

Fostering Collaboration: Leveraging Stewardship to Unite Public and Private Sectors for Enhancing India's Contraceptive Market Policy Landscape

Technical Brief

March 2024/ Nidhi Khurana, Shankar N Subramaniam, Amit Bhanot

About this Brief

To understand the slow growth in the Indian contraceptives market, USAID's Frontier Health Markets (FHM) Engage analyzed the market and identified potential regulatory and policy barriers that may be hindering its expansion. In a bid to fortify the market, FHM Engage has devised several stewardship actions aimed at encouraging market actors to enhance their performance. Additionally, FHM Engage has identified a range of policy interventions and partnership opportunities geared towards enhancing the policy environment of the market. Towards this end, FHM Engage has established a multi-sectoral women's health alliance of public and private sector organizations, the Women's Health, and Livelihood Alliance (WOHLA). WOHLA will support the government, commercial actors, and non-governmental organizations (NGOs) to improve the health outcomes of the most vulnerable women in India.

Context: Indian Contraceptives Market in Stagnation

India is a **mixed health market** for modern contraceptives, implying that users can access contraceptives in both the public and private sectors, with the public health system being the dominant provider of clinical contraceptive products and services, and private for condoms and pills. Sterilization, particularly tubal ligation for women and vasectomy for men, has been a key component of India's family planning (FP) strategy for several decades, even though **delaying births is more attuned to the needs of young women, as they build their careers and families**. The proportion of urban married modern-method-users leveraging private sector contraceptives has increased modestly over the past few years [from 18 percent (2016-17) to 22 percent (2019-21)], and the private contraceptive market has largely stagnated. Despite the slow growth in the sector, there is a hidden opportunity to get more private companies involved in expanding choices more aligned with consumer needs. Many women from wealthier families still use public services for their contraceptive needs, probably because the options and prices in the private sector do not seem appealing enough. By offering a wider range of modern and long-lasting contraceptive methods, which might include advanced pills and devices that work for extended periods, the private sector could attract those who can afford to pay, encouraging a shift from public to private services for their contraceptive needs. This approach could provide more choices to those looking for alternatives.

In a nutshell, there are significant pockets of unmet need for contraceptives, notably amongst India's urban youth and financially well-off consumers. However, the current lack of a conducive policy

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environment for introducing and marketing *higher generation contraceptives and long-acting reversible contraceptives (LARCs)* is a formidable barrier to growing the private sector's share of the contraceptives market.

Problem: Regulatory and Policy Barriers Hinder Private Investment in Market Development

The expansion of consumer access to contraceptive commodities in India's private sector relies on several enabling factors, including government policies and regulations. Private sector actors need a supportive policy environment – and a clear line of sight to financial returns – if they are to risk investing their growth capital in FP products and services. The current policy and regulatory environment in India impedes private investment in the contraceptives market. Restrictive policies, laws, and variable interpretation of what is permitted create confusion and uncertainty, hindering market development and growth. As a result, young women aged 19 to 29 lack access to high-quality, affordable, higher generation contraceptives, which better fit their needs for delaying birth and may even provide other desirable co-benefits such as menstrual cycle regulation and associated acne-clearing properties.

Furthermore, the regulatory obstacles include tedious processes for introducing innovative contraceptives into the private healthcare market and for making them available through the public health system. For instance, the current national guidelines do not include 3rd and 4th generation oral contraceptive pills (OCPs), which limits choice of contraceptive options available for free and subsidized distribution. Additionally, all private sector oral contraceptives are scheduled as prescription drugs while public sector distribution does not have this restriction. This limits their availability at retail pharmacies and through digital healthcare models such as e-pharmacies. Also, there are no clear guidelines on whether alternative medicine practitioners can provide contraceptive services in the private sector, although they do so routinely in the public health system. With these restrictive rules and regulations, the private sector lacks the confidence to invest their growth capital in these innovative product categories, resulting in limited market volumes and little sustainable growth in the market.

Lastly, regulations that restrict advertising of contraceptives make it difficult to educate and market these products to consumers. In India, there are bans on late night contraceptive advertising on government TV channels and challenges in effectively using new media and digital platforms to reach populations with educational and promotional content. In addition, prescription scheduling precludes promotion or advertising, and there are price ceilings on second generation pills.

Solution: FHM Engage Embeds Market Stewardship as a Keystone of Market Development

The FHM Engage activity in India envisions a self-sustaining, youth-focused market for contraceptive products and services, underpinned by **enhanced market stewardship**. The primary goal is to address the regulatory and policy barriers that private sector actors face by changing systemic incentives and identifying opportunities for change (often in legislation, guidelines, or regulations). This can be achieved through building trust, honest brokering, and forging partnerships with industry associations to strengthen the government's private sector engagement strategy related to contraceptive products and services. Through local implementing partner, ACCESS Health International, FHM Engage is working with government and industry stakeholders to establish relevant platforms for coordinating partners and advocating for multisectoral dialogue. A multi-sectoral women's health alliance of public and private

sector organizations, the **Women's Health, and Livelihood Alliance (WOHLA)** will serve as a platform for the government, commercial actors, and NGOs to co-create solutions for improving health outcomes for the most vulnerable Indian women. This alliance will catalyze greater collaboration to focus on women's and girls' issues, facilitate resource pooling and efforts to expand access to sexual and reproductive health (SRH) care, and further gender equity and women's economic empowerment by building their agency and connecting them to livelihood opportunities.

FHM Engage aims to catalyze India's contraceptive market through more progressive policies and guidelines that encourage private sector engagement and investment to achieve the following:

- **Align contraceptive commodity focus:** Ensure that newer generation of contraceptives are mentioned in Government of India guidelines.
- **Harmonize drug scheduling across public and private sectors:** Clarify schedules for marketing and promotion of higher generation contraceptives and private sector brands of second-generation contraceptives.
- **Address regulations to increase providers' base for dispensing existing contraceptive products:** Clarify rules governing which type of service provider in the private sector can provide what form of modern FP methods and where.
- **Build coalitions and partnerships:** Engage contraceptive manufacturing companies to assess their infrastructure and capacity requirements and align these with the government's incentives for domestic manufacturing (e.g. the Make in India Initiative¹).
- **Analyze public-private partnership schemes within state budgets for Assam, Maharashtra, and Meghalaya:** Work towards improving budgetary allocations, utilizations, and enabling roll out of integrated health care through identified nongovernmental organizations and private sector providers.

As stated, FHM Engage aims to enhance access to innovative contraceptives, increasing their availability through the private health sector, and to widen consumer choice for FP products. This will both increase overall market size and result in an increased market share for the private sector, thereby improving market sustainability. The FHM Engage approach emphasizes multi-stakeholder engagement for sustainable women's health and empowerment initiatives. FHM Engage is identifying relevant ministries and departments at federal and state levels focusing on women's health and livelihoods, to map their respective roles for private sector engagement. In tandem, we are continually engaging with private sector entities to assess potential areas for partnership. Eventually, we will convene policymakers and industry leaders for public-private dialogue to co-create and advance progressive policy and regulatory changes that are supportive of a growth market.

Cornerstone to these efforts is **WOHLA**. WOHLA's vision is centered upon effective coordination between the private and public sectors to leverage private resources to meet national health goals, unlock market potential, and avoid market distortions and inefficiencies. Its measures of success will be seen in greater private sector participation, enhanced health outcomes, increased economic participation, and overall improvement of women's status within and beyond their communities.

¹ Government of India initiative with the aim of transforming the country into a global manufacturing hub

These activities will eventually feed into the development of a comprehensive roadmap, outlining clear roles and responsibilities for each market actor, towards the achievement of the market development objectives outlined above.

Follow-through Actions and Expected Results

Robust private sector stewardship through an enabling policy and regulatory environment will result in a win-win situation for market actors and consumers alike. This will pave the way for increased private investment in market development through policy signaling for returns on innovation dollars. Inclusion of new 3rd and 4th generation contraceptives in the national guidelines will increase the variety of contraceptives available in the market, empower India's urban youth with fit-for-purpose contraceptive options, and address needs for underserved segments. In turn, this will entail working with manufacturers to bring evidence on the safety and efficacy of these products to the decision-makers responsible for guideline formulation in the Ministry of Health and Family Welfare. To build the case for policymakers, we will study what has worked in broadening the basket of contraceptive choice in India in the past (e.g. DMPA-SC) and integrate learnings from pilots for newer contraceptives in the project states. We will also draw on comparative low- and middle-income country policy contexts to understand the pathways for inclusion of newer contraceptives in government guidelines.

Additionally, we will engage key stakeholders including women's health organizations, reproductive health experts, pharmaceutical companies, and healthcare providers to understand the benefits and risks of inclusion of these products in national guidelines. We will also work with industry associations such as the Indian Drug Manufacturer's Association (IDMA), Organization of Pharmaceutical Producers of India (OPPI), and the Indian Pharmaceutical Association (IPA) to strengthen their capacity to advocate for creating an enabling environment for a range of newer contraceptives. FHM Engage will constitute and facilitate a national-level technical advisory group to present a cogent case for the inclusion of new, innovative contraceptive products in the Government of India guidelines for policymakers.

Another workstream entails developing a clear understanding of which health providers can provide what contraceptive products and services. This clarity will help create a level playing field for the private sector by harmonizing drug schedules for higher generation OCPs and emergency contraceptive pills (ECPs); both currently prescription drugs (under Schedule H), with second generation OCP brands available over the counter (Schedule K) through the public health system. Presently, alternative medicine (AYUSH²) doctors cannot prescribe Schedule H drugs as they fall in the modern medicine (allopathy) prescription category. ACCESS Health International will identify opportunities for harmonizing drug scheduling and regulatory requirements in these domains to clarify schedules and guidelines for marketing and promotion of these better quality, newer contraceptives. Lastly, FHM Engage will advocate for expanding provider diversity to allow AYUSH doctors to provide a choice of OCPs and ECPs and clearly define their scope of practice concerning contraception.

Overall, the FHM Engage stewardship activity model intends to identify areas for enhancing efficiency within the FP and maternal and child health markets as related to public-private partnerships in the healthcare financing system. The first step is to assess the current budgetary allocations for FP products and services being provided in the private (for-profit and NGO) sector. Where such partnerships exist, FHM Engage will work to ascertain bottlenecks and pain-points, such as delays in reimbursements which affect cash-flow cycles, challenges in fund allocation, or inefficiencies in financial processes. Thereafter,

² AYUSH or Ayur Vedic, Unani, Siddha, and Homeopathy is a blanket term used to refer to practitioners of alternative medicine systems (other than modern medicine) in India.

FHM Engage will facilitate a platform for public-private dialogue, so that a shared understanding of the gaps is reached, priming co-creation of solutions, which may involve revising budget allocations, streamlining fund disbursement processes, and prioritizing critical areas.

Ultimately, the success of the health market stewardship activity will be measured through facilitation of the public sector and increased public-private collaboration. These efforts will mitigate current regulatory and policy barriers that hinder private sector contraceptives market development and lead to expanded availability of contraceptives for young girls and women in India.

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fhm-engage@fhm-engage.org

<https://healthmarketlinks.org/fhm-engage>

Frontier Health Markets (FHM) Engage works to improve the market environment for greater private sector participation in the delivery of health products and services and to improve equal access to and uptake of high-quality consumer driven health products, services, and information. FHM Engage is implemented by four core consortium partners: Chemonics International (prime and co-technical lead), Results for Development (co-technical lead), Pathfinder International, and Zenysis Technologies, and a host of Network Implementation Partners (NIPs).

In India, FHM Engage is partnering with Samhita's Collective Good Foundation (CGF) to initiate the Women's Health and Livelihood Alliance (WOHLA) as a health marketplace to mobilize resources and improve access for young girls and women to healthcare services and products and livelihood opportunities for economic empowerment. Additional partners for this activity include Access Health International, Nivi Inc. and Pharmarack Technologies

This material is made possible by the generous support of the American people through the United States Agency for International Development (USAID) under the terms of cooperative agreement no. 7200AA21CA00027 (2021-2026). The contents are the responsibility of Chemonics International and do not necessarily reflect the views of USAID or the United States Government.

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