

Recap: Ensuring alignment between demand and supply is critical to successfully continue implementing the phased, focused strategy for hormonal IUD product introduction



At the end of 2019, the Hormonal IUD Access group aligned on implementing a **thoughtful, phased and focused strategy** for introduction and scale-up of hormonal IUD



In order to successfully implement this strategy, we are working diligently to **ensure alignment across the demand and supply sides** of the market, i.e., the aim is to make sure that product introduction and scale-up plans mesh with available supply and vice versa



Ensuring this demand/supply alignment requires **active and ongoing management** by the Hormonal IUD Access Group as the demand- and supply-side contexts evolve over time

The public-sector hormonal IUD forecast described in this deck is a critical tool to align supply and demand. As noted in Dec, **we are now** refreshing the forecast in Q1 2023 to align the forecast with **supplier production planning timelines** that fall in April/May each year. We will also be sharing a **conservative estimate for 2024** demand based on historical procurement and forecast outputs. This is an estimate only and **should not be construed as a funding or procurement commitment**.

To better understand the overall demand potential, the forecast numbers we will share estimate potential hormonal IUD demand without modeling in specific funding constraints. This will serve to demonstrate what potential demand could look like based on country interests/plans should commodity funding not be a barrier.

Overview of the hormonal IUD commodity demand in the public sector Q1 2023



Scope

- **Countries in scope:** Consistent shortlist of ~30 countries that have expressed interest in hormonal IUD product intro (based on interest expressed to Access Group, ongoing engagement with countries, discussions with procurers, etc.)
- **Sector:** Public sector¹
- **Timeframe:** 2023-2028

Methodology

- **Baseline public-sector commodity demand analysis**
 - Based on historic commodity orders (IUD, implant, other methods) x annual market growth (WRA*mCPR)
- **Hormonal IUD introduction approach**
 - Estimated timing of product introduction
 - Desire for pilots as the first step in introduction
 - % of facilities eligible to provide hormonal IUD (including the rate of facility activation over time, based on training plans)
- **Hormonal IUD adoption rates**
 - Conservative and moderate scenarios identified through LEAP research

Output

- **Estimated hormonal IUD units by year**
 - Demand outputs for 2023 have been checked against and aligned with POs placed by countries, where relevant
 - This Q1 2023 demand analysis reflects current country updates and information from UNFPA and USAID's procurement planning cycle as of this quarter. We will continue to update the demand analysis as material information becomes available from the procurers.

1. Public-sector orders are those procured by USAID, UNFPA, and MOHs. Once the Hormonal IUD Access Group aligns on a total market strategy for hormonal IUDs, then forecasting for other relevant sectors can also be further fleshed out.

A brief recap of output scenario definitions that capture potential variability in hormonal IUD introduction timing, training scale-up rates, and adoption rates in key markets



Base case scenario

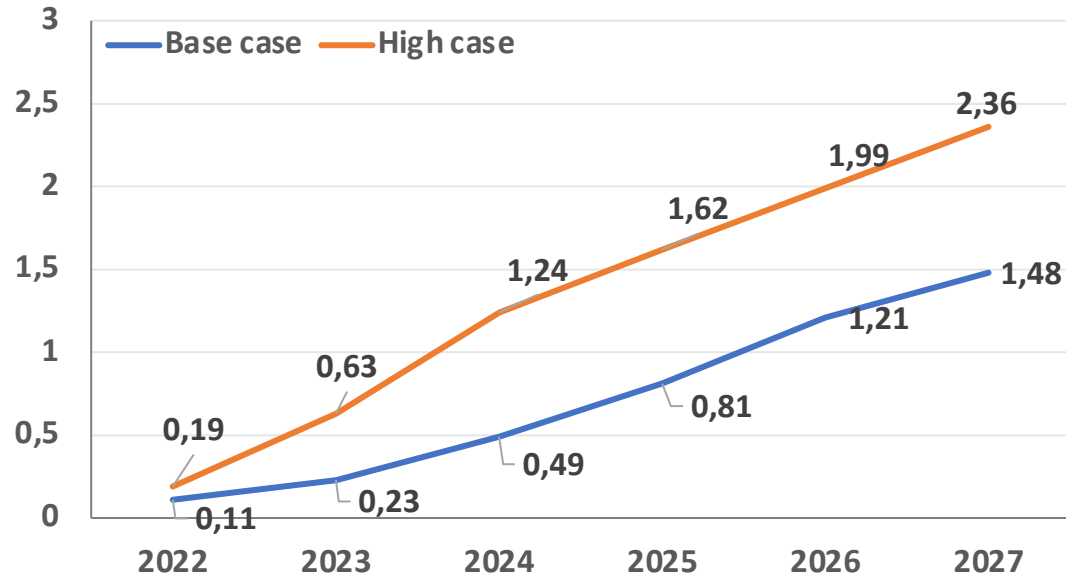
High case scenario

| | Base case scenario | High case scenario |
|--|---|---|
| Timing for country introduction | <ul style="list-style-type: none"> Assume the latter end of estimated hormonal IUD introduction timelines in key markets that have expressed initial interest in hormonal IUD introduction but have not yet finalized plans¹ | <ul style="list-style-type: none"> Assume the earlier end of estimated hormonal IUD introduction timelines in key markets that have expressed initial interest in hormonal IUD introduction but have not yet finalized plans¹ |
| Training timelines² | <ul style="list-style-type: none"> In countries that have not yet finalized training plans, assume it will take ~3 years to reach and train in-scope providers Note: ~3 years is towards the upper end of the training timelines currently planned in Kenya, Madagascar, Nigeria, Rwanda, Uganda, and Zambia | <ul style="list-style-type: none"> In countries that have not yet finalized training plans, assume it will take ~2 years to reach and train in-scope providers Note: ~2 years is towards the lower end of the training timelines currently planned in Kenya, Madagascar, Nigeria, Rwanda, Uganda, and Zambia |
| Adoption rates³ | <ul style="list-style-type: none"> In the base case, apply the lower adoption rates derived from the LEAP analysis | <ul style="list-style-type: none"> In the high case, apply the higher adoption rates derived from the LEAP analysis |

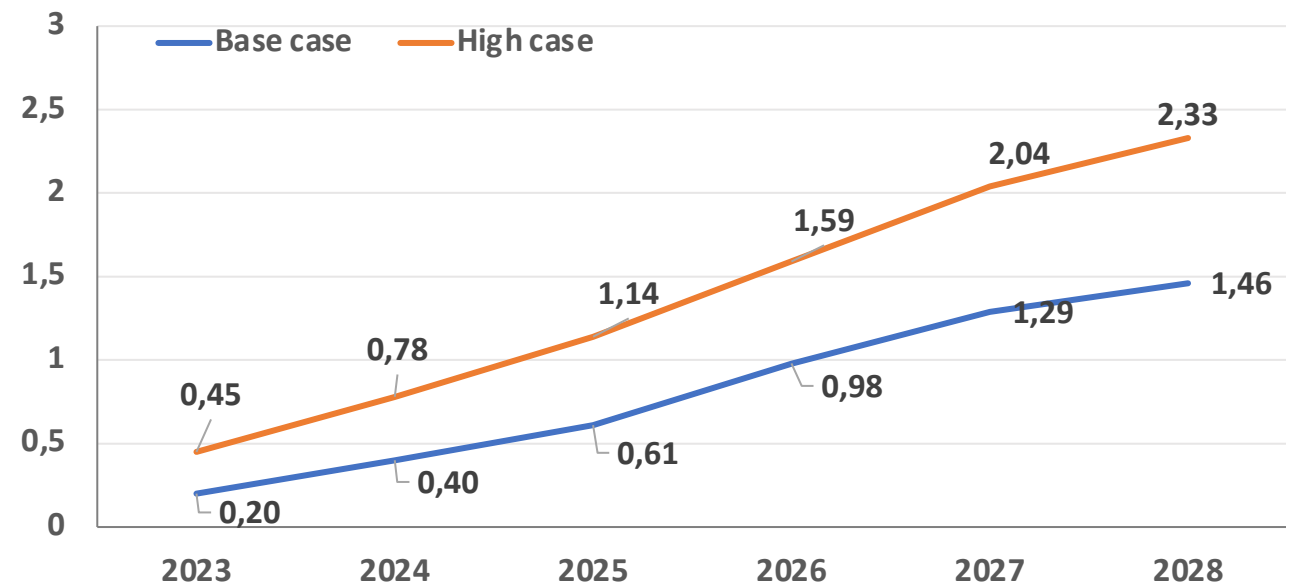
1. E.g., Burkina Faso, Guinea, Honduras, Mozambique, and South Sudan. 2. The training timelines included in the base and high case scenarios are based on the range of timelines listed in countries' product introduction plans; assumes product introduction plans can proceed without funding-related delays. 3. At present, adoption rates are based on modeling derived from LEAP research; we are gathering initial consumption data from actively introducing countries. Moving forward, we will incorporate this consumption data to refine adoption rates applied to the forecast growth curve.

Forecast outputs: Public-sector hormonal IUD demand is estimated to reach ~1.5-2.3M units/year in 2028, based on the latest country intelligence and scenario assumptions

Annual hormonal IUD units (millions) – SEPT 2022



Annual hormonal IUD units (millions) – MARCH 2023



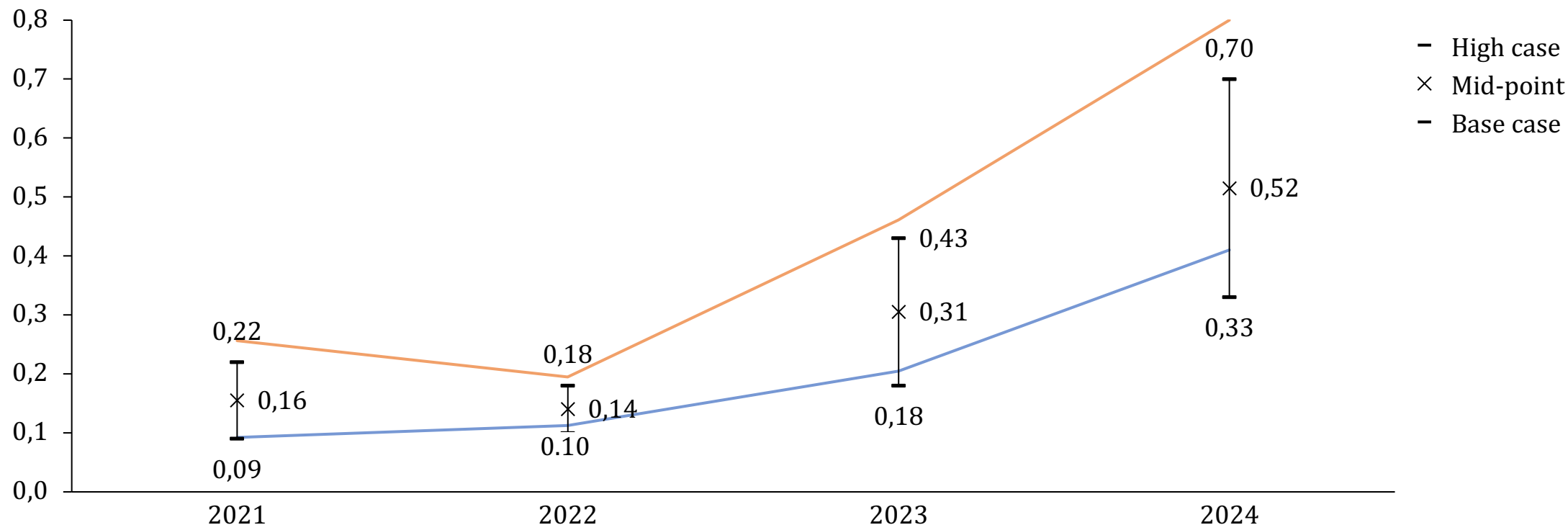
Key takeaways from the March 2023 forecast

- 1) Forecast continues to reflect sustained momentum and interest in hormonal IUD introduction & scale-up (e.g., 2 new countries added; notable progress on country planning, e.g., like in DRC)
- 2) Adjustments in estimates v. the Sept forecast are primarily driven by modifications to third-party orders in the short term, as countries choose to procure volumes in a phased manner; and updated introduction timelines in some countries to ensure complete readiness for hormonal IUD introduction
- 3) Note the estimates shown above are a snapshot of expected demand based on the latest understanding of country interest and readiness –
 - Estimated public-sector volumes will continue to evolve based on the latest country intelligence, and the effective management of supply and demand
 - Forecast outputs are more uncertain in the latter years; the shape of the scale-up curve will become clearer in coming years as real-world data is compiled

Note: The base/high case estimates above reflect total demand in the public sector; allocation of this total demand to specific products will be determined by countries as they place their POs over time.

Conservative Estimate 2024: To develop a rational, conservative demand estimate for 2024 specifically, focus on a smaller subset of 'actively introducing countries' which are already introducing hormonal IUD or are anticipated to introduce in 2023 as per the latest market intelligence

Annual hormonal IUD units (millions)

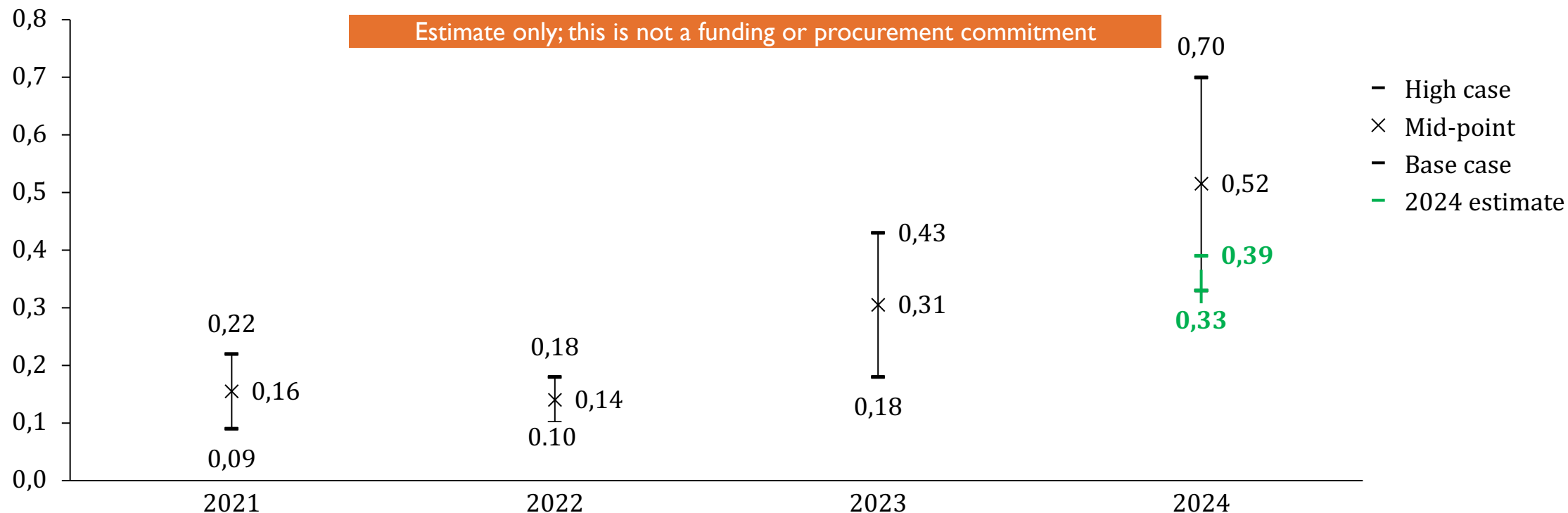


Note: The base case, mid-point, and high case data points on this page are for the actively introducing countries specifically. Countries actively introducing/anticipated to introduce in 2023 include: DR Congo, Egypt, Kenya, Madagascar, Malawi, Nigeria, Rwanda, Uganda, Yemen, and Zambia

Elaborated by the Hormonal IUD Access Group with the support of UNFPA SCMU

Conservative Estimate 2024: Public sector Hormonal IUD demand is estimated to fall within 330-390K units in 2024, based on historical procurement and forecast estimates

Annual hormonal IUD units (millions) for actively introducing countries



Key takeaways:

- 1) Over the past 3 years, on average, actual and planned procurement has been ~20% above the base case. Based on this historical data, and our forecasted demand, our rational and conservative estimate for 2024 is within the range of the base case and 20% above i.e., 330-390K units
- 2) Note: Estimates shown are conservative as these scenarios only account for demand from 'actively introducing' countries

Note: Countries actively introducing/anticipated to introduce in 2023 include: DR Congo, Egypt, Kenya, Madagascar, Malawi, Nigeria, Rwanda, Uganda, Yemen, and Zambia

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