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Building Markets For Commercially Viable Contraceptives: The Locon F Partnership

Sara Sulzbach, Research Director
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Research and Best Practices
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Abt

Abt Associates Inc. in partnership with:
Banyan Global
Dillon Allman and Partners, LLC
Family Health International
Forum One Communications
IntraHealth International
O'Hanlon Consulting
Population Services International
Tulane University School of Public Health and Tropical Medicine



Contraceptive Market in Sub-Saharan Africa

- Donor-dependent product supply
- Manufacturer investment is limited
- Promotion of FP led by social marketing, NGOs and public sector
- Innovation is driven by economics, public health goals



SECURIL®
pour le *bien-être*
de ma famille!

• **Un moyen sûr d'espacer les naissances**
• **Pour la bonne santé de la mère et de l'enfant**

Composition: 1) DULCICLÉMI et FUMARATE FERREUX
2) Comprimés blancs: oestrogène 0,03 mg - éthinylestradiol 0,020mg
écoupiant 4,5,6, un comprimé
7 Comprimés blancs, 6 comprimés de 75mg - écoupiant q 4,5,6 un comprimé

Fabriqué par les Laboratoires:
WYETH - USA
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The Nigerian Market



- Population: 148 million (2007)
- GNI PPP/capita: \$1,770
- Urban population: 48%
- Contraceptive prevalence: 13.3% (2003)
- Fast-growing commercial pharmaceutical market
- Dominance of Nigerian and Asian generic drugs
- Challenging business environment

* Sources: World Health Statistics. WHO 2009; Nigeria Demographic and Health Survey 2003

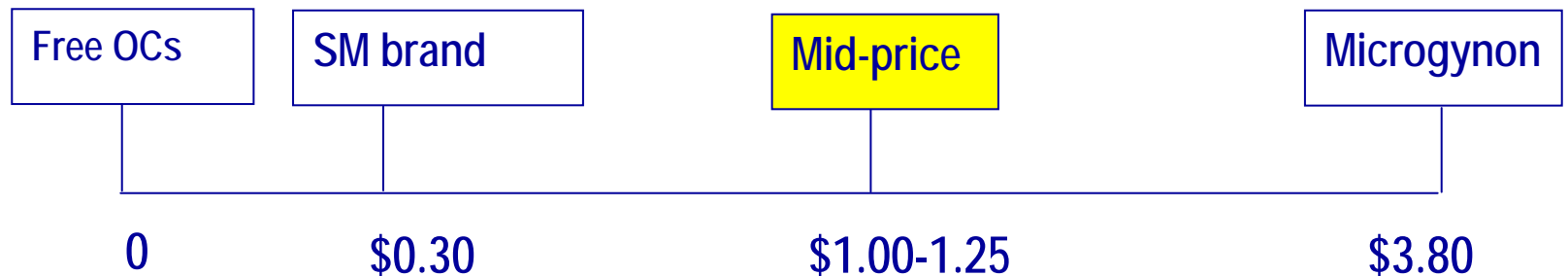
Highly Subsidized Contraceptive Market

Donated Contraceptives: January 1– December 31 2008

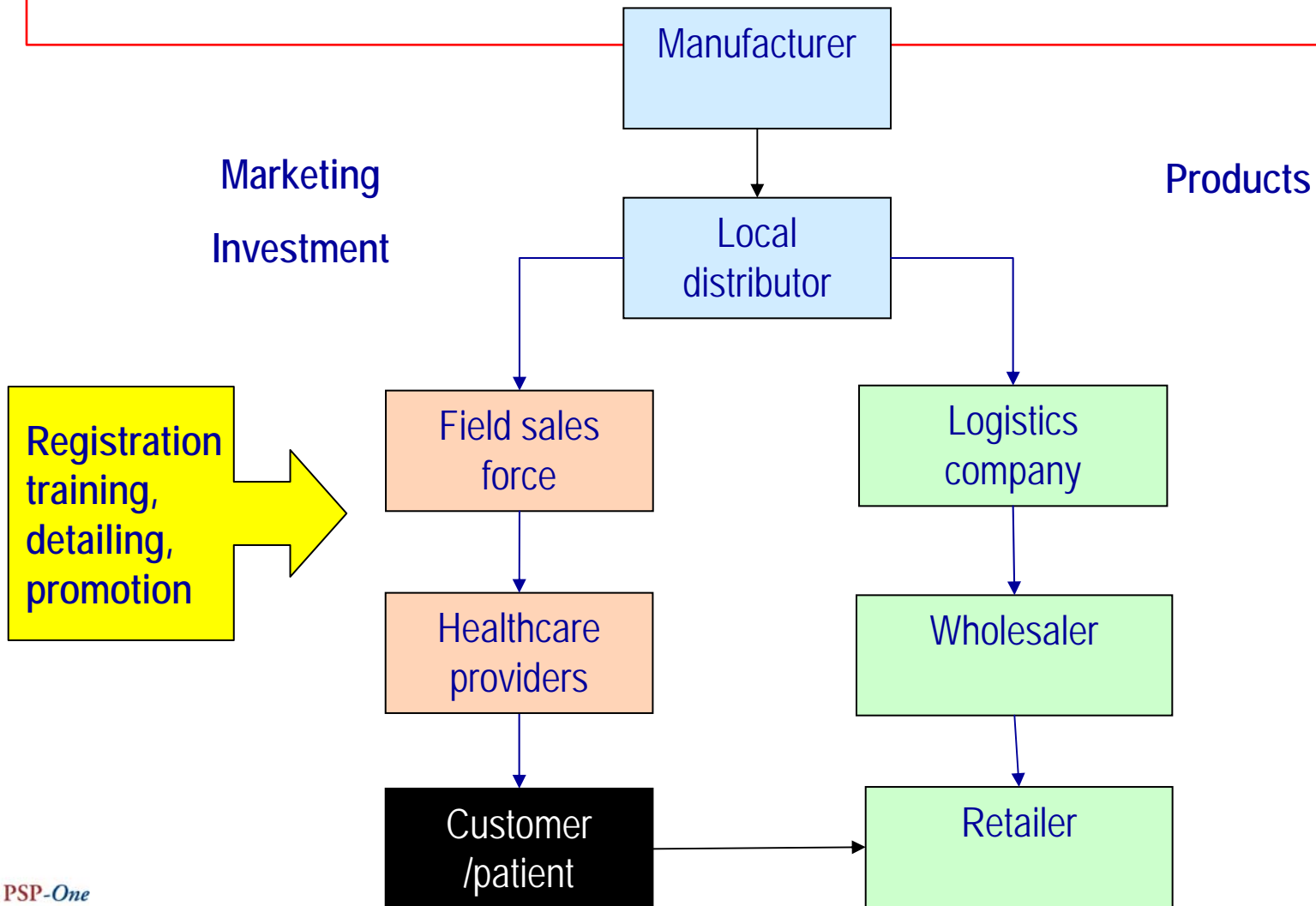
Method	<u>Quantity</u>	<u>Value</u>
Condoms - Female	10,000	\$11,343
Condoms - Male	236,270,761	\$6,411,563
Implants	5,000	\$114,119
Injectables (doses)	1,605,000	\$1,495,677
IUDs	16,209	\$5,187
Combined OCs - (cycles)	2,834,880	\$730,310
Progestin only OCs - (cycles)	23,400	\$7,020
Total		\$8,775,219

The mid-price OC project in Nigeria

- **Goal:** Increase the long-term sustainability of product supply
- **Strategy:** Introduce a commercially sustainable yet affordable oral contraceptive
- **Approach:** Identify potential suppliers and develop a business plan/marketing strategy for a mid-price oral contraceptive in Nigeria



Commercial Model for FP products



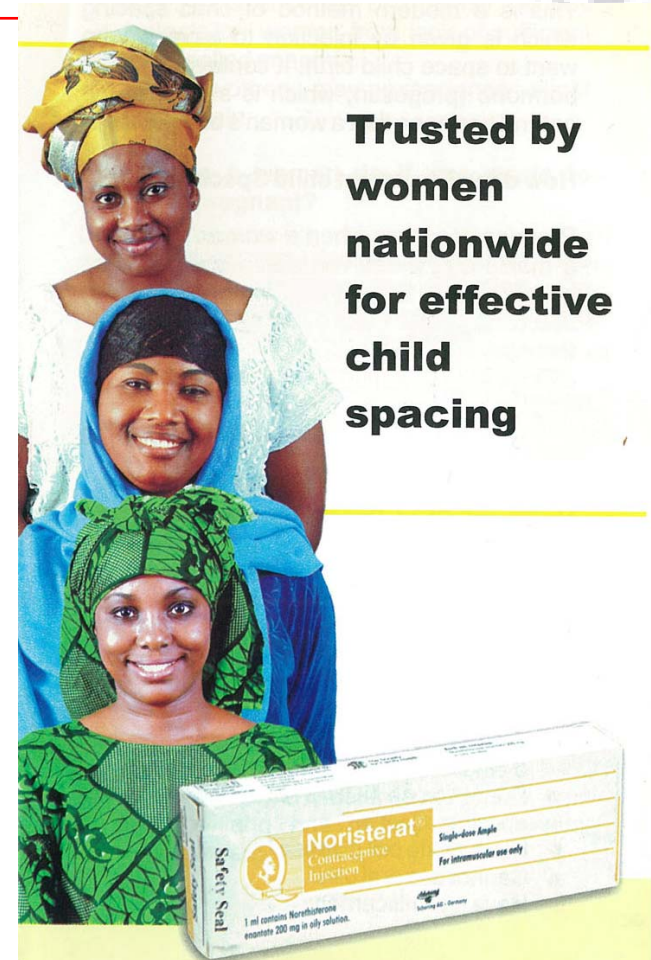
Famy Care Ltd.

- Mumbai-based generic manufacturer
- Asia's largest producer of OCs and IUDs
- Turnover: US\$30 million.
- Exporting to 35 countries
- Supplier of UNFPA, IPPF, MSI, PSI, DKT Intl.



The Society for Family Health

- Largest local social marketing organization in Africa
- Major implementer of donor-funded health programs
- Extensive distribution and sales network
- 55% share of the OC market (3.8 million cycles)



Partnership Model

PSP-One

Brokering, project design and
market-building support

Famy Care Ltd.

Manufacturing & branding

Products



Society for
Family Health

Marketing & distribution



PSI

Funding for first order and
technical support



Results

- New low-dose OC formulation registered in Nigeria: Locon-F
- First affordably priced commercial brand launched in 2009 (\$1.20)
- Procurement cost recovery + 40% profit margin for SFH
- 5 year distribution contract between FamyCare and SFH
- Cost-sharing of marketing between SFH and PSP-One



Levonorgestrel 0.1 mg + ethinyl oestradiol 20 mcg

Lessons learned

- Generic manufacturers can be enticed to market their own commercial brands in developing countries
- It is possible to use social marketing programs to phase-in commercially sustainable products
- But NGO partners may experience “mission conflict” and learning curve in for-profit partnerships
- Product differentiation (choice) is essential in building consumer markets for commercial products
- Moving from “commodities” driven to branded, segmented market is a long-term investment!

Thank you!

- For more information:

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