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Albania National Forecasting Report

The Europe and Eurasia
Regional Family Planning Activity



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John Snow, Inc. implements the Europe and Eurasia Regional Family Planning Activity.

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ACRONYMS

COP	Combined Oral Pills
CPR	Contraceptive Prevalence Rate
CS	Contraceptive Security
CYP	Couple Years' Protection
DHS	Demographic Health Survey
FSP	Financial Sustainability Plan
GoA	Government of Albania
IUD	Intrauterine Device
KfW	<i>Kreditanstalt für Wiederaufbau</i>
LMIS	Logistics Management Information System
MOH	Ministry of Health
MOS	Months of Supply
MSI	Marie Stopes International
NGO	Non Governmental Organization
POP	Progestin-only pills
RH	Reproductive Health
SOH	Stock On Hand
TWG	Technical Working Group
UNFPA	United Nations Population Fund
USAID	United States Agency for International Development

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Technical Assistance Record

Scope of Work for the Visit

The Government of Albania continues to take steps towards ensuring contraceptive security with the most recent action taken in the drafting of a workplan for financial sustainability. A workplan was developed outlining guidance on suggested actions for the Contraceptive Security Technical Working Group (CS TWG) to develop a financial sustainability plan. The Government of Albania (GoA) is expected to provide 100% funding for the procurement of public sector contraceptives by 2010. As the government moves towards financial independence it becomes more important to understand the entire market to accurately forecast the needs of the public sector. A coordinated forecast involving public and private sectors can improve forecast reliability and improve overall program coordination. Additionally, the sectors can share information on trends in method use and choice to better target and adjust to user preferences.

Therefore, a joint national forecasting exercise was conducted bringing together the public and private sector to determine contraceptive needs for 2009-2011. A joint forecast can lend insight into the whole contraceptive market where shared data among the sector can help inform the contraceptive forecasts. The joint forecast will also facilitate a stronger working relationship between all sectors. A key objective of this activity will be to establish the forecast as an ongoing activity carried out by national stakeholders without external assistance, on, at a minimum, an annual basis.

Objectives

Facilitate and develop a national three year forecast (2009-2011) with the MOH, NESMARK, NGO, and private sector providers using and adapting if necessary past forecasting methods.

Principal Findings; Outcomes; Accomplishments during the Visit

A contraceptive forecast for 2009-2011 was conducted for the public sector and included the social marketing and private sectors. Logistics data from the public sector LMIS was used for the forecast while past sales and sales targets were used for the other sectors. Table 1 provides a summary of contraceptives available by each sector. Details on each sector's forecast are provided below.

Table 1: Methods Available by Sector

Method	Public Sector	NESMARK	Bayer Schering	OES
PoP Pills	X	-	-	-
COP Low dose pills	X	X	X	-
Emergency Contraceptive	-	X	-	-
Condoms	X	X	-	X
Injectable	X	X	-	-
IUD	X	-	X	X

A forecasting meeting was held with the MOH/IPH LMIS manager and a representative from social marketing and OES. The meeting shared the forecasting process used by the public sector and the Pipeline tool. A brief orientation to the Pipeline was made on the capabilities and uses of the software as a tool to track, plan, and monitor contraceptives. The participants were made aware that Pipeline can also be used by their organizations as a tool to help manage their respective supply chains and that IPH would be available to provide set up assistance and ongoing support.

1. Public Sector Forecast

The public sector has reliable consumption data with data available beginning in 2005 through the LMIS. The reporting rate from 2008 is 94% and a 90% accuracy rate. Reports are sent in on a quarterly basis to IPH. There are 36 districts in Albania and all of these have been furnished with computers. A total of 20 districts have the capacity to electronically send in reports while the other 16 districts send in hard copies. A physical inventory should be conducted by each SDP and district on a quarterly basis. An end of year balance was conducted at the central level warehouse to verify stock on hand. These quantities were used as the starting point for the forecast.

Table 2: Stock on Hand – Public Sector

Method	Brand/Product	Unit	SOH	MOS
PoP Pills	Microval	cycle	37,763	34
COP Low dose pills	Lo-Femenal	cycle	147,398	23
Condoms (piece)	No logo 52mm	piece	1,154,904	24
Injectable (vials)	Depo-Provera	vial	47,630	30
IUD (piece)	Copper T	piece	4,750	20

The stock on hand shows sufficient levels of stock for all methods. The minimum at the central is 6 months and the maximum is 12 months and the minimum desired stock is 24 months for each method. Expiries are closely tracked and monitored by IPH. It is anticipated the current inventory will be distributed and consumed before any expiries take place. The nearest date of expiry is Microval in November 2009 but it is anticipated this inventory will be consumed by that point. The next method to expire will be Lo-Femenal in November 2011.

The average stock out rate in 2008 was 6% for condoms and injectables, 7.6% for Lo-Femenal, and 10% for Microval. The reason for the higher stock out rate for Microval is that not all facilities stock this pill since it is given as a method after deliveries which will vary during the year. Stock out rates have been steadily declining since baseline data on stock outs began to be collected in 2005. The stock out rates for condoms has fallen from 12%, injectables from 43%, Lo-Femenal from 21% and Microval from 12%.

Shipments have been received for 2008 and orders for 2009 are in the process of being placed with UNFPA. Orders are placed with UNFPA once a year which provisions to make emergency orders when necessary.

Table 3: Past Consumption and Forecast by Method for 2009-2011

Method	Past Consumption				Forecasted Consumption		
	2005	2006	2007	2008	2009	2010	2011
POP	3,460	12,154	11,899	12,595	13,230	13,892	14,586
COP	45,164	70,570	70,394	71,997	76,125	79,931	83,928
Total Pills	48,624	82,724	82,293	84,592	89,355	93,823	98,514
Condoms	235,305	403,106	442,848	494,005	570,000	615,600	664,848
Injectable	12,122	13,253	17,178	16,861	19,000	19,950	21,347
IUD	1,898	2,447	2,313	2,534	2,835	2,977	3,126

Using past consumption data for the last three years a trend analysis was conducted for each of the methods. In 2006 the provision of contraceptives was increased from 20 to all 36 districts in Albania which explains the jump in consumption in 2006 and then a leveling off in 2007.

- Combined and progestin only oral pills – the forecast is based on the trend analysis plus 5% for 2009 and a subsequent 5% increase for years 2010 and 2011. An updated forecast for 2010 and 2011 can be made when consumption data for 2009 is available and four years of trend data will be on hand.
- Condoms – the trend analysis shows a growth of 15% in consumption in 2009. This rate seems reasonable since NESMARK will have consistent stock in 2009 which may temper consumption at public sector facilities but because they raised their condoms prices users may choose to obtain free condoms through the public sector. Additionally, the VAT may reduce the availability of condoms in the private sector and also increase demand from the public sector.
- Injectable – The trend analysis presented an almost 13% increase for 2009. There could also be some increase in consumption from project initiatives such as C-Change to raise awareness in hormonal methods over the next year. Therefore, a 7% increase was used for 2010 with a plateau of 5% taking place in 2011.
- IUD – a 12% increase plus 5% is forecasted for 2009. The continued work in counseling and popularization of IUD at public sector facilities is anticipated to see continued increase of IUD consumption. Consumption trends have not been consistent with IUDs and coupled with the specialized skills needed to insert IUDs, only a 5% increase has been forecasted through 2011.

UNFPA and IPH will work together to plan the contraceptive orders for 2009.

The forecasted costs for the public sector are shown below. The amount procured each year will be the actual amount required according to current stock levels and when they will need to be replenished. The costs below are estimated based on the average UNFPA unit prices from the past two years and does not include VAT or customs fees.

Table 4: Estimated Public Sector Contraceptive Costs 2009-2011

Method	2009	2010	2011
POP	\$7,326	\$7,692	\$8,077
COP	\$24,741	\$25,978	\$27,277
Total Pills	\$49,195	\$51,654	\$54,237
Condoms	\$17,100	\$18,468	\$19,945
Injectable	\$14,820	\$15,857	\$16,650
IUD	\$936	\$982	\$1,031
Total	\$82,050	\$86,962	\$91,864

Starting in 2010 the Government of Albania will fund 100% of the public sector contraceptive needs. Starting in 2005 the GoA has incrementally increased their funding commitments each year as shown in Table 5.

Table 5: Government of Albania Contraceptive Funding

Year	% Procured by Government	Status	Amount
2005	10%	Achieved	\$14,043
2006	20%	Achieved	\$42,072
2007	40%	Achieved	
2008	60%	Achieved	\$54,900
2009	80%	In Progress	\$65,640
2010	100%	Anticipated	\$86,962
2011	100%	Anticipated	\$91,864
Total			\$355,481

2. Social Marketing

NESMARK sells three brands of condoms, one brand of combined oral pill, *Sigoral*, an injectable, *Depo-Provera*, and emergency contraceptive, *Postinor*. In 2008, NESMARK stocked out of oral pills for 5 months and had problems with condoms stocks and sales. NESMARK's sales decreased in 2008 due to a number of reasons given. Two condoms brands were redesigned, *For You* and *For You More*, which required spending time on research and focus groups on the new packaging. Problems with the manufacturer and factory delays took more time than anticipated. These delays caused stock outs for most of the year until a new shipment was received during the last quarter of 2008. An increase in condom prices of *For You* from 30 to 40 Lek for a pack of 3 and *For You More* from 50 to 75 Lek for a pack of 4 most likely also contributed to the decrease in sales. All of the issues took approximately nine months to resolve. There were labeling issues of *Sigoral*, oral contraceptive, where the packaging from the manufacturer did not include the label which is registered by the government. After negotiations between the government and manufacturer over payment to add stickers to the package it is anticipated *Sigoral* will return to the market in March 2009 after being off the market since 2007. Additionally, for much of 2008 NESMARK was without a sales manager. A new manager has been hired. High sales targets for 2009 have been set with the exception of injectables.

The table below shows the sales targets for 2009-2011 set by NESMARK:

Table 6: Social Marketing Sales and Targets

Method	Past Consumption			Sales Targets			Increase between 2008-2009
	2006	2007	2008	2009	2010	2011	
COP	6,277	56,249	17,100	119,025	65,000	68,000	596.1%
Emerg Contr.	--	57,657	53,275	84,400	55,000	56,000	58.4%
Condom	1,431,138	2,258,719	1,566,300	3,888,800	3,445,000	3,546,000	148.2%
Injectable	839	8,316	4,651	3,597	5,000	5,250	-22.7%

The 2010 targets actually show decreases in sales for all methods except injectables with very modest increases in 2011. The last column shows the increase in sales between 2008 and 2009 for each method based on the set targets. The table below shows the forecasted consumption developed for social marketing products.

Table 7: Social Marketing Sales and Forecast

Method	Past Consumption			Forecasted Consumption			Increase between 2008-2009
	2006	2007	2008	2009	2010	2011	
COP	6,277	56,249	17,100	61,874	65,000	68,000	261.8%
Emerg Contr.	--	57,657	53,275	60,000	55,000	56,000	12.6%
Condom	1,431,138	2,258,719	1,566,300	2,484,591	2,733,050	3,006,355	58.6%
Injectable	839	8,316	4,651	4,884	5,274	5,538	5%

- Combined Oral Pills – COPs were forecasted based on 2007 sales and using a 10% increase. There is anticipation that NESMARK will regain some of the market in orals in 2009 because of the low price of *Sigoral*. It is the lowest priced oral pill in the private sector with next oral pill closest in price available at 481 Lek. An 8% increase is forecasted for 2010-2011.
- Emergency Contraceptives – The forecast for *Postinor* reduced the sales target by 30%. Because EC sales are plateauing a 2% increase is forecasted for 2010-2011. The sale of *Postinor*, has begun to plateau after high, initial interest surrounding a new product into the market. Additionally, increased education and awareness on the proper usage of *Postinor* has normalized consumption.
- Condoms – A 10% increase over 2007 is the forecasted amount for 2009 and the same increase is used through 2011. It is anticipated that condoms will continue to be a popular method.

- Injectable – The forecast assumes a 5% increase for 2009 with a slightly higher increase of 8% in 2010 because of the program initiatives around hormonal. It is forecasted sales will flatten out in 2011.

NESMARK also noted reluctance by pharmacies in paying VAT for products such as condoms and injectables which do not generate as much profit in comparison to other drugs and further acts as a disincentive to pharmacists to carry and promote contraceptives on a regular basis.

Through a consultancy contract with Marie Stopes International (MSI), they act as a procurement agent for NESMARK and in 2008 a large procurement allowed NESMARK to obtain the best prices since 1998. The stock on hand for NESMARK is shown below. The months of stock are based on the 2009 *forecasted* quantities:

Table 8: Stock on Hand - Social Marketing

Method	Brand/Product	Unit	SOH	MOS
COP	Sigoral	cycle	200,000	39
Emerg Contr.	Postinor	unit	40,000	8
Condom	Plain, dotted, flavored	piece	6,000,000	29
Injectable	Depo-Provera	vial	3,000	7

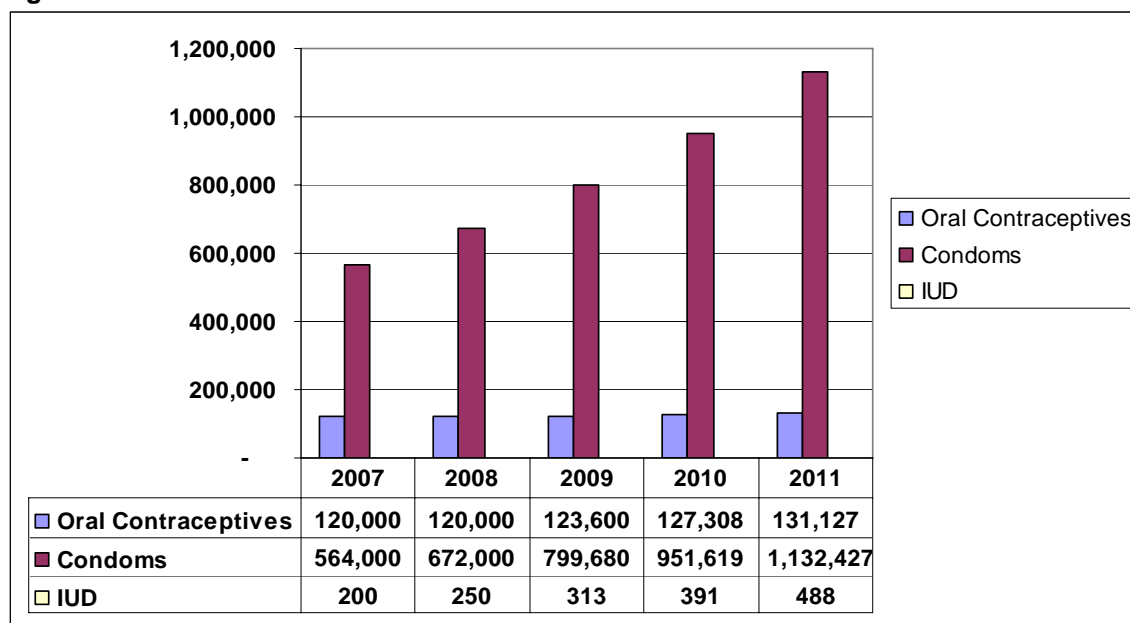
The sustainability and long-term viability of NESMARK remains unclear. KfW provided a grant of 1 million Euros with a remaining amount of approximately 50,000 Euros left. The other 50% of NESMARK's income comes from sales revenue and other donor contributions.

A campaign on condom use was conducted from October – December 2008 through television and radio medium. No campaigns are planned for 2009 mostly due to lack of funds.

3. Private Sector

A forecast for OES and Bayer Schering was completed based on self reported sales data. Sales targets were not available.

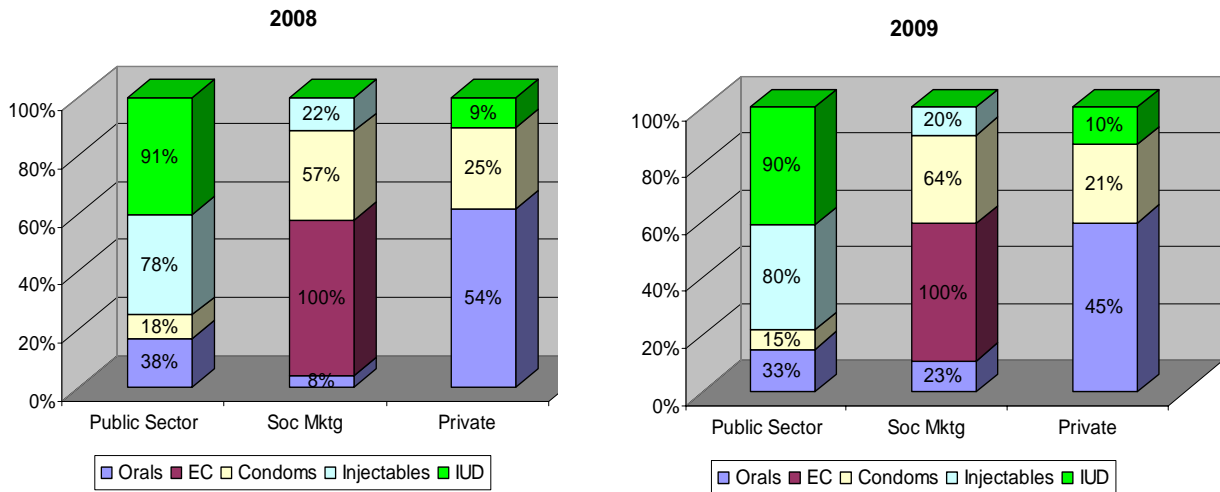
Figure 1: Private Sector Forecast



- Oral Pills – A 3% increase from 2009-2011 is forecasted based on steady sales in 2007 and 2008. All oral pills in the private sector are relatively expensive so it is not anticipated there will be large increases from year to year.
- Condoms – Based on the trend from 2007 to 2009 the forecast assumes the same for 2009-2011 of 19%. Additionally, OES may see an increase in sales because now both OES and NESMARK have a condom priced at 50 Lek, the lowest priced condom available in the private sector. OES have 225,000 condoms in stock.
- IUDs – Sales of IUDs remain low in the private sector. The forecast assumes there will continue to be clients who still prefer to purchase IUDs through the private sector and projects only a 25% increase each year.

OES is hoping to complete the registration process and begin selling female condoms in 2009.

The graph below shows the market share by CYP between 2008 and 2009. The social marketing forecast rather than the sales targets are used in the graph. Social marketing's condom market share is projected to increase from 57% to 64%. For orals social marketing's share will increase from 8% to 23 % while the private sector will decrease from 54% to 45%. There will be a slight decrease in the private sector's share in condoms from 25% to 21%. Most of these changes can be attributed to the low social marketing sales in 2008. The public sector will continue to provide most of the CYP for IUDs (90%) and injectables (80%).



Other issues and recommendations:

- The introduction of a 20% VAT on all medical devices entering the country, which includes condoms and syringes, continues affect all of the sectors. The public sector pays VAT on contraceptive shipments which are brought in by UNFPA (the procurement agent). Social marketing notes pharmacies are more reluctant to purchase condoms because the added VAT charge reduces their profit margins. Commercial entities are also subject to the same policies which discourages a stronger market of condoms through the private sector. The MoH should hold regular discussions to begin the legislation process of eliminating the VAT to open up the condom market, increasing the availability and maintaining the affordability of this method.
- To continue dialogue, coordination, and information sharing the MOH should set the next date of the CS Technical Working group meeting. Regular face-to-face meetings will help facilitate the working relationships between all of the sectors and the programs working to increase family planning use and awareness. This will help serve as regular forum to discuss and resolve any issues. Clarification of the relationships between each entity, i.e. MoH and social marketing, social marketing and the private sector, will hopefully lead to more cooperation and a vibrant contraceptive market that provides affordable, quality contraceptives. Additionally, the USAID programs working in the area of increasing family planning use and the private sector, which normally would not have a mechanism to interact, will have a forum to share the work that they are doing and find possible areas of collaboration. Having regular CS meetings with rotating organizations chairing the meeting with specific agenda topics should be encouraged.
- MoH – NESMARK recently increased the prices of two (out of three brands offered) of their condom brands, *For You* and *For You More*, has virtually eliminated the lowest income quintile, or the poorest 20% income group, from being able to afford any condoms in the private sector based on the ability to pay analysis. Before the price increase *For You* was the lowest price condom in the private sector affordable by all income quintiles. *For You More*,

previously affordable by 80% of all income quintiles is now affordable to only the top 60% and unaffordable for those in the bottom 40% income group. It is not clear if discussions were held between NESMARK and the MoH before prices were increased and the reasons for the increase. It should also be determined if other price increases in other methods will be forthcoming and understanding the impact of these changes.

- It remains unclear what NESMARKS long-term and future sustainability plans are. NESMARK has submitted a 2009-2015 business plan to KfW and they have adequate stock on hand for several methods. It would be helpful for the MOH to engage NESMARK and KfW in sharing their business plans if this has not been done so already and if necessary, develop a transition plan with the MoH and KfW especially if they will be shifting their priorities to other areas.
- IPH capacity – The LMIS division has the capacity to manage logistics data and the use of Pipeline to monitor stock status, inventory, expiries, ordering, and LMIS indicators. Stockouts on average are in the single digits and declining. However, continued technical assistance to maintain the capacity and quality of IPH to manage public sector contraceptives is essential.

One staff person manages the LMIS responsible for all 36 districts in monitoring LMIS reports, providing feedback, conducting training on the LMIS when there is staff turnover at facilities, and providing general technical assistance. It would be helpful to determine if additional staff is needed to share the workload.

- The reproductive health (RH) strategy will include several of the strategic objectives from the financial sustainability plan (FSP). However, detailed work planning to develop the activities to achieve the strategic objectives still needs to take place when the RH Strategy has been finalized. The action, or home for this work, can be placed within the CS Strategy to further develop the FSP activities as one of its objectives. The release of the DHS at the end of 2009 will be an opportunity to update the CS Strategy.
- The DHS results will provide insight on a number of indicators including CPR, user preferences, and source of methods. It will also hopefully provide use and preference of contraceptives by quintile which may be a good opportunity to revisit and continue discussions on market segmentation of contraceptives. For example, as noted above there is only one low priced oral pill available in the private sector which leaves room for the introduction of a mid-priced oral pill.
- A joint forecast next year will provide an opportunity for the sectors and reproductive health programs to come together and review the past years trends and issues allowing all sectors to have better information to conduct forecasts, set sales targets, and adjust program activities as needed.
- Follow-up with NESMARK and the private sector regarding the installation and training in the use of Pipeline at their organization as a tool to help monitor, track, and plan orders for their commodities.

Follow-up Actions Needed:

Action	Person (s) Responsible	Estimated Completion Date	Location of Work
• Place 2009 contraceptives order shipments with UNFPA	IPH and UNFPA	First week of April	Tirana

Appendix I

Principal Contacts:

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Chief of Party

Associated Reports/Written Products Relevant to this Trip:

Forecast presentation

Presentation attendees

Appendix II

Contraceptive Security Forecast Meeting February 24, 2009

Participants	Affiliation
Miranda Hajdini	IPH
Kozeta Filipi	IPH
Eltjon Huta	NESMARK
Odetta Jahaj	OES
Flora Ismaili	UNFPA
Marie Tien	JSI

Contraceptive Security Technical Working Group – Forecast Debriefing Attendee List February 26, 2009

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