



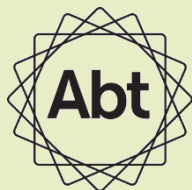
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Strengthening Health Outcomes
through the Private Sector

Total Market Success: The Paraguay Story

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SHOPS Project
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SHOPS is funded by the U.S. Agency for International Development.
Abt Associates leads the project in collaboration with
Banyan Global
Jhpiego
Marie Stopes International
Monitor Group
O'Hanlon Health Consulting

SHOPS Agreement Overview

Strengthening Health Outcomes through the Private Sector – USAID’s flagship global program for working with and supporting the private health sector

- **Leader with Associates**
 - Cooperative Agreement
 - September 30, 2009 – September 29, 2014
- **Implementing Partners**
 - Banyan Global
 - Jhpiego
 - Marie Stopes International
 - Monitor Group
 - O’Hanlon Health Consulting
- \$95 million ceiling for leader
- Activities in 20 countries
- Paraguay was first country program under SHOPS



Paraguay - background

- High CPR, continued growth from 2004 to 2008 (73% to 79%)
- Slated for graduation from USAID health programming in March 2012
- Vast improvements in public sector driving CPR growth



IS THIS SUSTAINABLE?

Paraguay - background

- USAID/Paraguay commissioned the SHOPS project to conduct a Private Sector Assessment (PSA) of the contraceptives market in 2010
- PSA Purpose: to determine whether rapid growth in the public sector had negatively impacted the private sector and if current segmentation is rational
- PSA Methodology:
 - in-country key informant interviews with over 2 dozen stakeholders
 - pharmacy shops
 - secondary analysis of 2004 & 2008 DHS data
 - IMS data
 - Privately-commissioned condom market study

What is the “Total Market”?

- The **total market** in reproductive health is the collection of suppliers and financiers from across sectors - public, non-profit, and commercial
- A **total market approach** addresses how the collection of actors can best serve different segments of the market such that consumer demand is met in an equitable, efficient and sustainable manner

Market Segmentation

The SHOPS Paraguay PSA looked at segmentation in terms of the following:

- Wealth quintile
- Geography
- Method Choice
- Brand & Price Choice

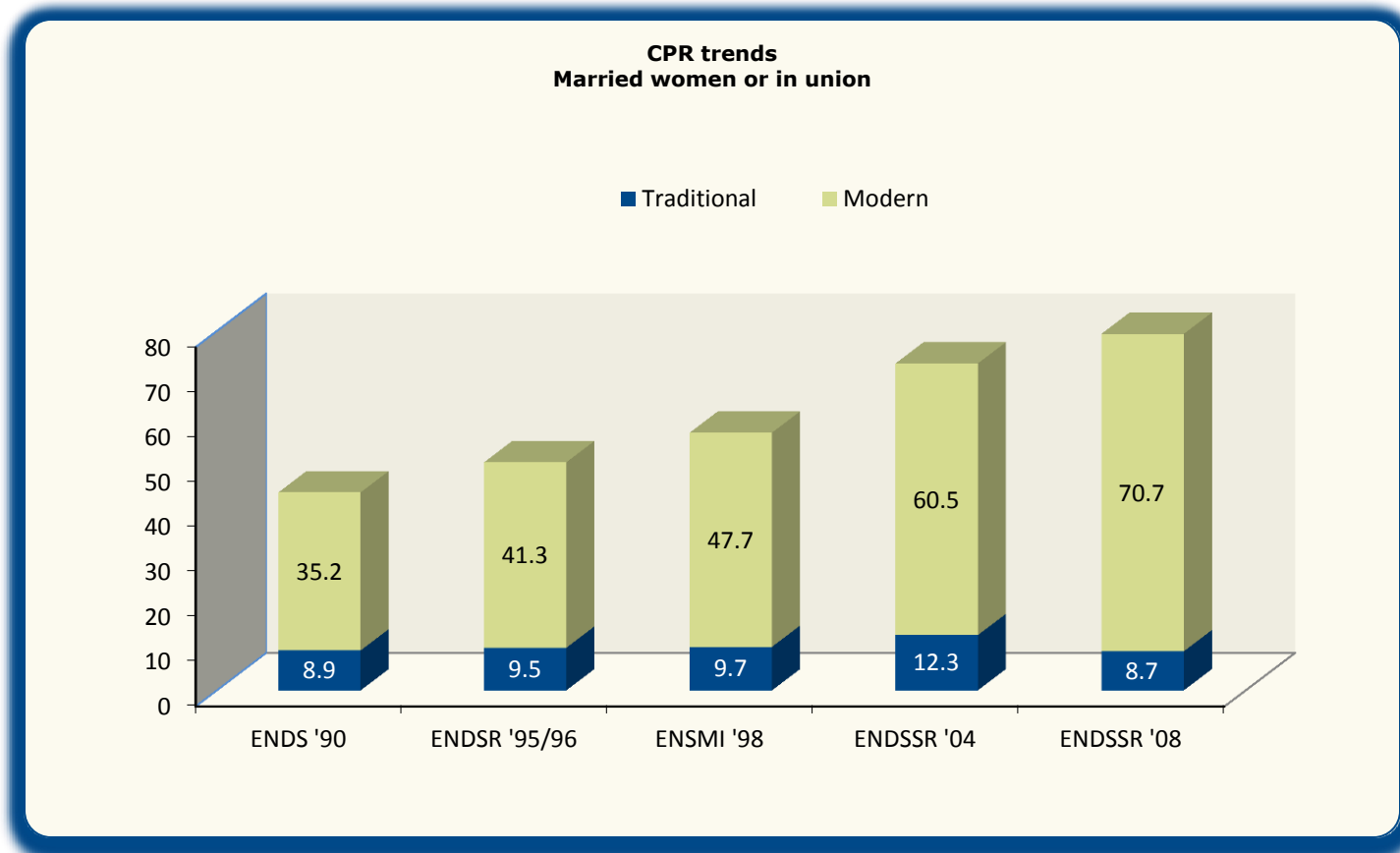
Simple Segmentation by Wealth Quintile	
Wealth quintile 5	Commercial Sector
Wealth quintile 4	
Wealth quintile 3	Non-profit private sector (NGO, religious organizations, etc.) and Social Security
Wealth quintile 2	
Wealth quintile 1	Ministry of Health

Principal Findings from the PSA

- Improvements in public sector FP program achieved what it intended to: **reach previously underserved populations** – new users in 2008 came from rural areas and lowest two wealth quintiles.
- **No evidence of shifting from private sector to public sector** - private sector still grew in absolute terms from 2004 to 2008
- **Market segmentation refined further** as public sector grew because of effective targeting – overall segmentation is very strong
- **Private sector still dominant channel**; Paraguay has a vibrant commercial sector market with multiple brands at various price points
- **Graduation process is on-track**; however there is a need for an actor to assume the role of USAID after graduation, most logical entity is the contraceptive security committee
- There is **one remaining market inefficiency**: Social Security's market share in FP is still low (3%) relative to the fact that 18% of Paraguayans are covered by Social Security. The Institute is privately and well-funded and needs to increase its role in FP

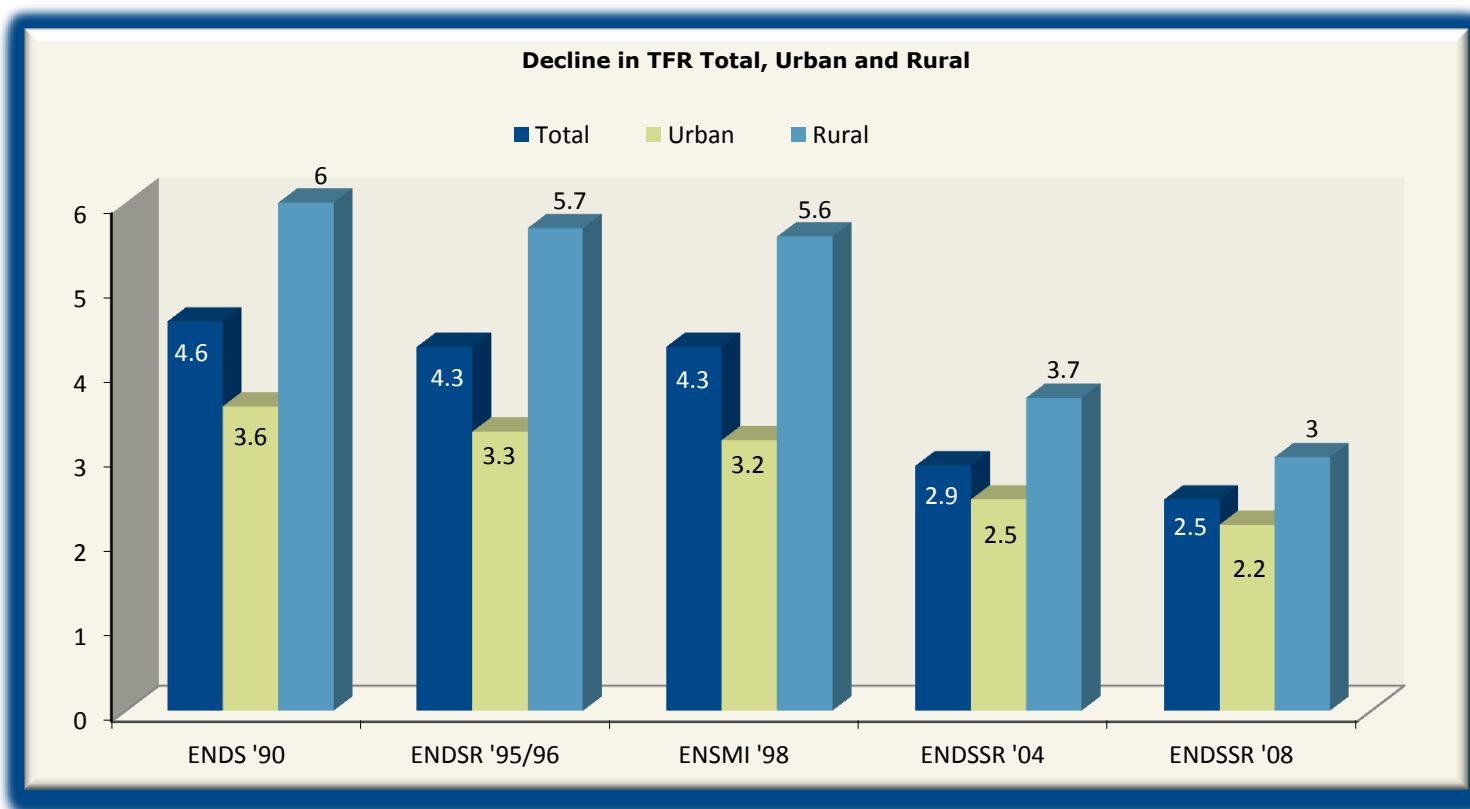
Paraguay – Trends in Family Planning

- Rapid growth in CPR in last 10 years
- Now on par with many developed countries at 79.4%



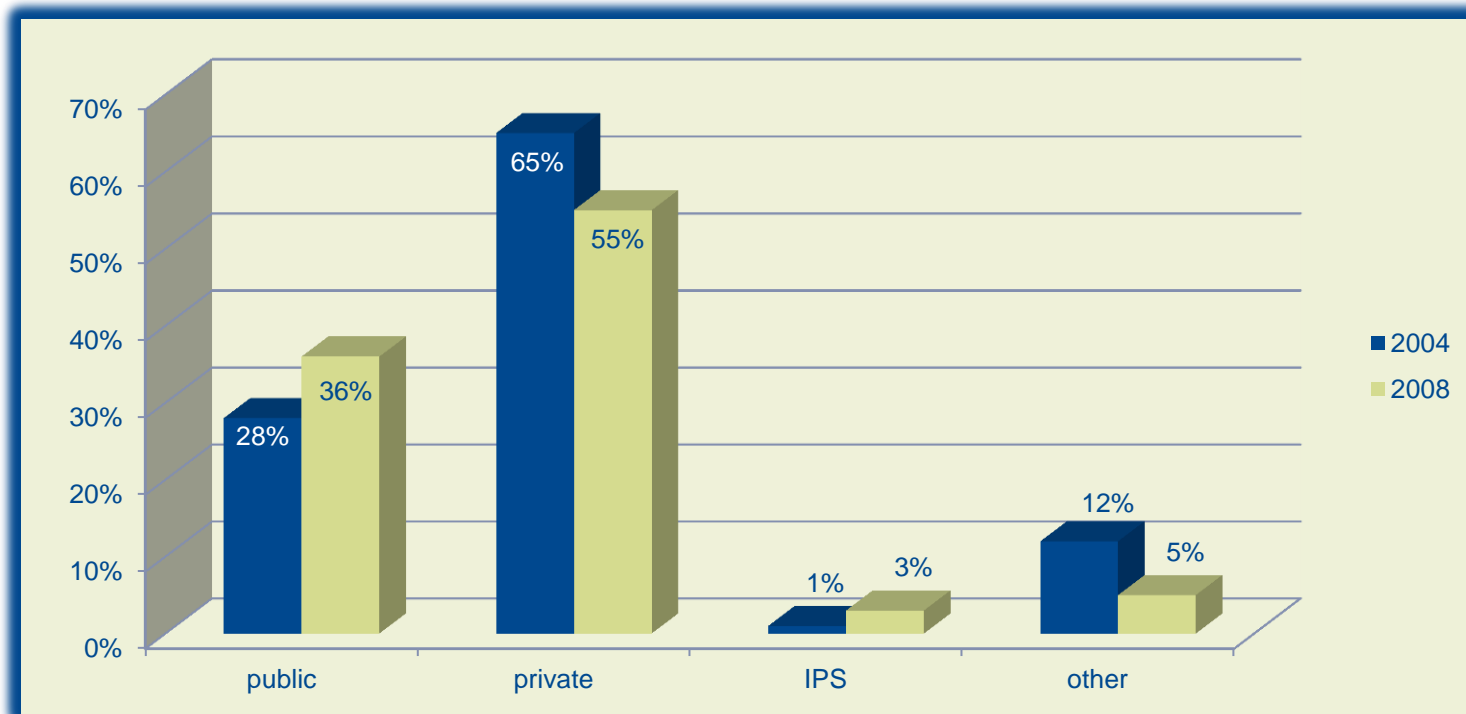
Paraguay – Trends in Family Planning

- Major decline in TFR in recent years
- Gap between rural and urban is closing



Starting Point: Growth in the Public Sector

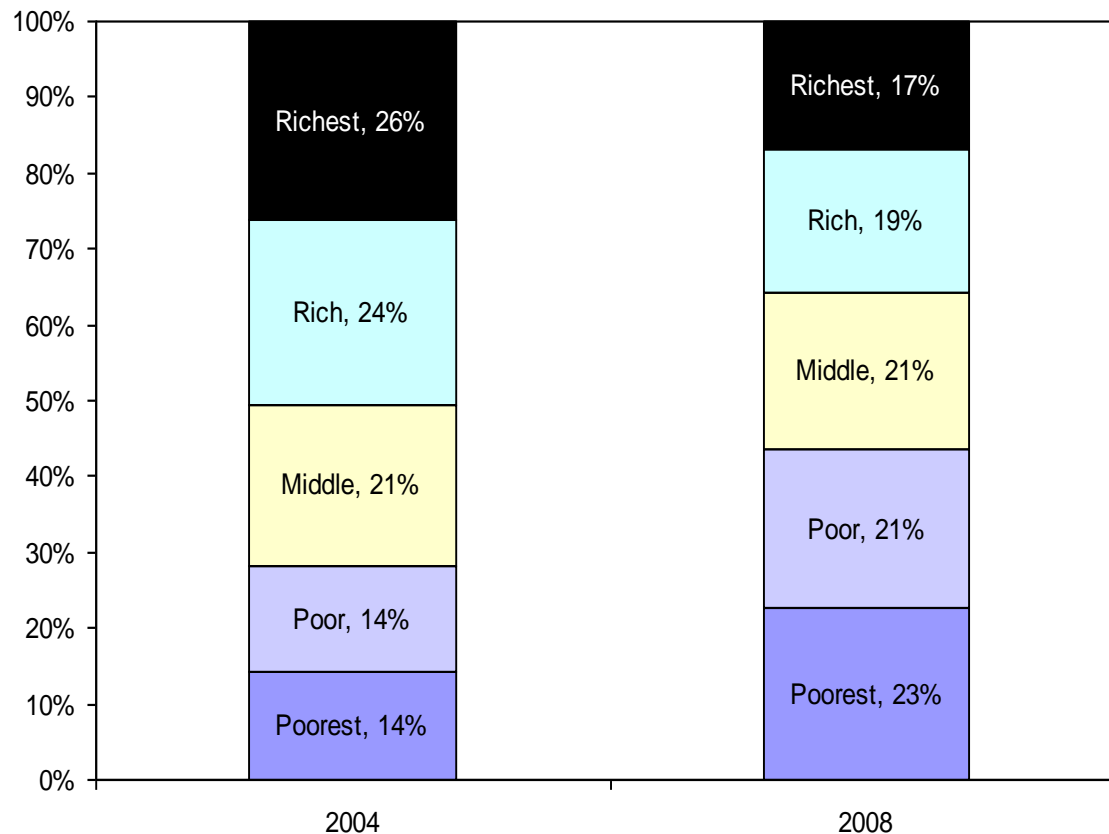
- Public sector grew from 28% to 36%
- Private sector's relative proportion of contraceptive sourcing decreased from 65% to 55%



Paraguay – Effective Public Sector Targeting

New users in 2008 were predominantly from:

- Poor & Poorest wealth quintiles

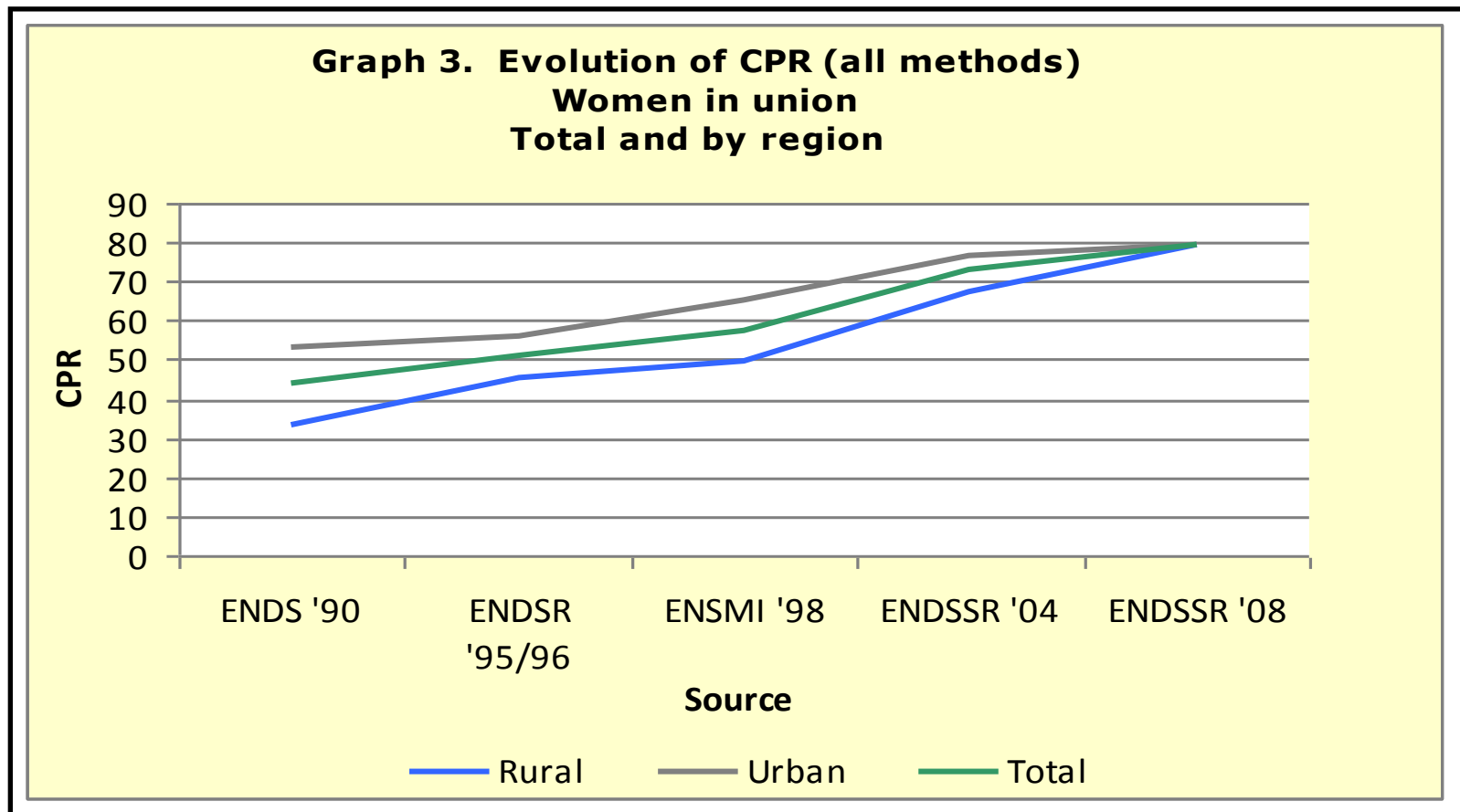


- Two lowest wealth quintiles were only 28% of overall user population in 2004
- In 2008, these two quintiles represent 44% of user population
- Two wealthiest quintiles decrease from 50% of user population to 36%

Paraguay – Effective Public Sector Targeting

New users in 2008 were predominantly from:

- Rural areas – no gap in CPR between urban/rural in 2008



Paraguay – How did the Public Sector Grow?

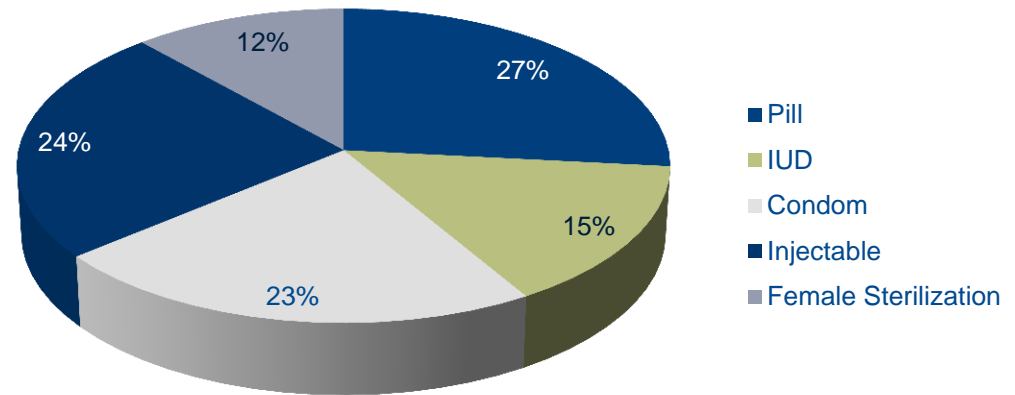
USAID programs (JSI/DELIVER and a locally-managed national social pharmacy project) contributed to substantial improvements in the public sector, including:

- Removing user fees
- Decreasing stock-outs from 82% (2005) to 48% (2008)
- Protected line item in national budget
- Regulatory change which allows clients in rural areas to receive more contraceptives per visit (ex: from 1 to 3 cycles of pills, from 10 to 30 condoms)
- Commitment to providing FP at all of MOH SDPs

Segmentation at its Best: Method Choice

- Method choice: five methods at or above 10% prevalence WIU:
 - condoms (13%)
 - pills (18%)
 - injectables (17%)
 - IUDs (12%)
 - sterilizations (10%)
- Healthy mix: No one predominant method

2008 Modern Method Mix – All WRA



Segmentation at its Best: Brand & Price Choice (commercial sector)

- Brand choice: 3 – 6 pills, condoms & injectables brands available throughout country in private pharmacies
- Price options: Products are available at high, medium, and low price points

	Low	Moderate	Elevated
CONDOMS			
Control			Gs 5,000 to 6,000
Pantera		Gs 4,000	
Preventor			Gs 5,000 to 7,500
Sultan			Gs 7,000
Sure	Gs 3,000		
Playboy	Gs 2,000 - 3,000		
INJECTABLES			
Perlutal		Gs 13,000 - 17,000	
Neolutin		Gs 13,500 - 17,000	
Clinomin	Gs 10,000		
Selene	Gs 10,000 - 13,000		
Femonin	Gs 12,000		
Norges	Gs 10,000		
Mesigyna			Gs 23,000
Cyclofem	Gs 10,000 - 12,000		
Unigalen	Gs 12,000.00		
PILDORAS			
Yaz (30)			Gs 73,000 - 80,000
Yazmin (30)			Gs 76,000 - 80,000
Diane (35)			Gs 64,000
Microgynon (30)	Gs 14,000 - 17,000		
Neogynon (50)	Gs 13,500 - 15,000		
Triquilar		Gs 20,500 - 23,000	
Segura (30)	Gs 5,000 - 9,000		
Linosun (Prog-only)		Gs 40,500	
PAE			
Pronta	Gs 17,500		
Control Uno		Gs 30,000	
CONSULTAS			
Consulta	Gs 30,000 - 40,000	Gs 50,000	Gs 70,000 - 100,000

Paraguay – Preparing for Graduation

The PSA concluded that Paraguay is indeed ready for graduation from FP support; therefore current SHOPS' activities are designed to prepare for imminent graduation in March, 2012

- CS Committee: support the Contraceptive Security Committee to assume an oversight role of the Whole Market
- Social Security Institute: Strengthen the FP program at the Institute
- CEPEP: Improve CEPEP's market positioning in order to increase self-sufficiency

Lessons learned for broader application

- Paraguay's public sector succeeded in increasing prevalence by effectively targeting rural non-users and by implementing measures that improved economic and geographic access.
- This resulted in a rational market segmentation that did not crowd out the commercial sector
- An organizing body that promotes dialogue among all stakeholders is key to sustaining gains



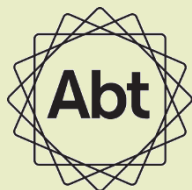
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