

# Kenya: Using TMA to achieve a more efficient family planning market

A pathway for delivering health impact





## Using TMA to achieve a more efficient family planning market

Palladium strives to build new pathways to facilitate health equity and impact through Total Market Approaches (TMA). TMA is an evidence-based process that uses data to understand market trends, recognize the comparative strengths of various sectors, and apply market-shaping strategies to influence positive, sustainable growth of health products and services.

Kenya's international donors have supported private sector health delivery at scale for many years, but with limited coordination among market players. Prior to 2015, there were occasional references to TMA in Kenya, yet few concrete actions or results.

In early 2015, Palladium's DFID-funded Enabling Sustainable Health Equity (ESHE) family planning project was mandated to support the government with design and rollout of the country's first comprehensive TMA for family

planning (FP). The ESHE project supports increased government stewardship and stakeholder engagement for TMA in Kenya, providing important country-level perspective on everyday successes and challenges of TMA implementation. In 2016 and 2017, donor support for FP commodities was significantly reduced, created a funding gap of US\$4.8 million in 2018 and projected funding gap of US\$6.3 million in 2019. The emphasis on TMA in Kenya is timely as donors and government consider market-driven solutions to increase overall efficiency of the FP market.

This case study demonstrates how the Palladium TMA framework has been used to identify market inequities and policy barriers and design specific market-shaping interventions—highlighting how TMA can serve as a catalyst for a more efficient FP market overall and reduce the level of government and donor financing required to support delivery of FP commodities.

## Applying the Palladium Framework

Palladium's TMA framework (Figure 1) is designed to capture the complex process of market analysis, multi-sectoral engagement, market-shaping interventions, and market monitoring relevant to TMA, recognizing that not all components would be applied in all situations. Palladium has used the TMA framework to inform the process in Kenya.

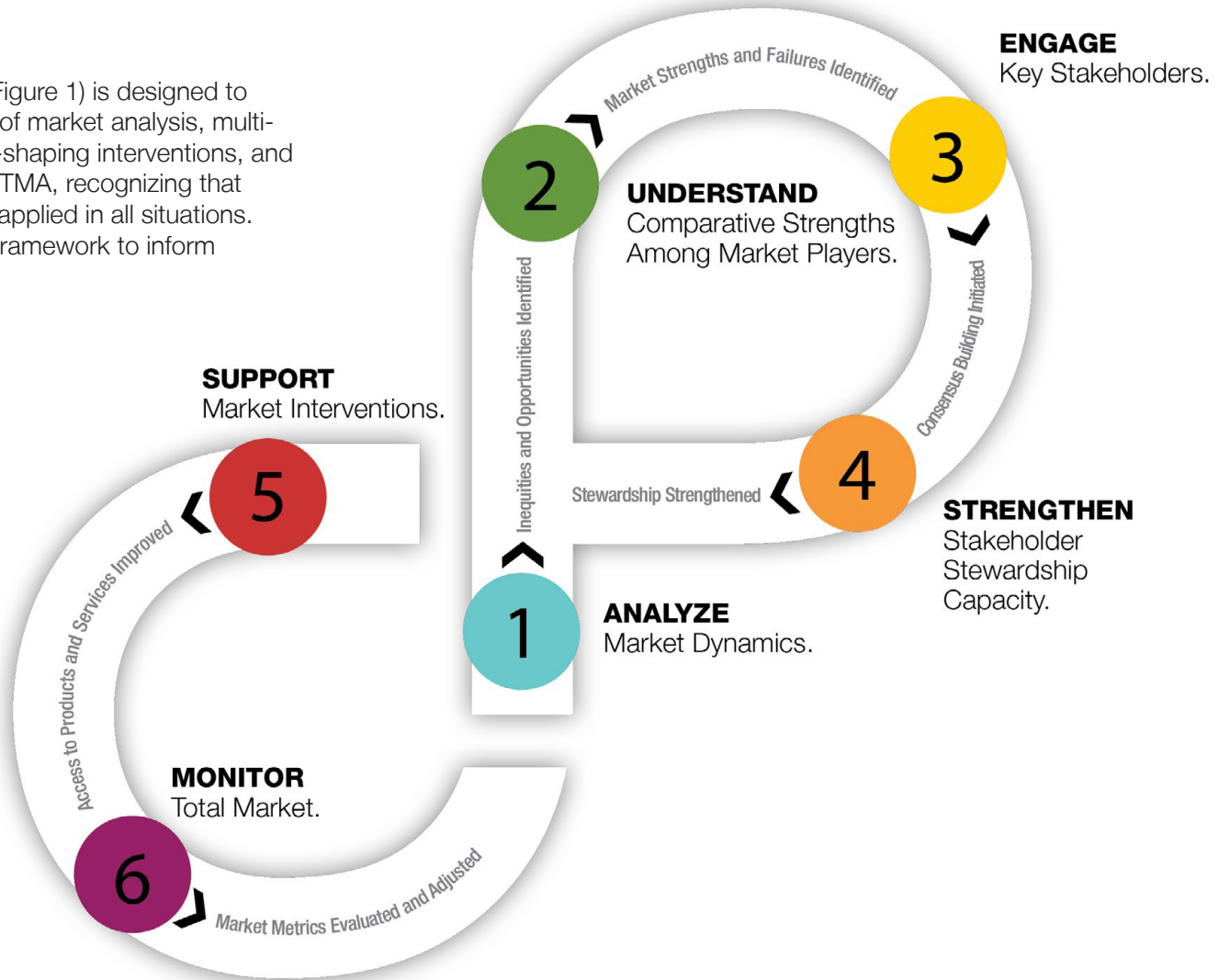


Figure 1. Palladium TMA Framework

## 1. Analyze Market Dynamics.

In 2015, Palladium supported a market diagnostic study through ESHE that examined FP market dynamics at both macro- and micro-levels; the findings formed the foundation for subsequent TMA discussions with Kenya's FP stakeholders. We followed up with market segmentation analysis and provided technical assistance to the national FP forecasting and quantification process. Through ESHE, Palladium also compared IMS health retail sales data against distribution data to estimate the total market on a national scale, comparing trends in sales and distribution of modern FP products. This research also mapped the composition of Kenya's for-profit private sector, and confirmed that the commercial sector sold 1.5 million FP product units in 2014, approximately 500,000 units more than were captured in the national forecasting and quantification exercise.

The comprehensive collection and analysis of the FP market was particularly important since limited data were available on the size and composition of the for-profit sector. The market segmentation analysis demonstrated that a large percentage of the two highest wealth quintiles sourced their FP supplies from the public sector, suggesting an opportunity for shifting some of these users into the private sector (Figure 2). Since 2015, Palladium has supported additional in-depth market analysis such as a cost benefit analysis, a market distortion quantification exercise, and an FP supply and distribution chain diagnostic study. Both studies capture the most common root causes inefficiencies within the FP distribution system, and present clear recommendations to address these persistent challenges to better meet Kenya's increasing FP needs.

## 2. Understand Comparative Strengths Among Market Players

The TMA process has helped to develop a greater understanding of the role and contributions from a broad range of Kenyan FP actors in the public, commercial, and NGO sectors (including social marketing organizations). Palladium did detailed mapping to ascertain key FP

Sources of OCs, Injectables and Implants among the top two wealth quintiles in 2014:

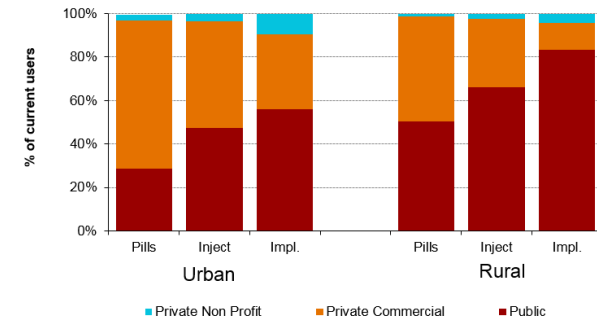


Figure 2. Market segmentation for FP Users in Top Two Wealth Quintiles (2014 DHS)

stakeholder networks and constituencies. We identified interests, biases, and potential incentives to better understand and create a profile of key market players and influencers. This information was incorporated into a series of key advocacy messages targeting key FP decisionmakers.

It was eye opening for the commercial sector when it was shown to account for six percent of Kenya's total FP market, a larger role than previously thought. The analysis demonstrated that the commercial sector contributed to a wider choice of FP brands and methods in Kenya by investing approximately US\$1 million in FP commodities. The TMA sub-group then focused on specific TMA issues for different stakeholders. For example, current government policy is to promote free FP products to all Kenyans without regard for ability to pay. After our TMA analysis, donors and government leaders can now re-evaluate national contraceptive distribution strategies based on clear evidence that more than half of middle- and upper-income women in urban areas access free pills, injections, and implants.

### 3. Engage Key Stakeholders.

In November 2015, an informal TMA catalytic working group was formed consisting of a core group of multi-sectoral FP stakeholders. In January 2016, the Ministry of Health's (MOH) Reproductive and Maternal Health Service Unit (RMHSU) formalized its partnership with ESHE by signing a detailed Terms of Reference (ToR) to steward the TMA process. The ToR outlined the TMA process more broadly along with a range of operational, management, and technical support activities. Palladium assisted by reaching out to government leaders, NGOs, professional healthcare associations, donors, and commercial-sector stakeholders.

A TMA sub-group was established in the RMHSU as the official forum for continued TMA dialogue. The sub-group meets quarterly and reports to the national FP Working Group, with the ESHE project serving as secretariat. Its members include the MOH; DFID, USAID, and UNFPA (donors); MSH and CHAI (technical support agencies);

PSI and DKT (social marketing organizations); and Pfizer, Bayer, MSD, Surgipharm and Sai Pharmaceuticals (companies). This sub-group represents the first time that the commercial sector has engaged directly with public health decisionmakers.

### 4. Strengthen Stakeholder Stewardship.

In 2016, the TMA sub-group developed a national action plan that outlines specific outcomes and an implementation timeline. The sustainability section envisions a more balanced and less volatile FP market that reduces dependency on donor funding through increased domestic and non-subsidized resources. Other TMA action plan activities include national scenario analysis and planning, monitoring commercial sector investments, and recommending policy changes that support better targeting of subsidies to ensure access by the poor, rather than by people who can pay commercial prices. Other strategic advancements of the TMA sub-group included incorporating TMA principles into the 2016 FP costed implementation plan, RMHSU's annual plan, and the forthcoming national reproductive health strategy.

TMA stewardship in Kenya has been affected by changes in personnel, since in late 2016 several top MOH stakeholders who had participated in TMA efforts were reassigned to different departments, including the lead MOH-official for TMA stewardship. This change created some unanticipated delays. Fortunately, the new RMHSU Director understands TMA and became a strong advocate which included sponsoring joint activities with the private sector. Our lesson learned is that TMA advocacy and stewardship capacity must include a wide group of government stakeholders institutional and individual to build support for TMA principles and action.

### 5. Support Total Market Interventions.

A core element of TMA centers on helping the commercial sector understand changing FP market dynamics and their implications for growth in the private market. Our strategies have included having a clear market segmentation strategy and sharing market intelligence



to demonstrate gaps and opportunities to potential commercial partners, allowing companies to reach urban counties with high contraceptive prevalence rates and ability to pay while the NGO/social marketing and public sectors concentrate on rural and low-income communities. This has encouraged increased investments in the private sector and capitalized on new compositions of combined oral contraceptives, progestin-only pills, injectables, intrauterine contraceptive devices, and implants to expand contraceptive choice. Palladium's EHSE TMA model is light-touch and based on identifying smart, low-cost catalytic joint investments to incentivize the commercial sector to take an informed risk in expanding the portfolio of FP products on the market. We have been careful to avoid interventions that could potentially disturb natural market forces by providing disruptive incentives or subsidies to the commercial sector. Establishing lasting partnerships between public and private actors has been a fundamental operating principle, and our ESHE team continues to explore opportunities for partnerships to fill identified gaps by introducing mid-priced contraceptive brands. ESHE's commercial sector component is targeting the introduction of half a million additional FP products into the market by the end of 2018.

We conducted one-on-one meetings with a variety of Kenyan manufacturers and distributors, such as Laborex, MSD, CHMP, Harleys, Surgipharm, Bayer, Phillips Healthcare Services Ltd. to gauge interest in increasing investments in commercially-viable FP products geared to clear market segment gaps. We held discussions with local healthcare associations (e.g., Kenya Obstetrics and Gynaecology Society, Nurses Associations) essential to the success of new FP products. When manufacturers and distributors were hesitant to invest in a market without a level playing field, and where free and highly-subsidized products dominate, the ESHE project shared data in policy and planning forums and articulating the commercial sector's interests. Our

efforts have resulted in introduction of new combined oral contraceptives, progestin-only pills, emergency contraceptives, Sayana® Press, and other products. Future TMA efforts will continue the dialogue with the commercial sector to secure buy-in and new investments.

#### 6. **Total Market Monitoring.**

Palladium continues to support the TMA sub-group to collect and analyze total market data, including annual surveys to measure changes in commercial sector market share, ongoing monitoring of FP stockouts and supply chain issues, and regular monitoring of market distortions. We continue to look for opportunities to broaden the range of data to better understand long-term trends and their implications.

## Conclusion

Kenya's TMA efforts initiated with a strong evidence-based review of market inequities and inefficiencies to improve overall health impact and strong multi-sector engagement. As donors increase support for TMA principles, the RHMSU's leadership has been critical to move forward a common agenda. TMA has been integrated into key national health strategies, and the government of Kenya made a recent pledge at the July 2017 London Summit on FP to scale up FP delivery across the country using a TMA-lens. Nonetheless, there is a need for further strengthening of TMA stewardship and multi-sectoral coordination as stakeholders work together to achieve common commitments and address unanticipated challenges.

Palladium will share updates on TMA implementation in Kenya as we continue to strengthen and apply total market principles in collaboration with our partners.



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