



# Sustainable Growth of Uganda's Family Planning Market through Improved Private Sector Engagement: A Political Economy Analysis

HP+ POLICY *Brief*

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Authors: Sayaka Koseki and Kate Klein

## Introduction

The Ugandan Ministry of Health has set a Family Planning 2020 (FP2020) goal of reaching a modern contraceptive prevalence rate of 50 percent among women (married and in union) by 2020. While the modern contraceptive prevalence rate has improved from 26 to 35 percent between 2011 and 2016, there is much work to be done to achieve the goal of 50 percent.<sup>i</sup> The Government of Uganda increased its budget for reproductive health commodities to US\$10 million in fiscal year 2013/14, although it has slightly reduced since.<sup>ii</sup> Access to and affordability of family planning has been expanded in recent years due to 1) donor-funded social marketing programs that market and distribute subsidized family planning products, and 2) the Ministry of Health's Alternative Distribution Strategy, which aims to decrease stockouts of commodities in the public sector by leveraging the Uganda Health Marketing Group's distribution system.<sup>iii</sup> By 2016, 38 percent of women in union using modern methods of contraception were purchasing their method of choice through commercial outlets,<sup>iv</sup> which are primarily stocked with socially marketed products.

Yet, the funding gap remains significant for family planning products, services, and programs. Of the US\$235.8 million budgeted in the Costed Implementation Plan for Family Planning 2015–2020, 56 percent is planned to be covered by donor-funded programs. With unmet need for family planning at 32 percent in



## WHAT IS A TOTAL MARKET APPROACH?

Total market approach (TMA) is a strategic process that uses the comparative strengths of all key actors—from the public sector, faith-based and nongovernmental organizations, and the commercial private sector—to achieve sustainable growth of health markets. One key TMA principle is to increase the level of coordination and spur growth of the commercial sector. By mobilizing all market players, and using data to enable each player to target the population segment that they are best fit to serve, products and services are efficiently made more accessible.

2016,<sup>v</sup> donor funding alone has not been sufficient to close this needs gap and such funding is expected to plateau. In this context, Uganda's donor-dependent family planning market faces pressing sustainability concerns.

The Ugandan government's policy commitments to family planning have yet to lead to increased domestic resources for family planning or translate into effective implementation to meet the full need for family planning services. Uganda's commercial health sector needs to play a more substantial role for the country to achieve its FP2020 goal. Family planning stakeholders such as the Ministry of Health, donors, implementing partners, local civil society organizations, private providers, and pharmaceutical distributors broadly agree that better targeting of donor and public sector resources to poorer users is necessary.

The Ministry of Health is taking steps to engage the private sector and is currently finalizing its national Total Market Approach (TMA) Strategy for 2017–2020. To inform the strategy, the Health Policy Plus (HP+) project, funded by the U.S. Agency for International Development, estimated the commercial sector market for family planning and quantified the benefit of opening up the market to the commercial sector, which could serve wealthier users. The tool projected that successful growth of the commercial market between 2017 and 2020 could lead to 50,469 more women served by the commercial sector, \$221,000 (USD) in subsidies saved, and an additional 7,000 women served if those savings were reinvested in pro-poor family planning outreach programming, such as a mobile clinic. A more thorough understanding of political and economic dynamics is needed to identify opportunities and obstacles to implementing a robust TMA in Uganda.

## Linking Political Economy Analysis and the Total Market Approach

HP+ undertook a political economy analysis to: 1) identify the institutions and actors with power and decision-making authority in family planning and 2) identify entry points for commercial sector expansion to achieve sustainability while increasing access. The analysis investigated why the Ugandan government and family planning stakeholders have not been able to fully engage the commercial health sector up to now, and how the government can better work with the private sector to increase access to family planning and make the market more sustainable. To answer these questions, HP+ conducted a desk review combined with a series of key informant interviews with stakeholders from the public sector (health- and non-health-oriented), social marketing organizations, the commercial sector, private associations, donors and implementing partners, and multilateral organizations.

### WHAT IS A POLITICAL ECONOMY ANALYSIS?

A political economy analysis articulates interests and incentives of different actors and groups, helps explain why change does or does not occur, and dives deeper into oft-used simplifications of roadblocks such as “lack of political will” or “capacity constraints.”<sup>vi</sup>

## Definition of the private sector and the approaches to leverage them are ambiguous across stakeholders

Before understanding how key actors influence power and decision-making authority in family planning, it was first necessary to identify who the stakeholders are, especially in the private sector, as well as to understand the stakeholders' interpretation of how the private sector could be leveraged. When mapping the key groups of stakeholders, it was clear which public sector actors mattered within the context of family planning; however, there was limited consensus as to which players were included within the private sector domain. Nonprofit and for-profit clinics, including social marketing organizations and franchised clinics were referenced most frequently as “private sector” by stakeholders in the public sector and implementing organizations. These same stakeholders also frequently included commercial pharmacies and drug shops.

Commercial importers and distributors identified themselves as part of the private sector, but importers and distributors were not identified as such by stakeholders from the public sector, social marketing organizations, implementing partners, or donors, even though their role is critical within the context of commercial sector family planning market growth. The selective definitions by the majority of players reveal that currently, incentives and interests of social marketing organizations and social franchise networks are well-incorporated into TMA, while those of commercial importers and distributors are not.

Although the benefit of TMA as a way to engage the commercial sector to increase access and improve sustainability of family planning is better understood now than previously, there is a need to standardize its meaning across sectors. Stakeholders did not always understand that choice would remain a tenet of TMA; there was notable confusion around the concept of targeting—the approach of using marketing that speaks to certain clients to better attract them—and some individuals assumed that certain segments of the population would be denied service if they sought family planning at the “wrong” source. Other stakeholders expressed doubt that consumers would shift to the commercial sector given low socio-economic status of Ugandans in general and/or expectations of free products.

### STATEMENTS FROM STAKEHOLDER INTERVIEWS:

“People are struggling just to eat. So if you ask them to pay for an IUD, they would prioritize other things.”

“Theoretically, [targeting] looks like a very good idea, but practically the challenge will be, how do you segment the population? Income is not sufficient—you need more data on expenditure to really conclude on these categorizations.”

“I get people from Kampala who come to my district for cheaper C-section. These people can afford the service, but you can't stop them. It's all public and it's all free. Putting this idea [targeting] into practice is tricky.”

**RECOMMENDATION:**

Due to the lack of an agreed-upon definition of the private sector, the perception of current levels of private sector engagement is skewed, over-representing incentives of certain subgroups. It is critical to agree on an accurate and common definition of the private sector prior to undertaking coordinated TMA initiatives.

The Ministry of Health should build stakeholders' comfort with TMA principles, including targeting, through evidence; a comprehensive market segmentation study combined with a psychosocial analysis of the consumer is needed as a starting point.

### **Engagement mechanisms frequently lack action-oriented agendas or multi-stakeholder participation**

With the current and potential private sector players for engagement defined, HP+ then assessed which engagement mechanisms are available and which ones are most appropriate to convene all key stakeholders, especially the commercial sector. The stakeholders highlighted four key engagement mechanisms: the Ministry of Health's Maternal and Child Health Technical Working Group, the ministry's Public-Private Partnership Unit, the Uganda Family Planning Consortium, and the Medicines Transparency Alliance. These mechanisms all provide dedicated time and space for discussion and problem-solving around key family planning issues. However, they vary in achieving multi-stakeholder engagement that includes broad private sector representation and a historical record of achieving concrete outcomes.

Engagement mechanisms without both multi-stakeholder engagement and ability to achieve concrete outcomes are unlikely to garner support from all stakeholders. The commercial sector tended to be more selective than the public sector or nongovernmental organizations regarding their participation in these structured meetings. They exclusively sought mechanisms that are focused on a specific objective. Given the necessity of their participation, meeting their needs by engaging them in objective-oriented discussions that lead to clear outputs will be crucial. While many stakeholders spoke highly of the Maternal and Child Health Technical Working Group, its broad focus with extensive agendas and public sector- nongovernmental organization perspective may lack the utility or influence to drive TMA forward. Based on these criteria, the Medicines Transparency Alliance seems well-positioned to bring together the right stakeholders to successfully spearhead TMA initiatives.

**RECOMMENDATION:**

The Ministry of Health should select a mechanism that is well-positioned for TMA implementation and/or private sector engagement for family planning, and that opens the floor for underrepresented groups—such as commercial importers, distributors, and donors—to set agendas and push Ministry of Health structures to be more sustainability-driven and inclusive of other sectors.

## FAMILY PLANNING STAKEHOLDER ENGAGEMENT MECHANISMS AND THEIR CHARACTERISTICS

Mechanism	Engagement Level	Track Record of Achievement
<b>Maternal and Child Health Technical Working Group</b>	Medium: Commercial sector perspective absent; donors present but not pushing for alignment	High: Issues raised reach senior leadership level and are added to future agendas
<b>Public-Private Partnership Unit</b>	Medium: Formal frameworks developed for public-private partnerships	Low: Public-private partnership operational plan developed but not yet operationalized
<b>Uganda Family Planning Consortium</b>	Medium: Strong focus on social marketing organizations limits participation of other sectors	High: Coordination among social marketing organizations and clinic networks has led to reduced duplication
<b>Medicines Transparency Alliance</b>	High: Platform for multiple stakeholders and sectors that feeds into Ministry of Health structures	High: Seen as outside driver capable of advocacy beyond the Ministry of Health; responsible for policy deliverables, including national pharmaceutical strategic plan

### Lack of policy support limits private commercial sector expansion

Supportive policy and regulatory environments are critical determinants of expanded participation in family planning markets. Most stakeholders believe the commercial sector is not on an equal playing field compared to social marketing organizations, and that competing in the family planning market is a significant challenge for commercial importers and distributors. Currently, the commercial sector must compete with socially marketed products, which are subsidized by donors and are extensively available, especially in urban areas through commercial outlets where wealthier populations access family planning products and services. Vendors prefer socially marketed products because they are purchased inexpensively and marked up for sale at prices almost equivalent to commercial-sector products, therefore offering large profit margins. A few stakeholders mentioned that there will always be a gap the commercial sector can fill even if the public and social marketing sectors remain the dominant providers of family planning products and services, due to population segments desiring high-quality, specialty products and to the sheer number of consumers in need of family planning. However, it was the minority belief that the business climate for the commercial sector is fair and that policies and regulations largely affect all players equally.

Donors play a major role in defining the incentives for implementing partners who often support distribution of free and subsidized products and services. Donors are also critical in working with each other and the government to set a path toward sustainability and larger domestic resource contribution to family planning. Better donor coordination could ease some of the steep competition facing the commercial sector and ensure that the family planning financing transition is smooth, yet donors have largely been absent in influencing this environment. They have not established metrics for implementing partners to track

market growth or means to incentivize commercial sector entry, and most stakeholders look exclusively to the Ministry of Health for TMA guidance without engaging donors.

Ultimately, the ability to improve the policy and regulatory environment for the commercial sector rests with the Ministry of Health, which has the mandate to develop, implement, monitor, and amend regulations. The ministry is leading the way for TMA through its TMA strategy, which can be an opportunity to proactively assess and co-create “win-win” policies with all key stakeholders, while leveraging donors to better align programs implemented by partners.

### RECOMMENDATIONS:

The government and family planning stakeholders should maintain momentum after the launch of the TMA strategy, and donors should support implementation and ensure focus on achieving the strategy objectives.

The government should prioritize working with donors and implementing partners to track and ensure that free and subsidized products and services remain exclusively in areas with lower wealth profiles.

Donors should collaborate with the Ministry of Health and ensure that their program indicators and goals align with the government’s stated objective to expand commercial sector investments in the family planning sector.

## Current political and economic environment does not enable growth of the total family planning market

Day-to-day actions of public sector stakeholders are driven by policies set forth by senior-level decision-makers in the government, who are not firmly prioritizing family planning nor expressing interest in multisectoral approaches to health. While technical experts in the public sector have a better understanding of TMA than previous studies have shown,<sup>vii</sup> results-oriented government buy-in for TMA remains to be seen and key political influencers or decision-makers to lead the charge are missing. The government has not yet witnessed declines in funding for family planning from donors—even if aware of sustainability concerns—so family planning-focused civil servants are not incentivized to be forward-focused on sustainability planning. For others, it is simply not within their purview to look beyond the established public-nongovernmental

“Individuals at the highest levels of the ministry are not willing to touch this subject [TMA]. Until there are the right people at the top who are willing to do that work, this type of TMA effort where public sector makes room for the private/commercial sector will not happen.”

– Stakeholder from a multilateral organization

organization relationship and it would require significant personal investment, with no promise of recognition or reward, to do so.

Broad sociocultural factors underlie the ability and willingness of the most influential actors to drive TMA. The culture and politics surrounding free health products, larger families, and increased population growth are factors that may be seriously inhibiting TMA advancements. First, the government has perpetuated a culture of free health, which key informants from all sectors felt was harmful and unsustainable since family planning consumers expect free products and, aside from some wealthy sub-populations, are infrequently willing to pay. At the same time, many stakeholders reported that consumers do not value and therefore underutilize these free products. Reelection may be at stake for officials who seek to alter the status quo. A subset of key informants within all sectors noted that it is politically advantageous for elected officials to announce their dedication to supplying the entire population with free family planning (and healthcare in general). There has been insufficient advocacy to acknowledge that this is not feasible within the current resource envelope and public health system capacity, and to tackle this challenge in a different way by leveraging the private sector.

Second, the cultural ideal of a large family as an investment still permeates according to key informants. This is reinforced through people in positions of power who equate population growth with economic development and achievement of middle income status, without full appreciation for the role that appropriate family size and adequate birth spacing have in ensuring that families and society can invest in each child.<sup>viii</sup> Successful TMA programming can help address the current unmet need for family planning in Uganda, where all players should see growth based on better targeting, especially with the commercial sector engaged. However, longer-term success for family planning programs will hinge on addressing these sociocultural factors.

## **RECOMMENDATIONS:**

Ministry staff with TMA knowledge must advocate to others within the government for sustainability of family planning by linking it to the country's health goals and broader environmental and economic development. Without their support, enabling policies that open up the family planning market to the commercial sector and make the program more sustainable in the long-term will not be possible.

Renewed social and behavior change communication efforts will be necessary to keep demand in line with supply. Social and behavior change efforts will not only increase demand for paid products among the wealthy; they will also ensure that poor and marginalized populations seek out family planning products made available through public sector and donor resources that are freed up over time through commercial sector growth.

## Conclusion

Uganda has set its goal for sustainable domestic financing for family planning, but the current pace and effectiveness of reforms is not sufficient to achieve the FP2020 goal of a 50 percent modern contraceptive prevalence rate. As the Ministry of Health develops its first National Family Planning TMA Strategy (2017–2020), with a goal of doubling the size of the commercial sector within this period, it should establish an inclusive coordination mechanism that supports and is led by political champions for commercial private sector engagement in family planning. An investment in advocacy and communication that shifts the mind-set of policymakers and society about free health and family size is needed to boost contraceptive prevalence in the long term.

## Endnotes

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## CONTACT US

Health Policy Plus  
1331 Pennsylvania Ave NW, Suite 600  
Washington, DC 20004  
[www.healthpolicyplus.com](http://www.healthpolicyplus.com)  
[policyinfo@thepalladiumgroup.com](mailto:policyinfo@thepalladiumgroup.com)

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