

# SUSTAINING THE PRIVATE SECTOR CONTRIBUTION TO FAMILY PLANNING IMPACT IN SOMALILAND

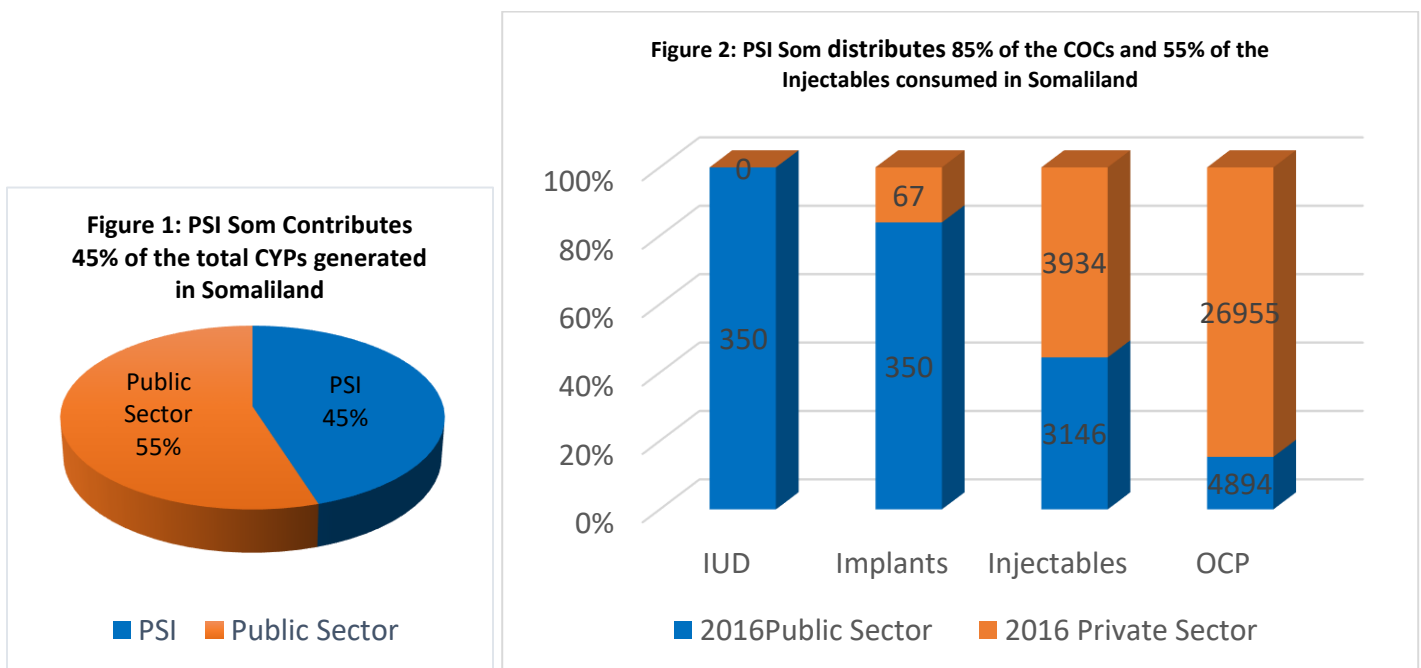
## Background

Somalia/Somaliland has signed up to FP2020 commitments. *The Government of Somalia updated its commitment at the Family Planning Summit in London, UK on July 11, 2017. Anticipated Impact*

1. To reach 20,000 new users by 2020. 2.
2. Increased uptake of FP services leading to increased CPR from 2.6 to 5% by 2020.

However, there has been little traction in improving uptake of modern family planning demonstrated by the fact the Somaliland modern contraceptive prevalence rate (mCPR) remains 1.5% while unmet need for FP is 20.2%. (MICS,2015).

PSI SOM remains the only private sector player in the Family Planning market across Somaliland. Insights generated from the immersion phase of the SAHAN program inspired the need for PSI Som to re-evaluate the Somaliland Family planning landscape. The Diagnose and Decide components of the Keystone Design Framework<sup>i</sup> found that the private sector (mainly PSI) contributes 45% of the total Couple Years of Protection (CYPs) generated in Somaliland (See Figure 1 and 2).



2016 Somaliland HMIS data and 2016 PSI Sales Data

The health impact indicated was further supported by user insights which show significant preference for FP services provided through the private sector. Some of the reasons include: quicker services; afternoon services are available with a method mix that encourages choice; and spousal consent is not requested as is the case with public facilities. Although spousal consent is not a requirement of the birth spacing guidelines, the practice persists in most public facilities.

The table below outlines PSI SOMs medium and long-term plans and contributions towards supporting Somaliland and Somalia MOH priorities as outlined in the FP2020 commitments:

	MOHD FP2020 Commitments	PSI Contribution to FP2020 Commitments (Medium and Long-term plans for FP in Somaliland and Somalia)
1	To ensure that legal policy and strategic frameworks for family planning in Somalia are in place by 2020.	Influence Policy Shift: <ul style="list-style-type: none"> <li>• For increased opening hours in the public sector.</li> <li>• To include excluded groups: <ul style="list-style-type: none"> <li>– Perceived sexually inactive youth - unmarried populations</li> <li>– women with disability (mental and physical)</li> <li>– Increase access to Long Term Methods (Implants and IUD) through the private sector.</li> <li>– Approval for increased FP Method Mix: ECP, Sayana press, Noristerat, Condoms.</li> </ul> </li> </ul>
2	To increase understanding of barriers to access, demand, and uptake of FP services in Somalia by 2020	Foundational work conducted through SAHAN (SHINE demand creation component). Implementation of HKH model and other prototypes to increase uptake of FP services
3	To ensure access to quality reproductive health services, including Family Planning in emergency and crisis settings from 50% of facilities offering FP services in 2017 to 80% by 2020.	Improve Quality of services and providers skills in both public and private sector: <ul style="list-style-type: none"> <li>- Systemic VCAT for public and private sector.</li> <li>- Implementing the HNQIS quality improvement framework.</li> <li>- Conduct joint Supportive Supervision with MOH</li> </ul>
4	To decrease stock outs by 30% by 2020 by ensuring continuous availability of quality FP commodities at all levels of the pipeline.	- Working with UNFPA to explore potentials of securing UNFPA products for private sector distribution <sup>1</sup> .
5	To explore and leverage Public and Private Partnership in FP service delivery by 2018	- Work with UNFPA/MOH to leverage Sayana press availability for distribution through the private sector - Address distribution capillarity by maximizing the potential of the private sector to ensure products easily accessed close to the consumer for continuous increase in CYP and subsequently CPR. - Provide long-term FP method services through private sector clinic franchise
6	To strengthen the existing monitoring of FP program through routine HMIS and Demographic Health Survey (DHS)	Report CYPs generated through the private sector: This will also contribute towards the impact indicator “Modern Contraceptive Prevalence Rate for all women (mCPR AW)” as well as align with the CHANGE programme’s mandate to integrate modern “birth spacing” into EPHS facilities output indicator 1.1 “% or # of EPHS facilities offering integrated modern birth spacing” as well as output indicator 1.2 “# of women receiving modern contraceptive methods (total and additional users)”.

<sup>1</sup> UNFPA has concluded procurements for the year and do not sufficient FP commodities to cover the private sector. Please see section on Market Gap

## PSI SOM Family Planning Products Update

PSI SOM distributes a range of Family Planning products in Somaliland:

1. Nasiye Oral Contraceptives (NOC) – Combined oral Contraceptives
2. Nasiye Injections (NIJ) – DMPA
3. Implanon NXT

While NOC and NIJ are widely socially marketed to a network of clinics and pharmacies through a distributor (Dalsan Pharmaceuticals), the MOHD still restricts the sales of Misoprostol and Implanon to only a few selected and monitored private facilities. In this culturally and religiously unique setting, PSI SOM still boasts of brand equity for these family planning products having pioneered the provision of family planning services through the private sector in Somaliland. In contrast to PSI's child health commodities, FP product distribution to clinics and pharmacies is still being led by PSI. A team of Trade Market Representatives - previously funded by DFID (under HCS) and then USAID up till February 2019 – ensured that FP commodities could be easily accessed through the private sector. Pharmaceutical distributors do not consider the FP portfolio worthy of investment because of the low volumes and marginal profit. Their lack of interest can also be attributed to the cultural and religious stigma associated to championing FP in Somaliland and Somaliland. This situation analysis further emphasized the market gap that still exists in the Somaliland FP market and enumerated below.

### Market Gap

- Distributors find the contraceptive business unattractive due to **low profit margin and low volumes**. **Stigma** also exists in the pharmaceutical industry as a distributor's association with family planning products can limit the distributor's range of customers. Although, PSI currently has one distributor, he still requires a lot of distribution and marketing support as capacity building.
- Although there is stigma in the retail end of the market, existing demand has been a motivation for pharmacies and clinics to continue stocking birth spacing products.
- Both the private and public sectors lack the basic family planning method mix. The existing portfolio of products restricts the Somali woman to only Copper T, Implants, DMPA, Minipils and COCs.
- PSI is the only player in the demand creation space for FP with generic marketing and communication strategies ranging from mass media to print, social media and inter personal communication.
- UNFPA has already procured FP commodities for Somaliland and Somalia for the next 2 years, and there is no provision for commodities for private sector to support FP distribution and services. However, discussions with UNFPA are underway on the possibility of including commodities for private sector in subsequent procurements.

### How do we plan to sustain the Private sector Contribution?

The Somaliland public sector is not growing at a rate that would easily compliment the contributions of the private sector in the short or medium term. The evolving donor landscape and declining funding for social marketing also makes the future of FP in the private sector very bleak. Irrespectively, it is necessary for the private sector 45% CYP contribution to be sustained and improved, especially for a country with such poor maternal health indicis. The CHANGE programme has a mandate to integrate modern birth spacing (FP) services into EPHS health facilities and is already piloting a private sector clinic franchise which has FP as part of the package of services. On the other hand, while the SAHAN programme continues to design and innovate user-centred interventions aimed at improving healthy behaviours and lifestyle, sustaining these new behaviours especially with respect to FP will be subject to availability and accessibility of products and services.

It is also important for the consumers to be able to make choices on what products they prefer, and where they would prefer to access them.

In many countries including Kenya, Uganda, Nigeria, Zimbabwe and even Somaliland, PSI has successfully transitioned socially marketed products from a percentage cost recovery model to profit making enterprise portfolios. Most recent is the current planned transition of the PSI Som child health products to a distributor for enterprise management.

Over the last 7 years, PSI Som social marketing activities (i.e. under the HCS and CHANGE programme) accumulated a total programme income of **£120,659 (\$156,857)** from the distribution of maternal and child health products. This was possible because PSI's social marketing model involves a commitment to behaviour change Which requires the consumer to contribute a fraction of the product's associated costs. This model is not viable without donor support – a fact true to the distribution of COCs and injectable contraceptive in Somaliland.

### Proposed Operating Model:

The current donor funding landscape makes it necessary to transition the FP products to a more sustainable model. The proposed distribution model will ensure 100% cost recovery over the next 2 years, during which advocacy for an expansion of the private sector method mix will be rolled out. This transition will require seed funds of **\$157,527** which will cover the cost of three FP commodities (NOC, NIJ and Implanon) and their distribution for an initial cycle of 2 years. During this period, planned adjustments in the procurement cost of the commodities, their selling price and operational costs will ensure retention the seed funds (**\$33,469**) that will cover the cost of commodities for another 2 years and henceforth. (Commodities are procured with 2year projections in order to benefit from economy of scale). This model will guarantee NOC and NIJ availability and coverage in Maroody Jeex and Togdheer, regions responsible for 75% of the private sector CYPs reported annually – projected to contribute 7,983 CYPs within 2 years. Implanon distribution will be through trained providers within the private sector franchise network. This will then be followed by the private sector introduction of Syana press and IUDs by 2021 as committed in the FP2020 framework. The new model will operate a **Revolving Fund System** that will secure the cost of FP commodities and ensure private sector commodity access and coverage for the medium term. The quantities being distributed in Somaliland will not be sufficient to sustain an entire business. This is why PSI SOM still continues the exploration for other funding opportunities that will support the distribution of these products to other parts of Somaliland and Somalia as well as distribution beyond 2021.

**Table 1: FP Commodity cost recovery Transition Plan**

Product	COGS per Unit	2018			July 2019 -June 2020			July2020 - June 2021			July 2021- June 2022			July 2022-June 2023		
		COGS	Revenue	% Cost Recovery	COGS	Revenue	% Cost Recovery	COGS	Revenue	% Cost Recovery	COGS	Revenue	% Cost Recovery	COGS	Revenue	% Cost Recovery
NOC	\$ 0.18	\$ 4,041	\$6,927	171%	\$5,040	\$8,640	171%	\$6,720	\$ 11,520	171%	\$7,392	\$12,672	171%	\$8,131	\$ 13,939	171%
NIJ	\$ 1.85	\$ 20,254	\$2,402	12%	\$5,828	\$1,733	30%	\$7,770	\$ 4,200	54%	\$8,547	\$6,930	81%	\$9,402	\$ 10,164	108%
Implant	\$ 10.91	\$ 2,575	\$1,770	69%	\$2,946	\$2,025	69%	\$3,928	\$ 3,600	92%	\$4,320	\$4,752	110%	\$4,752	\$ 5,227	110%
IUCD	\$ 2.11			0%			0%			0%	\$760	\$900	118%	\$36	\$ 990	118%
Syana Press	\$ 1.63			0%			0%			0%	\$5,135	\$6,300	123%	\$6,846	\$ 8,400	123%
<b>Total</b>		<b>\$26,869</b>	<b>\$11,099</b>	<b>41%</b>	<b>\$13,813</b>	<b>\$ 12,398</b>	<b>90%</b>	<b>\$ 18,418</b>	<b>\$ 19,320</b>	<b>105%</b>	<b>\$26,153</b>	<b>\$31,554</b>	<b>121%</b>	<b>\$29,967</b>	<b>\$38,720</b>	<b>129%</b>

- **Distribution channels:**  
These will remain the same i.e. through the distributor to over 180 pharmacies and private sector clinics. 2 medical detailers will be engaged to carry out trade marketing and quality assurance responsibilities. We will also leverage on the distribution through the distributor’s wholesale outlets and an existing network of clinics which were trained on the provision of short-term FP methods in the previous programs.
- **Geographic Coverage:**  
Product distribution will primarily cover Maroody Jeex and Togdheer regions of Somaliland. However, private sector activities in Sahil as well as wholesaler activities in Sahil and Awdal will also be tracked.
- **Operational Support:**  
PSI Som will leverage the existing SAHAN program’s demand creation activities, which are largely generic, as well as the CHANGE program operations and support LOE to ensure seamless execution of FP commodity distribution. [see annexed FP P\$L]
- **Marketing Intelligence:**  
PSI SOM will continue to apply modern marketing techniques to better understand the consumer and to assess their willingness to pay as the price adjustments and other operational modifications are being executed during the transition period.

### Expected Performance and Health Impact

Within the proposed 2-year period, PSI Som is expected to maintain the year on year private sector CYP contribution of about 20% as represented in the table below.

**Table 2: Somaliland Private Sector FP Commodity Distribution Projections**

Product	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
NOC	28800	38400	42240	46464	51110	56221
NIJ	3150	4200	4620	5082	5590	6149
Implant	270	360	396	436	479	527
IUCD	0	0	360	396	436	479.16
Syana Press	0	0	3150	4200	4620	5082

**Table 3: current forecasts indicates this model can deliver 7,893 CYPs in 2 years and over 10,253 by 2023**

Product	2019 - 2021		2021 - 2023	
	Product Forecast	CYP	Product Forecast	CYP
Nasiye OC	67200	4480	88704	5914
Nasiye Injections	7350	1838	9702	2426
Implanon	630	1575	832	2079
Sayana Press	-	-	7350	1838
IUCD	-	-	756	2495
<b>Total CYP</b>		<b>7,893</b>		<b>14,750</b>

**DFID's Contribution:**

We hereby propose that DFID's program income (**i.e. £120,659**) be used as a seed revolving fund that will guarantee the continuous availability of FP commodities in the Somaliland private sector. This will ensure a sustenance of the distribution channel and brand equity that has been built over the years. In addition, this approach will not only safeguard the a continuous increase in the private sector CYP contribution, it will also enable an increased method mix in the private sector, as well as continued to empowerment of the users with their product of choice from their preferred source, closest to their homes.

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<sup>ii</sup>In 2018, PSI evolved a new approach that marries a relentless focus on consumer and social behavior change with market development. This is underpinned by the rigorous application of commercial marketing principles and deep public health expertise. The approach is built on consumer and market insights, informed by behavioral theory with focus on the vision of a sustainable market. We apply a user-centered, creative approach to design, with knack for value for money and leading through learning.