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## HEALTH SYSTEMS REPORTER: focus on market development approaches to reproductive health supplies

27 June 2006

produced by the [IDS Health and Development Information](#) team in collaboration with [Eldis](#) and the [DFID Health Resource Centre](#)

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This is our monthly email bulletin, bringing together research to inform policy debates on health in developing countries.

The Health Systems Reporter aims to provide readers with a more in-depth look at a particular area of health policy. This month's theme is [market development approaches to reproductive health supplies](#). The bulletin also features summaries of new documents and other additions to the [Health Systems Resource Guide](#).

**New Reporter Archive** - A new reporter archive is now available on the Health Systems Resource Guide. See previous issues of the Health Systems Reporter at <http://www.eldis.org/healthsystems/archive.htm>

All documents listed below are available free on the web. If you are unable to access any of these materials online and would like to receive a copy of a document as an email attachment, please contact [r.wolfe@ids.ac.uk](mailto:r.wolfe@ids.ac.uk).

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## Feature: market development approaches to reproductive health supplies

Market development approaches (MDAs) to reproductive health are initiatives that work towards enhanced financial sustainability, improved access and expanded choice. The term "market development approach" encompasses a very

broad set of approaches to health care delivery, but by definition involves the commercial sector or commercial sector techniques. There are a number of factors that are changing the current environment and increasing interest in MDAs. Funding is in many places decreasing or uncertain while the demand for reproductive health services continues to grow. Meanwhile, the global market is expanding with more suppliers emerging from developing countries and donors untying aid to home-country manufacturers in search of more cost-effective supplies. New donors and implementers with a potentially more market-oriented view on solutions are increasingly involved in reproductive health supply issues. MDAs can respond to these circumstances by addressing sustainability, access and choice through greater involvement of the commercial sector.

While the commercial sector can be highly effective in the delivery of health care products and services, it is important to consider the trade-offs of public and private provision of health care. For MDAs, a key issue is the degree of commercial involvement and the resulting effectiveness and efficiency. Another important factor for MDAs is the impact of public funding on commercial markets. The commercial sector has been used to varying degrees to increase availability and choice of contraceptives in financially sustainable ways. But while a high level of commercial involvement may improve sustainability from the donor and government viewpoint, it may also make the products more expensive for the consumer. Also important is the long-term impact of public/donor support to markets, amidst concerns that donor or government funding (i.e. subsidy) distorts markets. However, it has recently been argued that the evidence on the impacts of MDAs on markets is inconclusive.

For more information, see our new key issues guide on [Market Development Approaches](#) for reproductive health supplies, produced for the [Reproductive Health Supplies Coalition](#) with support from the [Bill & Melinda Gates Foundation](#).

Thanks to Elizabeth Gardiner for advice on this feature.

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## Recommended readings on market development approaches to reproductive health supplies

### [Market development approaches scoping report](#)

Authors: Gardiner, E.; Schwanenflugel, D.; Grace, C.

Produced by: HLSP Institute, UK, 2006

This paper, produced for the Reproductive Health Supplies Coalition, explores how market development approaches (MDAs) for reproductive health commodities, can contribute to financial sustainability, improved access and expanded choice. The document is also a tool for donors, governments and implementers to learn about MDAs and begin thinking of options and issues to encourage, design, implement, manage and evaluate MDAs. It includes case studies of MDAs in India, Pakistan, the Philippines, Uganda and Morocco. The authors found that MDA 'models' - traditionally known as the manufacturer's model and the NGO model - have become more continuous and evolving. Instead, MDAs use or leverage commercial actors or tools as one or several components or "building blocks" to increase access to and choice of reproductive health supplies.

The report explores a number of lessons learned, including: characteristics that make a market attractive for an MDA intervention; what makes a good commercial partner; what makes a good MDA implementer; what types of products are suitable for MDAs; and whether competition between MDAs is a good thing. The authors highlight the need to develop more tools, arguing that despite their initial expense, they are well worth the investment. They also highlight the importance of evaluating MDA approaches and sharing these findings.

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### [When donor support ends: the fate of social marketing products and the markets they help create](#)

Authors: Agha, S.; Do, M.; Armand, F.

Produced by: Private Sector Partnerships-One (PSP-One), 2005

This report is part of the Global Research Report series published by USAID's Private Sector Partnership for Better Health (PSP-One). It assesses the performance of social marketing interventions in providing a sustainable supply of family planning products in middle-income countries. The report focuses on social marketing initiatives which follow the manufacturer's model and gives case-studies of such interventions in four countries: Morocco, the Dominican Republic, Peru and Turkey.

The report finds that these interventions resulted in increased use of the commercial sector by lower and middle-income women and that this increase may remain after donor support for the brand is withdrawn. However, these results depend on a number of factors. One is the absence of competition from other sources, including the public sector. Another factor is that the commercial sector should be involved in the supply of contraceptives prior to the social marketing intervention. It is also necessary that a substantial level of acceptance and use of the specific contraceptive method should exist before the intervention. The sustainability of the social marketing intervention also depends on the commercial partner being committed to continue funding promotional activities after the donor support is withdrawn.

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### **Making market systems work better for the poor (M4P): an introduction to the concept**

Produced by: Department for International Development (DFID), UK, 2005

This paper from UK's DFID (Department for International Development) provides an introduction to an emerging framework for development called Making Markets Work Better for the Poor (M4P.) This framework is founded on the belief that the best way to create development which benefits the poor is through encouraging access for the poor to well-functioning markets.

The paper argues against government and donor intervention, in the form of subsidies or the public provision of services. Instead the authors advocate facilitation to allow the market to work better for the poor. This involves making the market accessible to the poor and supporting the poor in their roles as entrepreneurs, employees and consumers. One element of this facilitation is conducting extensive market analysis to understand how a market is currently functioning in relation to the poor and where the potential lies for change and growth. Another element is to identify and encourage what the authors term, "drivers for change". These include institutional changes to reconfigure the roles of the public, private and non-profit sectors, policy changes and providing support to the market through, for instance, developing improved infrastructure.

Available online at: [http://www.dfid.gov.uk/news/files/trade\\_news/adb-workshop-conceptualapproaches.pdf](http://www.dfid.gov.uk/news/files/trade_news/adb-workshop-conceptualapproaches.pdf)

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### **Review of DFID approach to social marketing**

Author(s): Meadley, J.; Pollard, R.; Wheeler, M.

Produced by: Department for International Development (DFID) Health Resource Centre (HRC) , 2003

This review, from the DFID (Department for International Development) Health Systems Resource Centre, argues that DFID should continue to expand its use of social marketing as a strategy for delivering healthcare interventions. DFID primarily funds social marketing initiatives for HIV prevention, family planning and malaria control. The review finds that since this funding began in 1991, social marketing has proven to be a flexible and efficient tool for expanding the distribution of health care materials such as condoms and insecticide-treated malaria nets, and for promoting behavioural change.

The review recommends that DFID should develop a "total market" approach to social marketing. This would involve an integrated, sector-wide view of healthcare that incorporates the private, NGO and government actors. National governments should be encouraged to be more actively involved in the planning and implementation of social marketing programmes, and programme planning needs to be more explicit about how the needs of the poor will be met. The review also recommends that DFID should: introduce a tendering process; develop a standardised approach to the funding of these programmes; and develop links with other international development agencies supporting work in this area.

Available online at: [http://www.dfidhealthrc.org/publications/srh/SM\\_review\\_Sept03.pdf](http://www.dfidhealthrc.org/publications/srh/SM_review_Sept03.pdf)

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### **Ends versus means: the role of markets in expanding access to contraceptives**

Authors: Hanson, K.; Kumaranayake, L.; Thomas, I.

Produced by: Health Policy and Planning, 2001

This review article from Health Policy and Planning examines the relationship between the public and private sectors in the provision of sustainable supplies of contraceptives. The article looks at the role of the public sector in providing

contraceptives when the market fails to do so, the impact of public provision on the development of markets and the impact of price on demand.

The authors argue that policymaking needs to take into account the ways in which choices made about public provision will affect the potential for development of sustainable private sources of supply. Undertaking what the authors term a "market assessment" should be a key stage in the analysis of policy options. Such an assessment should address demand factors, health priorities, actual and potential sources of supply and the relationships between public and private supply. The strategies used to deliver contraceptives by the public sector should be based on the specific characteristics of the context. In particular, four variables are important in establishing this context. These are: contraceptive prevalence rates, HIV prevalence, income level of country and the size and geographic spread of the existing private sector development.

Available online at: <http://heapol.oxfordjournals.org/cgi/content/abstract/16/2/125>

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### **Economic rationale and programme issues for promoting sustainability**

Author(s): Thomas, I.; Hanson, K.; Kumaranayake, L.

Produced by: Options Consultancy Services, 1999

This paper, prepared by Options Consultancy for the UK's Department for International Development (DFID), gives an analysis of the economic issues related to the supply of subsidised contraceptives to low-income countries by donors. The authors outline the importance of two key issues: ensuring a sustainable supply of contraceptives; and ensuring that the poor have access to them. They recommend that DFID continues to subsidise the supply of contraceptives as an essential part of achieving its overall goal of eliminating poverty.

In the long run, the supply of contraceptives should predominantly be provided by the private sector. DFID must be careful when funding the supply of subsidised contraceptives not to disrupt local markets and the achievement of this long-term goal. Providing a subsidised supply of contraceptives should be accompanied by efforts to strengthen local institutions, and targeted policy. At low-income levels the goal should be widening access to free or low cost contraceptives, and at higher income levels this should shift to the targeted supply of subsidised products. Different issues need to be considered when planning for situations where HIV risk is high and those where contraceptives are mainly used for family planning.

Available online at: <http://www.options.co.uk/images/thomas-hanson-Supplying-contraceptives.doc>

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## **Summaries of other documents in the Health Systems Resource Guide**

### **Advance market commitments: results of UK consultation**

Produced by: Department for International Development (DFID), UK, 2006

This paper, published by the Department for International Development (DFID), sets out the main conclusions of a consultation on advanced market commitments (AMCs) for drugs for neglected diseases in developing countries. AMCs are a way of creating markets for new vaccines, for diseases which would otherwise be neglected because they mainly affect poor people. Sponsors (or donors) make a legally binding financial commitment to support a market for the product of a pre-agreed value, whilst companies commit to supplying a successful vaccine at a guaranteed price.

Pharmaceutical companies, non-governmental organisations, and advocacy groups were among those participating in the consultation. They welcomed the move towards AMCs and considered it to be a positive contribution to improving vaccine research and development, as long as resources are not diverted away from research support and other programmes. However, respondents had some concerns about the design of the initiative and implementation at country level. These included: whether an AMC would stimulate further innovation or, instead, "crowd out" other research; how a price could be set before a vaccine has even been invented; whether technical assistance would be needed at country level to introduce the new vaccines; and how the AMC would mesh with other incentives, such as public funding to early scientific research.

Available online at: <http://www.dfid.gov.uk/pubs/files/amc-consultation-report.pdf>

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### What evidence is there about the effects of health care reforms on gender equity, particularly in health?

Authors: Östlin, P.

Produced by: Health Evidence Network, WHO, 2005

This review article, published by the World Health Organization, assesses the impact of four key health care reforms – decentralisation, financing, privatisation and priority setting – on gender equity in health. It reports that, in many low income countries, rapid decentralisation has led to difficulties in providing affordable, accessible and equitable health services, and may also inadvertently support a more conservative reproductive health agenda. Other findings include that: taxes and social insurance schemes provide the most equitable basis for health care financing; privatisation may worsen gender equity; and some priority setting methods incorporate gender biases, and so underestimate the burden of disease on women.

The article argues that gender equity in health requires that men and women will be treated equally where they have common needs, and that their differences will be addressed in an equitable manner. This should be a consideration particularly in the planning and delivery of services at national, regional and local levels. Decentralisation should be accompanied by a corresponding devolution of authority and adequate human, institutional and financial resources. When health insurance schemes are introduced, they must adequately cover vulnerable and marginalised groups. Other recommendations include protecting the working conditions of health personnel – the majority of whom are female.

Available online at: <http://www.euro.who.int/Document/E87674.pdf>

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### For public service or money: understanding geographical imbalances in the health workforce

Authors: Serneels, P.; Lindelöw, M.; Garcia-Montalvo, J.; Barr, A.

Produced by: Policy Research Working Papers, World Bank, 2005

This working paper, published by the World Bank, examines what determines the willingness to work in a rural area of final year nursing and medical students in Ethiopia. The paper reports that two thirds of nursing students and 90 per cent of medical students would prefer to work in an urban area than a rural area. Students coming from households whose expenditure was higher, and those who rated the opportunity to help the poor as an important aspect of a job, were more likely to want to work in a rural area. Key reasons for preferring an urban posting included access to education for children, and opportunities for promotion and further training.

Using data from their survey, the authors estimate that it would be necessary to offer a salary premium of 31 per cent to nurses and 39 per cent to doctors to get them all to take up rural posts. To achieve this, the health budget would have to increase by around US\$860,000 or 0.9 per cent per annum. The paper also suggests that improving access to training for rural health professionals could increase the willingness of new workers to take up rural posts.

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The Health Systems Reporter is produced by the IDS Health and Development Information team in collaboration with the DFID Health Resource Centre (HRC) and Eldis.

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Eldis is funded by DFID, Sida, SDC and NORAD, and hosted by the Institute of Development Studies, Sussex, UK.

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