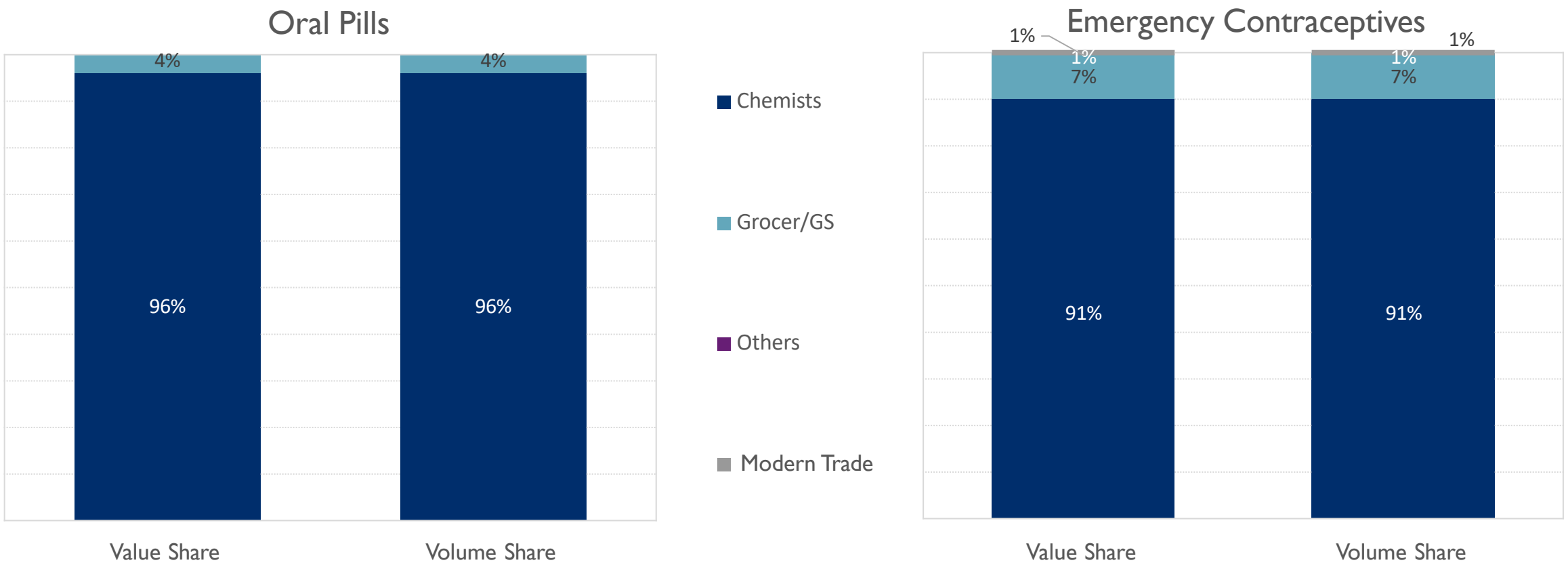
Pills Landscape Analysis
EC & OCP: Share by Town Class



- Rural markets account for half the OC volumes, but metros & other urban areas have larger value share
- EC penetration is relatively higher in Urban markets both in volume and value terms compared to the rural markets

Source: IQVIA Retail Sales Audit, MAT Mar 2017 to MAT Mar 2019

Pills Landscape Analysis
EC & OCP: Share by Trade Channels

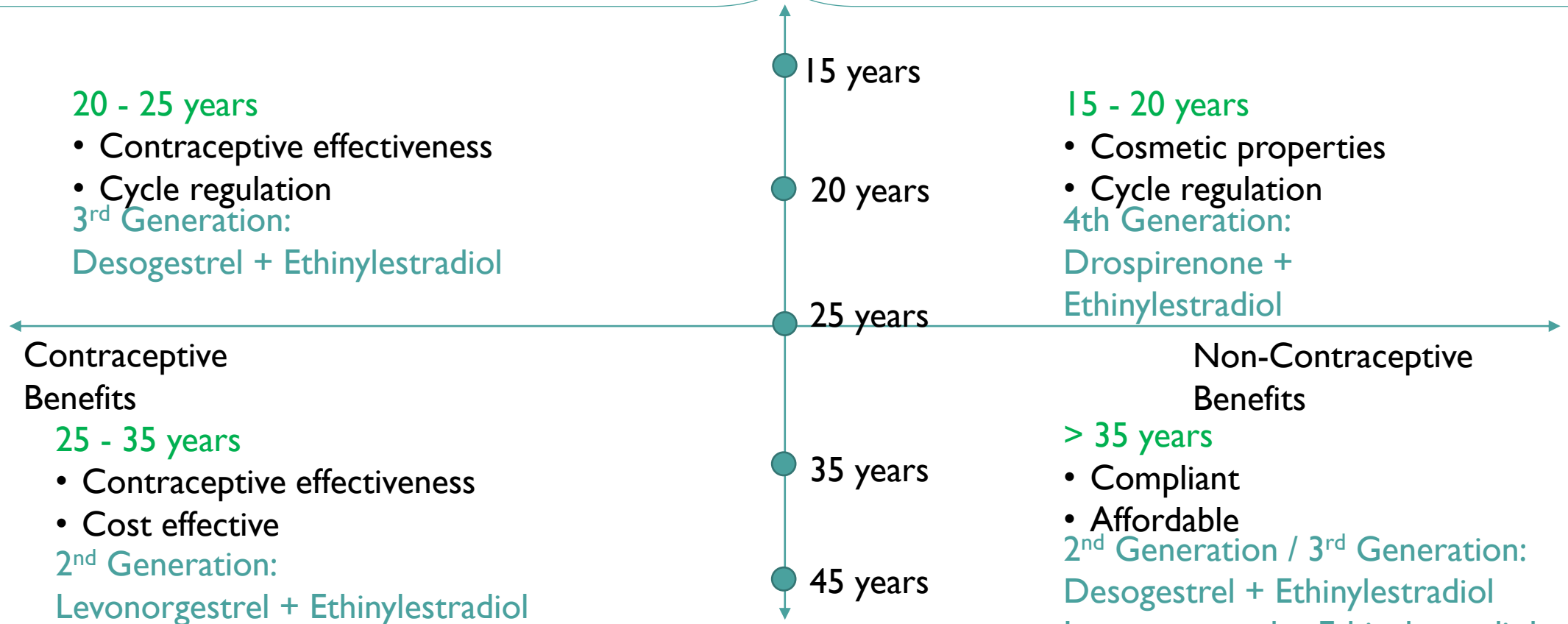


- Chemists are the predominant trade channel for both OCs and ECs accounting for over 90% of volumes
- Grocers/GS contribute to a small extent for both OCs and ECs – contribution of other channels is negligible

Source: IQVIA Retail Sales Audit, MAT Mar 36

Combined Oral Contraceptive (COC) Positioning in Private sector Health care domain

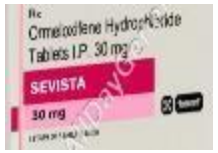
Features & Benefits driving use among younger segments



Account for 65 % Market Share (MS) with SMO brands accounting for app 60% Volumes

Source : IQVIA RMS ending March 2020 analysis, SMO: Social Marketing Organization

OCP category segmentation:A snapshot

	GoI/SMO group of brands	Commercial/Private sector brands
Free Distribution		
Daily Pills	     	                
Weekly Pills	 	
Government of India	**GOI, PSI, PHSI, DKT, Janani, HLFPPT**	**Pfizer, Torrent, Zydus, Mylan, Organon, Eskag, Piramal, Mankind, Sun Pharma**

Free Distribution	INR 5	INR 20-Rs 35	INR 50 - Rs 100	INR 100 - Rs 200	INR 200 +

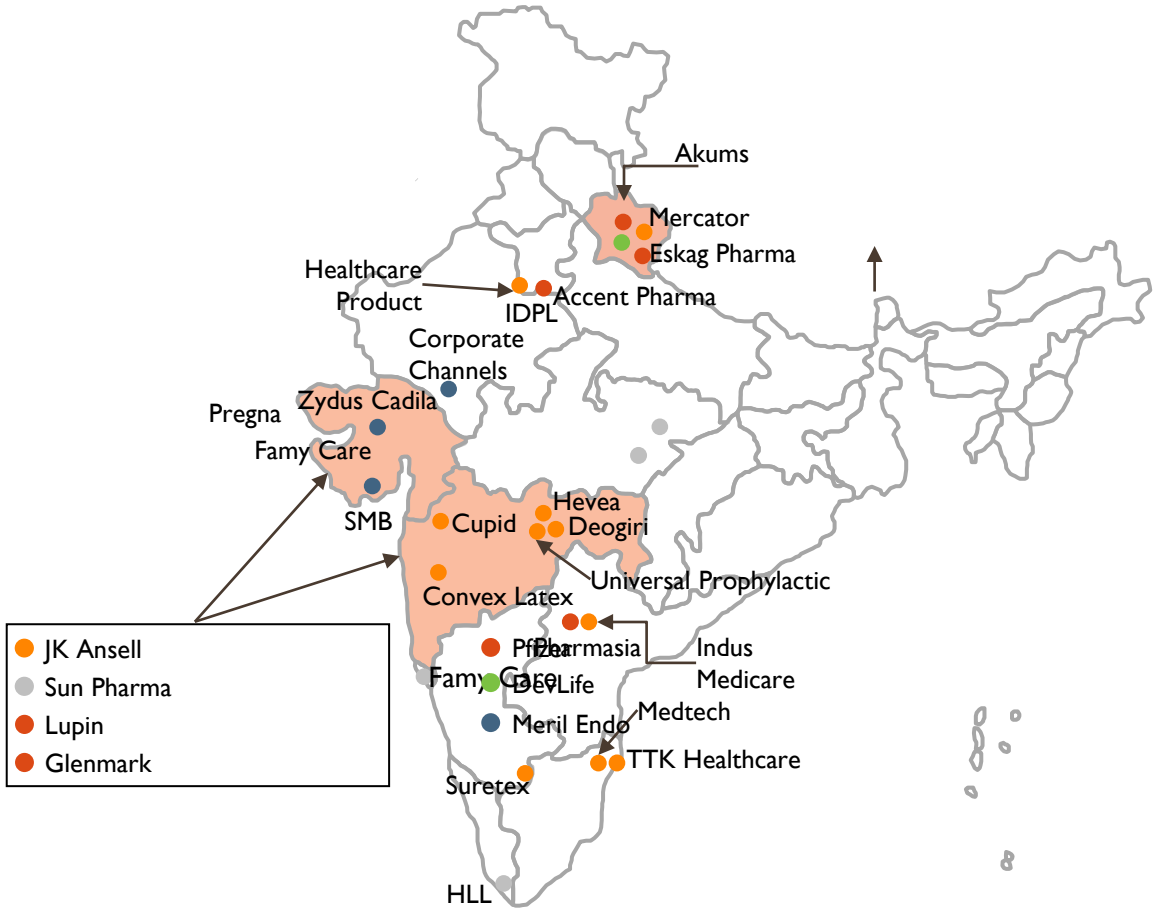
SUMMARY | MARKET BREADTH & DEPTH

1. Market for Modern Reversible method barring Emergency contraceptive not showing growth in pace with Inflation since 2015.
2. Range of generations and brands of OCPs and EC are a limitation (indicative of brand consolidation).
3. Chemists are the channel for access for brands across FP category.
4. Higher generation (3rd & 4th) Generations of OCPs not growing **despite wide availability superior features & benefits** for consumers.
5. Commercial manufacturers account for 70% of value share with just 39% volume share while social enterprises command 61% volumes but only 30% value share

05 MARKET PLAYERS DESCRIPTION

Manufacturing: Innovative yet underutilized in Domestic back yard

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



1.Manufacturing capacities significantly exceed market volumes.
2. Significant capacity used for export in commercial developed markets and for donated FP commodities.

	#	Capacity[2]	India market volume[3]	Utilization levels[4]
OCPs	12	600 Mn + [5]	118 Mn	20-50%
Condoms	16	5 Bn +	2.40 Bn	40-60%
ICs	3	70 Mn +	3.19 Mn	20-50%
IUDs	6	100 Mn +	5.45 Mn	30-50%
Multiple products				

[1]The number of manufacturers is not exhaustive. By estimates, they cover 60-90% of domestic production; [2]Capacity information not available for all manufacturers; [3]India market volumes updated for 2019; [4]Overall utilization levels; [5]OCP data is in Mn cycles

Distributors & Wholesalers: 400k network who do not consider FP as a distinct category

Gaps Identified for FP Distribution

Channel Management	• Identifying high volume and velocity FP beats and outlets. • Building & scaling up FP retailer network
Logistics Support	• Availability of controlled environment transport as per the drug requirement • Access to enter in the new markets without any hassle
Digital and Tele-Marketing	• Create Digital campaigns for product launch and availability, trade schemes awareness and to follow up
Monitoring & Measuring	• Measuring geographical penetration of products and reach to key populations • Assessing number of repeat purchase, short expiry and payments from retailers.

Insights

- **Most distributors and wholesalers do not consider family planning to be a significant category**
  - Most players started selling contraceptive products due to recurring demand
  - Some players sell contraceptive products because they are a part of the product portfolio of marketers with whom they have an agency contract
- **Distributors and wholesalers are category-agnostic about future investments**; if they receive more financing, they will invest it in purchasing more stock across categories
- **Distributors and wholesalers are also willing to be activation agents at the point of sale but are not utilized by marketers for promotions.**

Source: Secondary Research, Technopak Analysis

Pharmacy: Driving convenient access for FP commodities

State Wise Split of Retail market size of Pharmacy & Wellness category			
States	Pharmacy & Wellness Retail Market Size for FY 2020 (USD Billion)	% of Pharmacy & Wellness Retail Market Size - FY 2020	CAGR (FY 2020-FY 2025)
Maharashtra	3.4	15%	9%
Uttar Pradesh	1.6	7%	8%
Andhra Pradesh	0.9	4%	8%
Telangana	0.9	4%	11%
Tamil Nadu	1.8	8%	9%
West Bengal	1	4%	8%
Gujarat	1.4	6%	8%
Karnataka	1.6	7%	10%
Rajasthan	0.9	4%	9%
Kerala	0.8	3%	8%
MP	0.7	3%	11%
Delhi	1	4%	8%
Haryana	0.9	4%	9%
Bihar	0.7	3%	15%
Punjab	0.6	3%	6%
Orissa	0.4	2%	12%
Jharkhand	0.3	1%	11%
Northeastern States	0.4	2%	18%
Others	3.7	16%	9%
TOTAL	23	100%	~10%

1. *There is a brick-and-mortar chemist at 5-10 minutes walking distance across Metro, Semi Metro, T1/2/3 Urban India and Class A,B,C villages.*
2. *Condoms and EC have > 96% Chemists penetration.*
3. *There are an est.1 Mn Chemists in India.*

Source: Secondary Research, Company filings, Company websites, Technopak Analysis

Pharmacy innovation: Franchised/Organized pharmacy retailers driving consumer retention strategies

State Wise Store Presence (March 31, 2021)				
States	Apollo Pharmacy	MedPlus	Wellness Forever	**Emami Frank Ross**
Tamil Nadu	850	447	-	-
Karnataka	604	514	15	**28**
Andhra Pradesh	634	263	-	-
Telangana	655	435	-	-
West Bengal	425	183	-	**163**
Maharashtra	130	166	193	-
Orissa	100	73	-	-
Other States	250	-	15	-
Total Stores	**4,118**	**2,081**	**223**	**191**

1. ***Innovation that is driving quality, convenience in access and consumer loyalty.***
2. ***Organized retail extend doorstep delivery, credit to consumers who have completed KYC norms.***
3. ***Approach Health from well being and experience marketing.***
4. ***Has adopted digital architecture across order-to-cash cycle and graduating to Consumer apps.***

Source: Secondary Research, Company filings, Company websites, Technopak Analysis

Pharmacies: FP Support Value Chain

	Key Remarks		Example Indirect Players
Support Functions	• A large proportion of pharmacies do not employ any additional staff outside their family; there is no support from any indirect player	**Skills**	None
	• Indirect players set quality standards for distribution, logistics and storage • Pharmacies receive these through product packaging or through inspections • In very few cases, NGOs provide trainings about various products	**Quality Assurance**	DCGI, WHO, NGOs
	• Very few Pharmacies seek external financing like bank loans	**Financing**	Banks
	• While many Pharmacies are members of local branches of AIOCD, these branches do not play an active role in market coordination	**Coordination**	AIOCD and its local branches
	• Indirect players provide guidance on storage to Pharmacies either through guidance published on product packs or through drug inspections	**Guidance**	DCGI, WHO, AIOCD
	• Pharmacies receive new product information through medical representatives, their suppliers, mass media, and internet • A significant proportion do not get information on dosage and side-effects	**Information**	None
Rules	• GoI sets regulations and provides policy direction for distribution, logistics and storage	**Policy** **Regulation**	NPPA, DCGI

Service Providers: Low Density, Different types & Varied FP service delivery Propensity

	1 OBGYN / Female MBBS	2 Male MBBS – Hospitals	3 Male MBBS– GP Clinics	4 Female AHU	5 Male AHU / RMP
Likelihood of working at multiple facilities	🟡	🟢	🟡	🟡	🔴
Experience	More than 10 years	More than 10 years	Span various levels of experience	Less than 20 years	Span various levels of experience
Key categories	Ante-natal, deliveries, gynae complications	Surgery, seasonal ailments	Seasonal ailments, respiratory ailments	Ante-natal, deliveries, gynae complications	Seasonal ailments, stomach ailments
Doctor association membership	FOGSI, IMA	IMA, Surgeon Associations[3]	IMA	NIMA[1] (Ayurveda & Unani providers only)	NIMA[1] (Ayurveda & Unani providers only)
Association with family planning program/ NGO[2]	🟢	🟡	🔴	🟡	🟡
Exposure to MRs for contraceptive products	🟢	🟡	🔴	🟡	🔴

KEY: 🟢 High likelihood 🟡 Medium likelihood 🔴 Low likelihood

[1]. National Integrated Medical Association – Only relevant for Ayurveda and Unani providers , [2]. Examples of family planning programs – DMPA, PEHEL, etc.; Examples of NGOs – PSI, DKT, MSI, etc.
[3]. Examples of Surgeon Associations - Association of Surgeons of India (ASI), Society of Endoscopic & Laparoscopic Surgeons of India (SELSI) Sources: FSG Analysis
AHU:Ayurveda,Homeopathy,Unani (Traditional Indian alternative medicine systems), FOGSI: Federation of ObGyn Society of India, IMA: Indian Medical Association, RMP: Registered Medical Practitioners
MR: Medical Representative

Service Providers | Support Value Chain

	Key Remarks			Example Indirect Players
Support Functions	• Service providers typically source support staff directly from the market; there is no existing support from any value chain or indirect player		**Skills**	NGOs
	• Indirect players provide trainings to service providers and set quality standards for service provisioning • Some indirect players also set up platforms to support consumers (e.g., Dimpa helpline by Abt Associates)	Quality Assurance	**Training**	Jhpiego, Ipas, Pathfinder, CARE
			Quality Standards	
			Consumer Support	Abt, PSI
	• GoI provides subsidies, either directly to service providers, or to manufacturers who supply FP products to them • Most service providers do not rely on external financing like bank loans		**Financing**	NHM[1], JSK[2], Banks, NGOs
	• Service providers formally coordinate amongst themselves through associations such as FOGSI, etc. • Additionally, organizations like Abt and PSI provide coordination		**Coordination**	FOGSI[3], Abt, PSI
	• Service providers receive guidance either directly from indirect players or from value chain players through medical representatives		**Guidance**	WHO, FOGSI, HLFPPT, PSI, DKT, Janani
	• Service providers receive information either directly from indirect players or from value chain players through medical representatives		**Information**	FOGSI, HLFPPT, PSI, DKT, Janani
Rules	• GoI sets regulations and provides policy direction for service provisioning		**Policy**	MCI[4]
			Regulation	

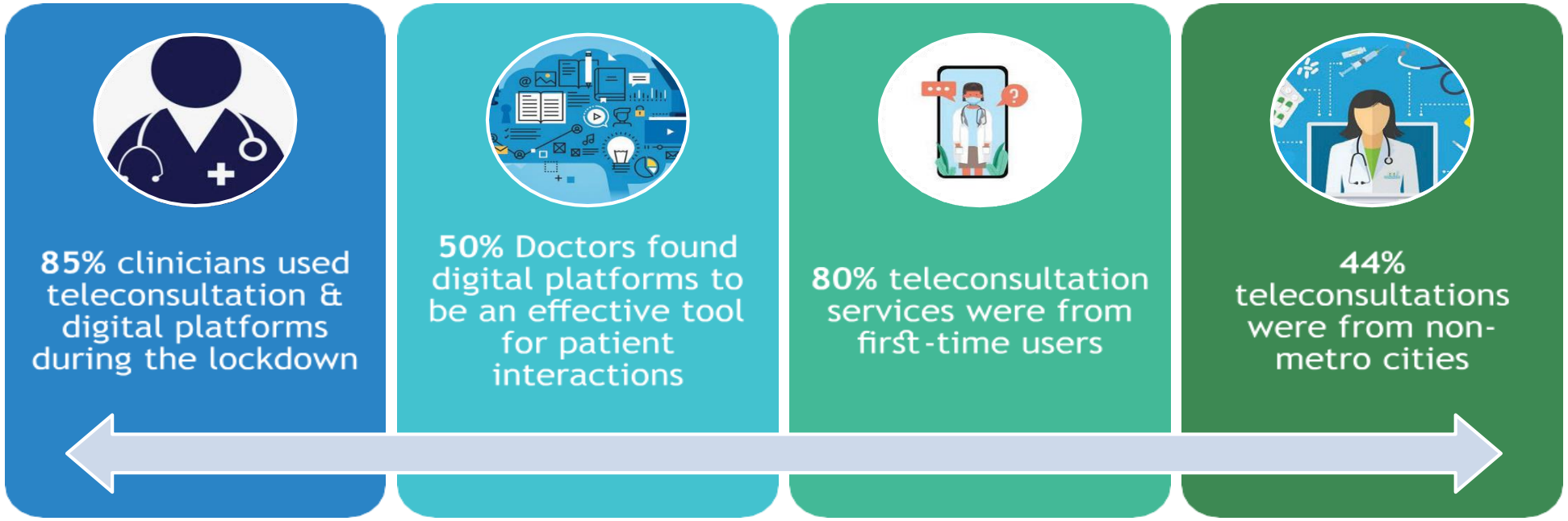
[1] National Health Mission; [2] Jansankhya Sthirta Kosh; [3] Federation of Obstetric and Gynecological Societies of India; [4] Medical Council of India

Source: FSG Analysis

Service Providers Segmentation | Potential Areas of Engagement

	OBGYN / Female MBBS	Female AHU	Male AHU / RMP
Guidelines	**Continue to provide information** on new products, and on **management of side-effects**	Provide guidelines and updated information on family planning, especially on **ICs and new generation OCPs**, and **management of side effects**	Provide guidelines on family planning, especially on **second generation OCPs**
Training		Provide regular **trainings**, especially for LARCs	Provide **training, especially on counselling for family planning**
Mobilization	Ensure **adequate** post adoption user support through online platforms Ensure **indemnity/Insurance for performing family planning** procedures Drive demand for family planning to their facilities	Drive Demand for family planning to their facilities	Motivate them to offer **counselling on family planning** to their clients

Digital Healthcare Emerged as a Viable Alternative to Traditional Delivery Models Post Pandemic



Source: Survey of 800 physicians conducted by BCG across Metros and Tier 1 cities, 2020

Digital Market Players | India FP

Organizations	SERVICES	STAGE OF PURCHASE FUNNEL	KEY TAKEAWAYS
NIVI AI	AI BASED 1-1 PERSONALIZED CHAT	CONVERT SUSPECTS TO PROSPECTS	EVOLVING MODEL. HAS SCALED OUTSODE INDIA. FLEXIBLE AND ADDING USER NEEDS RAPIDLY.
JUBI AI	AI BASED 1-1 PERSONALIZED CHAT	CONVERT SUSPECTS TO PROSPECTS	VARIED AND ENGAGING FORMATS FOR CONTENT DELIVERY. VERY OPEN TO CUSTOMIZATION.
1 MG.COM	E-COMMERCE	CUSTOMERS [PRODUCT UPTAKE]	NOT INTERESTED IN PURCHASING AND STOCKING LOW VOLUME PRODUCTS.
NETMEDS.COM	E-COMMERCE	CUSTOMERS [PRODUCT UPTAKE]	PURCHASES LIMITED QUANTITY BASIS STOCK LEVELS. FREE OPTION FOR DOCTOR COUNSELING AND PRESCRIPTIONS.
DOCTERZ.COM	ONLINE CONSULTATIONS	CUSTOMERS [PRODUCT UPTAKE}	REGISTRATION AND CONSULTATION PROCESS IS TEDIOUS. DOCTORS ARE DELAYED FOR APPOINTMENTS.
AGENTS OF ISHQ	CREATIVE AND MEDIA PLANNING	AWARENESS AND DEMAND	GENDER AND YOUTH FRIENDLY SAFE SPACE & WEBSITE FOR SEX,UALITY,LOVE & DESIRE. GREAT CONTENT AND MULTIMEDIA CAPACITY FOR SCALE.
LOVE MATTERS	CREATIVE AND MEDIA PLANNING	AWARENESS AND DEMAND	SCALED REACH AMONG 20 MN USERS ACROSS INDIA. ALL MATTERS ON LOVE,SEX & RELATIONSHIPS,HAS PASSIVE REFERRALS TO SERVICES AND PRODUCTS. YOUTH FRIENDLY SPACE.

SUMMARY: MARKET PLAYERS

Manufacturers	• **Development of domestic demand** would be critical to ensure manufacturers' capacity is used to service local demand • Additionally, **increased demand for innovative products** in the domestic market would ensure the capability of players is reflected in the Indian FP market
Distributors/ Wholesalers	• There is potential to engage with distributors / wholesalers for **point-of-sale promotions targeted at Outlet Providers, Creating resilient suppl chain and increasing penetration for FP products.**
Service Providers	• Continued engagement with **OBGYN / Female MBBS** providers is critical as they are well positioned to **offer the entire basket of family planning services** • Engaging with **female AHU and male AHU / RMP** would be critical to **cater to rural and low-income consumers**; additionally, the **high density of AHUs** in Assam, Northeast makes it important to engage with them
Pharmacies	• Working with standalone/ adjacent to hospital pharmacies who provide additional services would help ensure **availability of a wide portfolio of contraceptive products** • Engagement with large franchises and pharmacies adjacent to hospital / clinic in urban geo would help to **improve access to 3rd and 4th generation OCPs**
Digital/Online	• **Channel to reach Youth at scale and potential for both marketing and safe space engagement during adoption and post adoption purchase decisions and support.** • **Potential to integrate FP into FemTech platforms but needs POS and BTL support.**

06 KEY MARKET CONSTRAINTS

Key Market Constraints: Core Market
AIM Analysis for market system performance for India

	Market characters	A	I	M	Observations
Core Market	**Supply**			X	▪ **Youth relevant strategies** for discrete and on demand access and convenience have not been tried with intention in most states. ▪ **Sustained micro and macro economic challenges which has been exacerbated by Covid Pandemic** has curtailed supply across the value chain for FP products
	Demand		X		▪ **Private Provider bias prevent them from providing comprehensive FP services. Additionally, stigma with Youth "Promiscuity" and perceived repeated use of certain on demand methods, reinforces bias.** ▪ There is **insufficient counselling and side effects management support** across the user journey in both sectors. ▪ **Lack of a segmented approach to youth markets** prevent addressing their unique needs across both public and private sector marketing. ▪ **User Myths and misconceptions about hormonal methods and side effects expectations lead to high discontinuity.**

Key Market Constraints: Supporting Functions
AIM Analysis for market system performance for India

Market characters			A	I	M	Observations
Supporting Functions	Financing	S & D	X			▪ **Limited awareness of and access to insurance / indemnity schemes** exacerbates the perceived high risk involved in providing certain FP services. ▪ **Brand building not core component of a distributors business** model which leads to prioritizing FP category low. ▪ **Limited access to affordable finance, operating capital and misaligned credit cycles** result in low distributors investments on inventory management and building resilient supply chain for FP category.
		Subsidies		X		▪**Subsidies for SMO business model have been stuck in an older paradigm**. Newer updated SMO guidelines are delayed. Similarly PPP schemes like Clinical outreach models reimbursements are both delayed and rates have not kept paid with inflation.
		Business	X			▪ **Commercial business with FP brands do not invest in marketing** beyond medical detailing and Point of sale advertisements for growing the category.This leaves many consumers underserved by private market. ▪**Lack of market development capital** makes it difficult for manufacturers to expand their domestic portfolio. ▪ **Low margins and high COGS** make FP stand alone social enterprise unviable. ▪ **Digital Fem Tech companies do not find contraception category attractive** because of high customer acquisition and retention costs.

Key Market Constraints: Supporting Functions
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Market characters		A	I	M	Observations
Supporting Functions – Info	Supply	X			▪ **Complete absence of market intelligence across collection, analysis and use in public sector for Private sector stewardship.** ▪ **Private sector do not want to invest in market creation for FP services and products without trusted information and guidance from MoHFW.**
Supporting Functions – Info	Demand			X	▪ **Restricted to few INGOs and FP coalition partners who ' interface' between market players and consumers.** ▪ **Poor market data challenges poor demand forecasting, business planning and sizing market potential leading to supply chains restricted attention to FP commodities.** ▪ **Lack of women's health and FP focused platforms which drive demand from private sector and Government for priority attention, investments and pride in impact.**
Supporting Functions	**Skills, Capacity**			X	▪ **Fully qualified doctors are not fully aware about features and benefits of newer generations** and relevance of different types of OCPs and its contraceptive benefits. ▪ All types of providers have specific skills and capacity challenges in **servicing the Youth segments.**
Supporting Functions	**Stewardship**	X			▪ The public sector largely focusses its FP efforts on sterilization/IUDs and does not steward the market towards balanced provisioning across methods. ▪ **There is lack of segmented understand of consumers which inhibits market development for many FP methods and restricts adoption amongst certain consumer segments.** ▪ **There is an absence of level playing field in incentives provided to private sector, especially related to OOPE and disbursement of funds.** ▪ **SRHR does not have any Private sector stewardship coalitions. Even when platforms exist, women's health,SRHR receives scant attention.**

Key Market Constraints: Rules & Regulations
AIM Analysis for market system performance for India

Market characters			A	I	M	Observations
Rules and Regulations	**Regulations**				X	▪ **The Government's regulatory framework on procurement and product trials** makes it difficult for manufacturers and marketers to quickly launch new, improved FP products. ▪ **The Regulations environment are disfavorable for private sector service providers** from providing comprehensive and balanced FP services. ▪ **Laws inhibit penetration of different types/ generations of FP hormonal drugs and devices** due to varying regulations across schedules of drugs and medical devices. ▪ **A clear Self care and Digital education and sales policy in line with needs of markets and consumer preferences are** absent.
	Tariffs, Taxes				X	▪ **Price regulation restricts innovation and range introduction in domestic market.**
	Standards				X	▪ **Standards for self care agenda are absent and FP guidelines are often not 'consumer centered' and insight driven process.** ▪ **Indian GMP QA and QS standards for domestic sales of FP commodities are sub optimal**. ▪ **There is no strategic approach to include private sector ObGyn/MBBS service providers and methods other than sterilization.** ▪ **AYUSH/RMP do not have access to information, infrastructure and guidance standards towards providing balanced FP Services.**
	Norms	**Supply**		X		▪ **Youth needs and preferences are not factored into design of strategies, approaches for delivery of FP products**, information and services due to perceived ' promiscuity'.
		Demand	X			▪ **Negative and Judgmental Purchase experiences for hormonal method**s specifically and all modern methods generally inhibit demand at point of sale and service delivery.

07 STRATEGIC LOGIC MODEL

Solution Segmentation: High level Draft

Segment Draft Metrics	Public	Private	Private		
1. Value and Volume growth. 2. Increased quality of services. 3. Increased private sector participation in FP. 4. Catalytic financing unlocked.	MoHFW develops a segmented strategic approach in line with FP2030 commitments	Harness the private sector providers to address FP needs among underserved segments. (Private provision for public delivery)	Business models to increase sustainability and grow total domestic market. Support and invest in social impact that includes Women's agency and economic empowerment, financial inclusion and livelihoods mandate.	Capacity building to address 'can-do gap' among FP value chain players.	Market entry strategy for innovative (and new) FP products, including business case. Expand investment case for women's health from a wellbeing and lifestyle dimension with Sexual and reproductive well being.
Equity	Youth, WRA, 19-29 years				
Choice	Permanent Method (strengthen male Engagement) Long-Acting Reversible Methods	Short and Long-Acting Reversible Methods and novel on-demand FP products Low Wealth Quintiles → High Wealth Quintiles			
Access	Rural		Urban/Peri-urban		

Strategic Logic Model: Summary of approach

Goal	Improved Health Impact through reduced maternal and infant Mortality
Outcomes	Increase in adoption of modern contraceptive methods among WRA 19-30 with specific focus on; Youth in Urban India (FHM Engage USAID focus geo in India)

Outputs & Activities

IR. 1: Improving Market stewardship to bring youth centered approaches for FP

IR. 1.1: Investing in Market Intelligence	IR. 1.2 Strengthen Mkt Development Approaches to sustainable FP	IR. 1.3 Improving Coordination of the Private Sector
IR. 1.4 Improving the Policy & Regulatory Environment	IR. 1.5 Investing in Financing	

IR 2: Expand access to a range of affordable, accessible FP contraceptives for youth

Support expansion of contraceptive choice through investments in OCP and EC brands, and strategic support for LARC	Incubate, accelerate, and sustain digital innovations for improving access to contraceptives.

IR 3: Increase demand for SRH products and services

Strengthen youth voices for a call to action towards FP 2030 with the private sector leading to market system changes

THANK YOU

FOR MORE INFORMATION, PLEASE CONTACT:

Dr.Amit Bhanot
abhanot@fhm-engage.org

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