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OPTIONS II STRATEGY FOR EGYPT

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OVERVIEW OF OPTIONS II STRATEGY FOR EGYPT

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I. DEMOGRAPHIC PROFILE

The most recent and useful analysis of the relevant demographic indicators may be found in the 1988 Egypt demographic and Health Survey (EDHS). The survey demonstrated that significant progress has been made on a variety of key indicators:

- o fertility is declining in Egypt; the total fertility rate (TFR) dropped from about 5.2 in 1980 to 4.4 at the time of the 1988 EDHS;
- o contraceptive use has increased markedly, from a modern method prevalence of 24% in 1980 to 28% in 1988;
- o knowledge of contraceptive methods and sources is widespread and attitudes are generally favorable; 98% of women can name one modern method, 87% approve of the use of contraception and 96% can name a source of supply;
- o the increase in contraceptive prevalence has been accompanied by a rise in the age of first marriage (estimated at 19.5 for women aged 25-29) and the maintenance of a relatively long breastfeeding period averaging 17 months; and,
- o the infant mortality rate has declined significantly to 73 per thousand.

Despite the progress achieved, there are a number of important issues that must be addressed:

- o there are important regional differences in fertility behavior: while the TFR for urban women is 3.5, it is 5.4 among the majority (56%) of women who live in the rural areas, a differential that is exacerbated in rural Upper Egypt where the TFR is 6.4;
- o there is a high unmet need for family planning: 22% of the births in the period before the survey were unwanted, 60% were high risk (before the mother was 18, after she was 35 or less than two years after the previous birth) and many women who currently wish to limit or space births are into using contraception;
- o quality of care is uneven: inadequate attention appears to be given to women's perceptions of and experience with side effects; discontinuation rates are high and incorrect use of oral contraceptives and consequent use failures are common;
- o oral contraceptives and intra-uterine devices are used by more than eighty percent of contraceptive users; a more diversified methods mix that responds to the needs of different kinds of users is probably needed.

II. STRUCTURE OF FAMILY PLANNING PROGRAM

The Egyptian family planning program is large, complex and diverse; one of the challenges to the newcomer is simply to identify the relevant organizations and their roles. The following paragraphs list the more important institutions involved in family planning and the USAID projects providing assistance. A useful guide to USAID assistance called Population Subproject Profiles has been prepared by the Mission.

- o National Population Council, which has the mandate to serve as a planning, coordinating and evaluating body for the national population program. The NPC has a technical secretariat (NPC/TS) at the national level and there are governorate level national population councils (NPC/G) with their own staffs. USAID assistance is provided through the Institutional Development Project (IDP).
- o Ministry of Health, which provides family planning services through its network of approximately 4,000 primary health care facilities and hospitals; the key units are the Department of Preventive Care and Family Planning and the Department of Population and Family Planning. Ministry facilities currently account for about 26% of all contraceptive users. USAID assistance is provided through the Family Planning Systems Development Project, which focuses on the primary health care facilities and the Teaching Hospitals Organization Project.
- o Ministry of Social Affairs, which oversees the activities of non-governmental organizations such as the Egyptian Family Planning Association. The USAID Clinical Services Improvement Project, which is aimed at improving the quality of care while increasing the sustainability of non-governmental clinics, is channeled through the MOSA.
- o Egyptian Family Planning Association, is the IPPF affiliate and provides services through a network of 483 clinics throughout the country. However, only 138 of the clinics operate on a full (6 day per week) basis; the remainder are part-time offering services three days per week, two hours per day.
- o Egyptian Junior Medical Doctors Association (EJMDA) - USAID is providing support to EJMDA through the Private Practitioners Family Planning Project to train approximately 1,500 physicians who are in private practice and 900 women assistants; EJMDA's capacity to train, inform, and encourage private practitioners in family planning is also to be developed.
- o Family of the Future, which operates the major contraceptive social marketing program. FOF provided approximately 1.4 million couple-years of protection in 1989 and is the target of a \$25 million dollar USAID project of the same name.

- o Health Insurance Organization, which provides family planning through its fifty health clinics scattered throughout the country; the HIO is providing family planning on a fee-for-service basis and is intended to become financially self-sufficient. USAID assistance is provided through the HIO Family Planning Services Project.
- o Cairo Curative Care Organization (also called Cairo Health Organization), is a public sector entity operating under the Ministry of Health that provides services to about 6,000 family planning users through the 12 hospitals it maintains in and around the capital city; CCCO operates on a fee-for-service basis, which distinguishes it from other MOH facilities. USAID assistance is provided through the Comprehensive Urban Family Planning Services in Greater Cairo Project.
- o Coptic Orthodox Church/Coptic Evangelical Organization for Social Services, which provides family planning services through its clinics and rural health services in 12 governorates. Assistance is provided through FPIA.
- o International Islamic Center for Population Studies and Research, Al Azhar University, which trains family planning services providers and offers services through two clinics in Cairo and one rural center in Kaliubia. Assistance is provided through FPIA.
- o State Information Center, Ministry of Information, which has primary responsibility for all mass media IEC activities. About \$4.2 million in USAID assistance is provided through the Information, Education, Communication Project.
- o Ain Shams University, which educates family planning trainers and service delivery providers. USAID is financing a three year project called the Regional Center for Training in Family Planning.
- o Central Agency for Public Mobilization and Statistics (CAPMAS) has responsibility for the census and conducts other demographic research and analysis, including an ongoing project to assess the quality of family planning services, which should be completed shortly.
- o Egyptian Fertility Care Society, which conducts research and training related to family planning, with an emphasis on biomedical research, such as the NORPLANT trials.
- o Cairo Demographic Center, which is a United Nations demographic research and training center and has conducted a number of studies under USAID financing, including the 1988 EDHS.

- o Egyptian Pharmaceutical Trading Company is the principal importer of contraceptives, followed by Family of the Futures. EPTC has responsibility for distributing the contraceptives to all public and private organizations, including the nation's 11,000 pharmacies. Oral contraceptives are manufactured by two state owned companies, Nile and El Cid, which import the raw materials. A local Schering subsidiary also has a license to import and distribute IUDS.
- o Institute for Training and Research in Family Planning provides training, information and services through outreach workers and thirty-eight EFPA clinics. These clinics have introduced a cost recovery component.

To the above list of organized family planning, efforts must be added the many physicians in private practice who can and do provide family planning services. Egypt has an abundance of physicians; during one interview conducted in the preparation of this strategy it was stated that Egyptian medical schools graduate 5,000 physicians per year. The situation is further complicated by the dual status of the many physicians employed in the public sector who also maintain private practices. The very low salaries paid by the public sector make such dual medical practices necessary.

To the Egyptian institutions involved in family planning, the donors must be added. The United States is by far the most important donor to Egyptian family planning program; in fiscal year 1990 it provided about \$16 million in support. Other donors to the family planning program include the UNFPA and the Japan International Cooperation Agency (JICA).

III. POLICY PRIORITIES FOR OPTIONS II

In this section, we review the Egyptian population policy issues relevant to the mandate of the OPTIONS II project and suggest the priority areas for OPTIONS II assistance.

A. Formulation of a National Population Policy

The National Population Council Technical Secretariat, in collaboration with colleagues from the concerned ministries and with technical assistance from OPTIONS I, drafted a new population policy that is more comprehensive and detailed than the existing policy statement (only a summary of the statement is available in English, the full text is available in Arabic). The policy is to be presented to the National Population Council at their planned December meeting.

Population policy statements are most valuable when they articulate a carefully developed consensus in support of population programs. Much effort has been undertaken in this regard, including the speeches of the President, the declarations of Islamic and other religious leaders and the vigorous efforts of the NPC Secretary General to acquire the support of the Governors.

Prior and subsequent to the adoption of the national policy, careful attention should be given to identifying specific leadership groups to which awareness activities should be targeted.

One component of the awareness raising effort should be directed at private sector leaders who can lend financial support to the delivery of family planning services. In many countries, ranging from the United States to India, private philanthropy has made an important contribution to family planning. The NPC should encourage Egyptian corporations and wealthy individuals to contribute to the Egyptian Family Planning Association or other private, non-profit providers of family planning services.

A limited level of support for awareness raising among national leaders should be provided through the OPTIONS II Project.

B. Developing Plans for Expanded Service Delivery

The most immediate issue on the agenda of both the NPC and USAID/Cairo is the development of a population component in the upcoming 1992-1996 Five Year Plan. According to the NPC, the national population plan must be prepared by November 1991 if it is to be included in the Five Year Plan. There are several reasons why the development of a national population plan is important. First, coordination among the various agencies involved in family planning could be improved through their joint effort to develop a national blueprint of action. Second, the planning exercise provides the opportunity for the Egyptian Government and the donors to develop a better understanding of the resource

demands implicit in an expanding family planning program and to develop strategies for financing family planning. Third, later national decision making is reportedly circumscribed by the inclusion or exclusion of items in the Five Year Plan; the development of the Plan provides an excellent opportunity for placing population policy issues on the agenda of national decision makers.

The Coordination Issue

It should be emphasized that, at least at the central level, there is no lack of technical expertise to carry out the requisite planning exercises. The discussions carried out during the course of this strategy design demonstrated clearly the depth and breadth of well trained Egyptian technical staff. However, the Task Force on Population Planning, which is to be the mechanism for coordinating the planning of the various institutions that will propose population activities under the forthcoming Five Year Plan, is not yet established. Coordination for planning is required among at least three sets of actors: the National Population Council, the national level ministries and other implementing agencies, and the governorates.

1. National Population Council - the NPC has the mandate to serve the central role in the development of the national population plan. However, the consultative mechanisms and planning parameters essential to the development of the population plan have not yet been established. It is recommended that the NPC take the following steps so as to facilitate the development of the population plan:
 - o immediately constitute the proposed Task Force on Population Planning: the national population plan must be developed through close collaboration among those who will be responsible for its execution. The Task Force, which should already be in place, will be essential to fostering the needed inter-agency consultation. A scope of work and timetable (such as those proposed in Appendices B and C) should be adopted by the Task Force as quickly as possible.
 - o develop national fertility and contraceptive prevalence targets, for the Five Year Plan period that are acknowledged and accepted by the various implementing agencies. In the past, NPC has set such targets, usually expressed in couple-years of protection. However, the technical basis for the targets and their application in program management by the implementing agencies require strengthening. In hopes of developing more technically sound targets, the Cairo office of the Population Council has awarded the NPC Statistics Department a grant to develop national contraceptive prevalence targets (using the Bongaarts methodology) and to disaggregate the targets at least to the governorate level. The development of technically sound contraceptive prevalence targets that can serve as the basis for estimating resource requirements and assigning responsibility to various implementing agencies would be a very useful step.

However, the development of such targets must be done with careful consideration given to the capacity and needs of the institutions that must achieve those targets. As is discussed below, both the implementing agencies and the governorates have a role to play in setting objectives for the national family planning program. Careful consultation with those agencies will be essential if the prevalence targets are to be adopted in practice.

- o quickly begin synthesizing the research base that should be used during the planning effort: Egypt is blessed with a profusion of skilled social and medical scientists who have carried out extensive research on the country's population program and demographic characteristics. Much can be done to use the wealth of available information to inform the development of the population plan. For example, much more dissemination and use of the Egypt Demographic and Health Survey should be carried out as part of the development of the population plan. A synthesis of the findings of the major studies relevant to the issues to be addressed by the Task Force should be carried out as soon as possible.

2. National level ministries and implementing agencies - the various implementing agencies - Ministry of Health, Family of the Future, EFPA, etc. - do usually have set quantitative targets, variously expressed in terms of couple-years of protection, acceptors and users. It is unclear whether the aggregate of these agency level targets coincides with any target set by NPC or any reasonable projection of fertility decline or contraceptive prevalence. Perhaps more importantly, there was a virtual consensus among those interviewed that there is a lack of coordination among the various implementing agencies. This applies to the various technical tasks (e.g., the coordination of IEC programs with the IEC needs perceived by service delivery organizations) and to the coverage of different service delivery agencies. During a field trip conducted during the development of this strategy and in the course of interviews, it was observed that multiple agencies establish clinics that serve the same catchment area.

The Task Force on Population Planning will serve as a useful forum for improving coordination among the implementing agencies. Perhaps more importantly, the development of the population plan may lead to the development of a permanent mechanism for improving coordination among the implementing agencies.

3. Governorate Population Councils and implementing agencies - each governorate has a Population Council that is suppose to develop a plan for its region and coordinate the work of the various agencies working therein. To date, the NPC/G's have not played their intended role. The Institutional Development Project is largely devoted to strengthening the NPC/G and, more specifically, to developing governorate level plans that can serve as the basis for developing the Five Year Population Plan. This

development of NPC/G plans is critical to the development of a national plan that can be realized in practice.

There are several complexities to the development of the NPC/G plans. The first is the simple fact that twenty such plans must be developed with sufficient alacrity to permit their being reviewed, revised and coalesced at the national level before November 1991. Second, the governorate level plans must, in effect, be approved at two points. The NPC/TS must approve each governorate level plan proposed for its governorate level branches. The fact that any NPC/G plan must be developed by local officials and then approved by the relevant ministries and the NPC/TS means that time consuming deals may occur. Locating the locus of authority for approving the NPC/G plans in the Task Force on Population Planning, where all the involved agencies should be represented, would greatly facilitate the development of the national population plan. Moreover, this governorate plans will be consistent with the national targets. Finally, many of the NPC/G are not yet technically prepared to develop their plans, though the IDP is making great progress in remedying this situation.

It must also be recognized that the NPC/G plans will not, once collected, sum to the national plan. There are a variety of national and regional activities and costs that cannot be easily allocated to specific governorates, such as the IEC activities carried out by SIS and the costs of managing the family planning program within the various ministries.

The above paragraphs illustrate the difficult coordination problems inherent in the development of a national population plan. OPTIONS II can facilitate the development of the national population plan through collaboration with the NPC/TS and the involved ministries and implementing agencies. OPTIONS II efforts should be specifically focused on (a) developing the NPC/TS guidelines for planning that will be used by the implementing agencies; (b) helping the key public sector implementing agencies develop their contributions to the national population plan; and (c) working with the NPC/TS and the Task Force to integrate the plans of the governorates and the implementing agencies into a coherent national plan. There is a pressing need to establish and adhere to a rigid timetable if the November 1991 deadline is to be met.

Increasing Awareness of the Need for Family Planning Financing

A very important part of the planning process will be developing estimates of the cost of continued expansion of the family planning program. Projection of resource requirements will require accurate and detailed information about the cost of service delivery under alternative assumptions, as well as projections of the increase in contraceptive users. A crude estimate of the financial implications of an expanding family planning program can be obtained by combining findings from the 1989 Egyptian Population Assessment (Gillespie,

et. al., 1989) and a recent estimate of costs developed by Elizabeth Heilman and Mohamed El-Esseily. The Gillespie report estimated that the number of family planning users would have to double from 2.9 million in 1988 to 5.8 million in the year 2001 to meet the fertility decline goals set by the NPC. The Heilman/El-Esseily study estimates the cost of public sector programs at an average of LE 32 per user. The 1988 EDHS reports that 26% of users receive their services through public sector programs. This implies that the annual cost of public sector programs will jump from about LE 23 million (\$8 million) in 1988 to more than LE 46 million (\$16 million) at the turn of the century.

These estimates should not be taken as predictions of the actual increases in costs that will occur. The actual costs will depend upon such factors as the proportion of users actually served by the public sector, the efficiency of labor utilization, method mix, the range of service delivery strategies employed and the extent to cope with the expected success of the Egyptian family planning program.

OPTIONS II assistance should focus on increasing the awareness of Egyptian decision makers as to the financial implications of expanding family planning services. The importance of this latter effort can be over-emphasized. A concerted effort must be made to open a dialogue on this issue.

Need for a Coherent Defense of Investment in Family Planning

Closely allied to raising awareness as to the financial implications of an expanded family planning program is the need to develop a coherent explanation of the rationale for public sector expenditures on family planning. The Egyptians interviewed emphasized that decision makers in the Ministry of Plan and the Ministry of Finance view family planning expenditures, like other health and social services, as a recurrent cost rather than an investment. As a consequence, expenditures for primary health services, including family planning tend to be of low priority as they are not considered to yield a financial or economic return. The economic, social and health rationale for increased allocation of national resources to family planning must be emphatically reaffirmed. In part, the awareness raising activities associated with the adoption of the new national population policy should help create a more favorable environment for public sector investment in family planning. In addition, it is recommended that the following steps be taken:

- o a public sector benefit-cost analysis of the family planning should be conducted: such analyses have demonstrated, in countries as diverse as Morocco, Bangladesh, Thailand, Niger, Peru and Rwanda, the high economic return to investment in family planning. Without pre-judging the results, it is likely that the analysis of the Egyptian program would yield similar findings. The results of the analysis should be presented to key decision-makers in a vivid fashion using microcomputer based presentations, as well as accompanying printed materials. The results of the benefit-cost analysis should prove particularly useful in demonstrating to officials of the Ministries of Plan and Finance, as well as to

higher authorities, that family planning should be considered an investment yielding a high rate of return.

- o the relevant results of the Egyptian Demographic and Health Survey should be synthesized and disseminated in a way comprehensible to non-technical audiences: much can be done to further disseminate the EDHS results to support the family planning program. As discussed at the outset of this strategy, the EDHS demonstrates a high level of unmet need among Egyptian women. Moreover, many of the unwanted births result from high risk pregnancies. A relatively small investment in properly disseminating these key results from the EDHS would help build the argument that an investment in family planning would satisfy a clear demand from the Egyptian people and accelerate the progress already achieved in reducing infant, child and maternal mortality.

OPTIONS II assistance should be provided in developing the benefit-cost analysis and in preparing the synthesis of key EDHS findings.

Need to Clarify Outcomes of Developing a National Population Plan

The development of a population plan provides a very useful opportunity to identify obstacles to the delivery of family planning services, to develop solutions and to obtain commitments from government authorities to take the needed actions and decisions. A plan is not an end unto itself; its only utility lies in spurring new or revised policies, programs and behaviors. We note with concern that two previous population plans, the 1987 population strategy and the two year plan developed in 1989 with the assistance of OPTIONS I, do not appear to have had a significant impact in setting directions for the family planning program. While the strategy design team encountered universal agreement as to the need to develop a long term population plan, there was far less agreement as to the specific issues to be addressed or the extent to which the plan would be reflected in practice. Among the issues that were raised during our brief stay in Cairo were the following:

- o the need for improved coordination among the various agencies involved in the population program;
- o the degree to which management of the population program would be decentralized to the governorate program;
- o the level and distribution of public sector resources;
- o the efficiency of use of public resources;
- o the mechanism for setting and monitoring quantitative objectives for each governorate and implementing agency;

- o the fee level to be charged by the public sector family planning program and the system for managing cost recovery;
- o the prices that can be charged for contraceptive commodities and services by private sector providers;
- o the impact of government regulations on the method mix; e.g., the regulation that only ob-gyn specialists can prescribe injectable contraceptives and the lengthy procedure for authorizing new products;
- o the actual and potential role of health providers other than physicians in delivering family planning services.

All of these policy issues were raised by various discussants as important constraints to the expansion of family planning service delivery. It is premature to reach conclusions with respect to any of these issues and none are proposed here. Other issues will undoubtedly be raised during the development of the population plan. It does seem incumbent on the Task Force on Population Planning to identify those factors which, a priori, appear to constrain the family planning program. As a result of its deliberations, the Task Force should recommend a course of action to be followed during the Five Year Plan with respect to each of the important policy constraints.

The process by which the Five Year Population Plan, including the Task Force's recommendations for changes in government policy, will be approved and monitored should be clarified. It is our understanding that the population plan will be reviewed and approved by the NPC. However, the specific elements of the plan to be carried out by the various implementing agencies will also need the approval of their respective ministries, the Ministry of Plan and the Ministry of Finance. The mechanism by which this "dual track" approval process will be reconciled should be clarified. One possibility is to use the Task Force for this purpose, in which case representatives of the Ministries of Plan and Finance should be on the Task Force and vested with sufficient authority to speak for their ministries. Of specific concern is how resource allocation decisions will be reflected in the budgets of the various implementing agencies. At present, there is no line item for family planning in the budget of the Ministry of Health that can be increased as a result of the population plan. The procedure for identifying and tracking allocations for family planning should be made explicit. The process for review and approval of the Task Force's recommendations with respect to key policy constraints should also be clarified.

OPTIONS II should work with the NPC/TS and the Task Force to identify key decision makers and to develop persuasive presentations of the budgetary and policy recommendations.

C. Cost Data and Policy Making

As noted at the outset of this report, one of the striking characteristics of the Egyptian family planning program is its variety. Family planning services are offered by many different agencies across the diverse social and economic landscape of Egypt. Variations in cost by provider, region, method and other important variables are extremely important to know in order to make the best use of the limited funds available to the Egyptian family planning program. Good cost information can help the leaders of the national population program answer such questions as:

- o How does the cost per user (or couple year of protection) vary between different programs operating in similar settings?
- o What will be the impact on the budget of a change in the contraceptive method mix?
- o Do different clinics operated by the same program vary in the efficiency of their use of resources?
- o Is a program becoming more efficient over time?

These and other important policy and management questions require an effective, regular system for collecting cost data. Basic questions about the structure of the family planning program and the rationality of the distribution of resources can only be answered through a good understanding of the cost of service delivery.

The Egyptian family planning program has made a good start in collecting necessary cost data. The study by Heilman and El-Esseily of public sector programs is a very helpful addition to our understanding of the cost of providing services. The following table summarizes the basic findings of that study:

PROGRAM	LE/CYP	% PUBLIC CYP
MOH	26	75
CHO	37	1.5
THO	49	<1
HIO	170	<1
EFPA	22	22
CSI	87	<1
ALL PROGRAMS	26	100

The Heilman/El-Esseily study is soon to be replicated. Implicit or explicit in the Heilman/Esseily report were a number of suggestions for developing more refined cost estimates, including developing estimates of cost per method, obtaining actual rather than hypothetical labor allocations to family planning, determining regional variations in cost and tracking costs over time to observe efficiencies as programs mature. Information should also be gathered on the cost of other providers, such as FOF.

The Task Force on Population Planning should consider the establishment of a regular system for collecting the more detailed cost information needed for decision making. A financial information system might be established through the IDP. This information will help in decision making about where to invest in resources and where to seek greater efficiency. The financial information system should collect the minimum data needed, but it should collect the data on a regular basis. It could be integrated into the Population Information System now being developed under the IDP.

OPTIONS II could assist the IDP in developing the cost component of the PIS.

D. Cost Recovery and Pricing

Cost recovery is now being practiced at different levels through many of the Egyptian family planning programs. Contraceptive prices are regulated and official prices are generally quite low; a cycle of pills sell for between 10 and 35 piastres (between 3 cents and 12 cents U.S. at current exchange rates); an IUD sells for LE 2 (about 70 cents); injectables are sold at LE 3.5 (\$1.23). Prices have been stable for a very long time; one interviewee stated that pill prices have not changed in eight years. A complete list of the permissible prices may be found in Appendix D.

Some variation in prices has been permitted as can be seen in the following table:

CONTRACEPTIVE COMMODITY AND SERVICE FEES

Project	Contraceptive	Service Fee
EFPA		
-IUD	1	2
-Pill	.1	-
-Injectable	2	3.5
CSI		
-IUD	2	10
CHO		
-IUD	-	25
-Pill	-	2

FOF	
-Injectable	3.5
-IUD	1.7
-Pill	.35

The fees charged by private physicians for family planning services are not regulated.

There is a committee within the Ministry of Health that has responsibility for setting pharmaceutical prices, including prices for contraceptives. We did not have the opportunity to discuss with any committee members the criteria used in setting contraceptive prices.

In principle, commodity charges at Ministry of Health clinics are to be used to provide incentives to the clinic physicians. However, the lengthy procedure for channeling funds back to the clinic and the very low level of the incentive payments are a subject of considerable complaint.

The issue of contraceptive pricing, in both the public and private sectors should be a major subject of consideration for the Task Force on Population Planning and a subject of dialogue between the Task Force and the appropriate Ministry of Health committee. In considering contraceptive prices, the following issues should be raised:

- o Would a change in prices affect demand? There is considerable international evidence that contraceptive demand is relatively inelastic; i.e. increases of prices between 10% and 25% yield no change in the amount purchased. There is also evidence that prices that are too low reduce demand because low prices are considered evidence of poor quality. The NPC and the Ministry of Health may want to consider an experiment to test the impact of a change in prices on demand.
- o Who benefits from regulated prices? A fixed price for a commodity means that both the poor and the well off benefit equally from subsidies. A sliding scale or other mechanism that protects access to services by the poor while requiring payment from those who can afford to pay should be considered.
- o How can the administration of cost recovery be improved? During our discussions, it was stated on several occasions that the administration of the Ministry of Health contraceptive cost recovery program needs strengthening. Moneys collected from clients through contraceptive sales are sent in to central level; a proportion of the revenue is then returned to the clinic as incentive or bonus payments for the staff. It was repeated at several points that the amounts collected are too low to provide meaningful incentives at the clinic level and there are very long gaps between the time the fee is forwarded from the clinic to the central level and the time that the incentive payments are made.

- o Are fees contributing adequately to the financial sustainability of the family planning program? The supply of contraceptives is a very important part of the donor subsidy of the Egyptian family planning program. About \$5.9 million of USAID's fiscal year 1990 population program expenditures of \$16 million (?) was for contraceptives. The projected 1990-1991 revenue for contraceptives sales by the Ministry of Health through the EPTC is just under LE 3 million or just over \$1 million at current exchange rates. We were not able to learn what proportion of contraceptive procurement and distribution costs incurred by the Ministry will be covered by this amount. Most of the oral contraceptives distributed in Egypt are manufactured locally through parastatal companies that benefit from a (USAID?) subsidy or imported raw materials. Injectables are donated by the UNFPA, vaginal foaming tables by the Japanese and condoms and IUDs by USAID. The proportion of family planning costs that must be recovered through contraceptive sales should receive careful consideration as the Egyptian family planning program attempts to achieve greater self-reliance.
- o What is the impact of price controls on the private providers who serve 74% of family planning clients? Certain service providers, such as Family of the Future and the Clinical Services Improvement Project, are explicitly intended to become financially self-sufficient. These organizations must either recover costs through commodity sales and service fees, be subsidized by the government or donors or go out of business. The impact of price controls on such organizations should be carefully studied.

OPTIONS II assistance could be provided in analyzing the pricing structure and its impact.

E. Regulation of Methods and Providers

The regulatory structure for family planning commodities and services should be carefully examined by the Task Force on Population Planning. Two issues were raised that bear scrutiny:

1. strictures on methods: some methods are only available on a very limited basis; e.g., injectables can only be distributed by an ob-gyn specialist. The licensing of NORPLANT will also soon become an issue. An application to permit the distribution of NORQUEST oral contraceptives has been in abeyance for two years. International experience indicates that contraceptive prevalence rises as new methods are made available. Attention should be given to regulations (or a regulatory process) that unnecessarily restricts access to safe, effective contraceptive methods.
2. stricture on service providers other than physicians: nurses can and do provide family planning services in Egypt. They can provide counseling, outreach and resupply to existing users. However, they are subject to a number of constraints.

They may resupply but not prescribe contraceptives. They are not permitted or trained to insert IUDs. It was reported during our visit that many Egyptian women are reluctant to use family planning services if it means being examined by or confiding in a male physician. Most nurse are women. The Task Force should examine whether an expanded role for nurse should be tested in light of the cultural mores that inhibit many women from using the services of male doctors.

OPTIONS II could assist in addressing these regulatory issues by synthesizing the international evidence, assisting in the design of experiments to test new approaches and organizing colloquia on the topics.

IV. OPTIONS II INPUTS

The following table shows the inputs that will be required from OPTIONS II in order to address the above issues:

TASK	#PERSON TRIPS	WEEKS IN EGYPT	PREPARATION & REPORTING (WEEKS)
<u>YEAR ONE</u>			
NPP/1	2	4	3
POPPLAN/2	8	16	16
<u>YEAR TWO</u>			
COST SYSTEM PRICING	3	6	6
REGULATIONS	3	6	6

To this must be added the normal support inputs required for technical assistance, such as transportation, supplies, copying and communications. The inputs needed to carry out local activities, such as the meetings of the Task Force or any special workshops on regulatory issues should be provided directly through the IDP, rather than through OPTIONS II.

/1 NPP = awareness raising for national population policy

/2 POPPLAN = support to development of national population plan