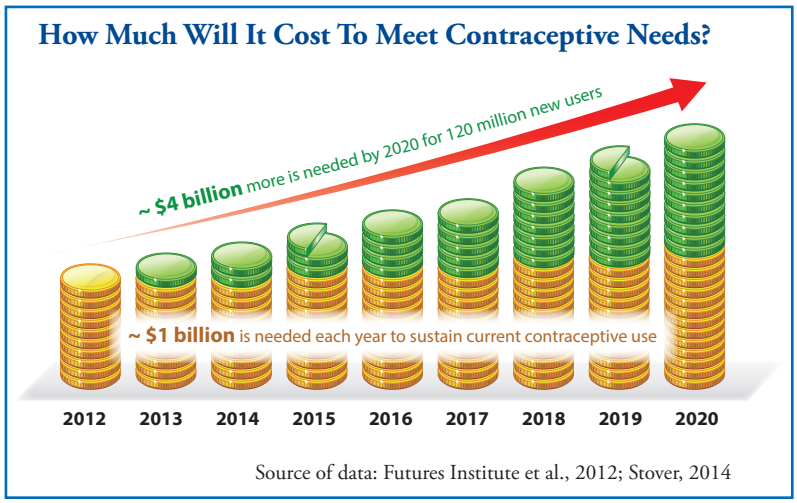
HIP FAMILY PLANNING HIGH IMPACT PRACTICES

Financing Commodities and Services:
Essential for meeting family planning needs

Financing

What is the high-impact practice in family planning for creating an enabling environment?

Support financing for family planning services and supplies at the national and local levels.



Background

Ensuring proper financing for family planning involves identifying and putting in place various mechanisms for purchasing family planning commodities and supplies at the national and local levels in order to: (1) mobilize resources to meet the growing demand for contraceptives, and (2) allocate limited resources to underserved populations with little access to contraceptive commodities and supplies to promote accessibility for all. Commodities represent only one component of the cost of a family planning program. Funds are also required to support human resources, infrastructure, and management of health systems.

To help countries advance toward contraceptive security, this brief focuses primarily on increasing funds for procurement of contraceptive commodities and supplies. An important secondary emphasis is on engaging the private sector (nongovernmental organizations [NGOs], social marketing programs, and the commercial sector) to support a "total market approach" that serves individuals from all socioeconomic classes. This brief does not address broader approaches for funding health service provision.

In addition to public-sector funding, much of the costs for commodities and services is shouldered by clients (through out-of-pocket expenditures), donors, and insurance programs. For programs to have the contraceptive supplies that respond to clients' needs, they must mobilize adequate financial support to sustain current and future demand for family planning and to offset the cost of more expensive contraceptives (usually long-acting reversible or permanent methods) for individuals who cannot afford the full cost. Given this complexity, a combination of approaches is needed to increase the resources for family planning services and commodities. At the same time, new financing approaches need to be considered in the context of the existing health financing strategy so that innovations complement what is currently being carried out.

Financing is one of several "high-impact practices in family planning" (HIPs) identified by a technical advisory group of international experts. When scaled up and institutionalized, HIPs will maximize investments in a comprehensive family planning strategy (HIPs, 2013). For more information about other HIPs, see www.fphighimpactpractices.org/overview.

Why is this practice important?

Populations are growing. The number of women of reproductive age worldwide is increasing at a rapid pace. In 2010, there were nearly 1.8 billion women ages 15 to 49 globally. By 2020, that number is estimated to increase by 100 million individuals. Responding to the family planning needs of this growing number of women requires additional financial resources (United Nations, 2013).

Use of modern contraception is increasing. Globally, demand for modern contraceptives is increasing. For example, in sub-Saharan Africa, approximately 20% of married women between ages 15 and 49 were using modern forms of contraception in 2010—amounting to about 167 million women. By 2020, use of modern methods is expected to rise to 31% (214 million users), adding 47 million additional contraceptive users in the region (Ross et al., 2009).

Substantial resources are needed to meet the growing demand for contraception. International experts estimate US$14 billion is needed to sustain coverage for existing users and to achieve the FP2020 goal of reaching 120 million additional contraceptive users in the poorest 69 countries (Singh and Darroch, 2012) (see cover image). As use of modern contraceptives grows in countries, stakeholders must keep in mind that additional resources are needed to sustain this growth. For example, Ethiopia and Rwanda can revel in the increases they are experiencing toward achieving their established family planning goals, but they must also be attentive to program funding needs.

What is the impact?

Increased in-country funding to purchase commodities and supplies provides program stability. Countries are increasingly demonstrating commitment to family planning by: (a) creating a budget line item, (b) spending government funds (internally generated funds, basket funds, World Bank credits or loans, and other funds that donors give to the government for their use) on commodities and supplies, or (c) both. The following are examples of countries that have increased their financial commitment to meeting the contraceptive needs of their populations (USAID|DELIVER PROJECT, 2011, 2012, 2013):

- In Paraguay, the government steadily increased its funding of contraceptive commodities—from nothing in 2006 to 89% (US$646,700) in 2012—and diversified its funding by using a Global Fund grant to purchase condoms. This increased political commitment translated into funding for maternal and reproductive health programs, including family planning supplies.
- In 2009–2010, the Ethiopian government contributed enough to cover the cost of 60% of commodities provided by the public sector.
- In Bangladesh, the government share of financing for contraceptives increased from 73% in 2009 to 99% in 2012.
- In Rwanda, government funding for family planning increased from 5% (US$161,906) in 2011 to 21% (US$574,367) in 2012.

Greater resources for achieving contraceptive security contribute to improved access to contraceptive services and supplies, whether through increasing in-country public-sector spending, donor funding, or incorporating family planning into insurance schemes. Examples of strategies for increasing family planning funding include:

- In Peru, efforts to incorporate family planning into the conditional cash transfer (CCT) program (*Juntos*) resulted in a 67% increase in the number of women receiving family planning information. At the same time, the Ministry of Health allocated funds to produce culturally appropriate family planning materials and approved guidelines to better reach underserved, indigenous groups with family planning/reproductive health (FP/RH) information (Menotti et al., 2008).
- In Uganda, NGOs formed an umbrella organization that helped them increase donor support and find alternative approaches to address the funding gap for contraceptives. For example, by creating an alternate NGO supply chain, sanctioned by the government and global donors, they were able to ensure access to and availability of supplies for the *public and private* sector. The efforts of the group contributed to increasing financial support for private-sector programs, while also contributing to better access throughout the country (Cahaelen, 2012).

How to do it: Approaches to increase funding for family planning

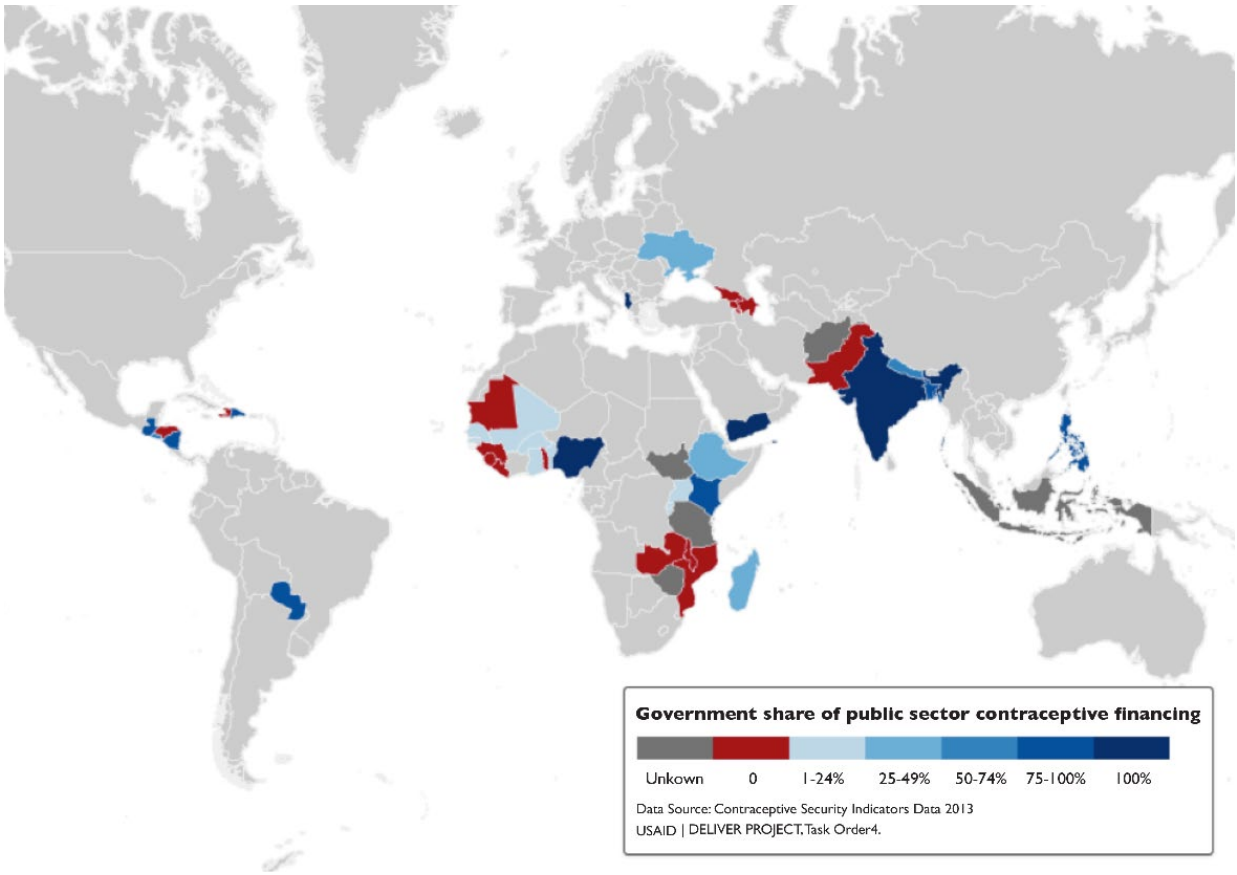
Many approaches can be employed at both the national and decentralized level to increase available funds for family planning. One critical way is through in-country government sources, which includes internally generated funds (taxes), World Bank loans and credits, and programmable support from donors. In addition, countries can increase the pool of available resources to families by increasing the avenues through which financing for family planning is provided—such as conditional cash transfer programs that reach the poor, social insurance programs, as well as an expanded role for the private sector.

Below are illustrative examples with varying degrees of evidence and experience.

- **A funded budget line item helps ensure governments financially support family planning**. Inclusion of contraceptive commodities and supplies in country budgets has become a common strategy to help ensure funding for family planning at national and sub-national levels. A recent study of 43 countries found that 21 of the countries had a budget line item *and actually spent funds on contraceptives* (see Figure). (According to the same study, another 6 countries had budget line items but had not released funds for the purchase of commodities.) After obtaining a budget line item, the next steps are to ensure that the funds get *allocated* into the line item and then *disbursed*. While a budget line item can help earmark funding for family planning, it does not guarantee that funds will actually be available or spent.

Including a budget line item for family planning has become a common strategy to help ensure proper funding.

Figure: Government Share of Public-Sector Contraceptive Financing Among 43 Surveyed Countries



*Finance data generally reflect the country's 2011–2012 fiscal year or 2012 calendar year.

- **Coordination among public, NGO, social marketing, and commercial sectors expands client base and access.** Referred to as a *total market approach*, this type of coordinated effort can be an effective way to engage the private sector in family planning services, thus increasing the resource pool for family planning services and supplies. In carrying out this approach, the market for family planning is segmented into several groups—generally, the public sector, NGOs, social marketing, and the commercial sector—based *on clients' economic status and their demand for certain types of products*. As a result of expanding the role of the private sector, the public sector is better positioned to focus its resources on the poor, instead of trying to serve all economic segments of the population. Aspects of the whole market approach have been implemented with success:

    - In Romania, the total market approach successfully incorporated the public, private, and nongovernmental sectors in a program that focused government resources on stimulating and meeting demand for family planning in poor, rural areas and created a more vibrant role for the private sector in serving more affluent urban women (Gasco et al., 2006).
    - In Nigeria, there was no mid-priced commercial brand of oral contraceptives. Indian and Thai manufacturers were interested in introducing a generic oral contraceptive but did not have the funds to position the new product in the Nigerian market. A local social marketing organization committed the time and resources to introduce the new product at an affordable price into a market where choice had been limited (USAID, 2008).

- **Contracting with private sector expands service and product availability.** The private sector—including NGOs and social marketing and franchising initiatives—can be more accessible and flexible in different aspects of service delivery than the public sector. For example, in Afghanistan, the Ministry of Public Health contracted with NGOs to provide essential health services, including family planning, because the NGOs could mobilize personnel and construct facilities more easily than the public sector, resulting in greater access to condoms, pills, IUDs, and injectables throughout Afghanistan (Eichler et al., 2010). Through this type of contracting arrangement, access to services and supplies increases, as does the resource pool available to support the expansion of family planning program efforts.

- **Social safety net programs, such as insurance, may help reach marginalized groups with family planning services**. Programs designed to reach the underserved can be an effective way of incorporating FP/RH services at low—or no—additional cost. In Peru, the Integrated Health Insurance program reaches millions of the country's most vulnerable populations with primary health care. As a result of advocacy efforts, the government decreed the inclusion of reproductive health, including family planning, as part of an expanded package of services. The decree ensures adequate funding for family planning in the insurance program and protects the budget for family planning services (Menotti et al., 2008). Social insurance programs in Argentina (Plan Nacer) and Brazil also provide family planning counseling and services, improving access to sexual and reproductive health services among the poor (Eichler et al., 2010).

- **Voucher programs may improve access to family planning among targeted groups.** Vouchers have been highly successful in increasing access to and use of maternal and other health services. Although the evidence on vouchers for family planning is currently limited with mixed results, subsidizing voucher programs can provide an alternative way to direct and finance family planning services for women and men in targeted populations.

- **Results-based financing (RBF) or performance-based incentives can encourage providers to invest in services that the community wants.** RBF creates a provider payment structure that offers incentives to health care workers based on specific outlined results, or outputs, such as improved community health status, increased patient visits, or even number of procedures. Under RBF schemes that include family planning, compensation is based on the performance of the facility, not individual providers. Considered a demand-side financing approach, this structure aims to improve outcomes while increasing available health care funds for the facility and the community. While the approach could result in improved outcomes and funding, RBF requires strict oversight of measured results and protections against patient coercion.

- **Conditional Cash Transfers provide investments in the future of the individual and community through structured conditions that improve health, nutrition, and income.** Families who meet a set of specific conditions, such as immunizing their children or attending well-care visits, regular health visits, nutrition lectures, or prenatal/postnatal visits, can receive income through CCT programs. Used primarily to support programs for children, CCT programs are being expanded to address women's health issues and poverty levels. Like RBF, CCT programs require strict oversight of measured results and care against specific coercive targets for family planning (Rawlings et al., 2005).

Achieving Success and Overcoming Challenges

- **Ensure political commitment at both the national and decentralized level to leverage additional funds.** When government commitment to family planning increases, it is often accompanied by greater willingness to increase funding for programs and to support policies that increase resources for family planning. In Rwanda, high-level political commitment from the president has contributed to prioritizing funding for family planning, which has also contributed to uptake of modern contraception. Similarly, Ethiopia's commitment to reproductive health has led to innovative program and financing strategies for the health sector, although there is still much reliance on development partners for reproductive health services.
- **Direct coordinated and effective advocacy efforts toward policy makers to increase funding for family planning.**
- **Make the "financial" case for family planning as a strategy for increasing political support.** Support the collection and use of information on cost, cost-effectiveness, and cost savings, including for national health accounts and reproductive health sub-accounts.
- **Employ financial tracking efforts and seize advocacy pressure points.** Financial data collection efforts help decision makers understand the flow of funds on family planning—from the public sector down to out-of-pocket expenditures—and can be useful for informing alternative financing approaches.
- **Involve all stakeholders in advocacy efforts.** Civil society organizations and professional associations are increasingly involved in FP/RH advocacy. Although there is often no formal mechanism through which the public and private sectors coordinate responsibilities related to family planning service delivery, it is critical to find a way to include private-sector stakeholders in the process. Whether as part of the contraceptive security committee or other coordinating board, fostering communication between the two sectors helps build trust and confidence.
- **Engage early in efforts to leverage funds for family planning.** As governments develop their expenditure frameworks, it is critical to mobilize advocacy efforts early to influence the process. Entering the process too late will not lead to successful results.
- **Support policy champions who can facilitate required changes to current laws, policies, and regulations to create a more open market for family planning services and commodities.**
- **Estimate the true costs of family planning service expansion.** When estimating the cost of a scale-up strategy, it is critical to identify the full range of costs to be included—beyond just supplies and equipment—and to quantify how many of each input will be needed to implement the plan. (For more information, see Costed Implementation Plans in the Tools and Resources Box.)
- **Include FP/RH in development strategies.** Advocate the inclusion of family planning in development and poverty reduction strategies to ensure family planning is included in the national development agenda. Development policies—such as poverty reduction strategies and national strategies for economic growth—as well as strategies developed by other sectors (such as environment and gender) all provide opportunities to include FP/RH as part of the participatory process. (For more information, see the Policy HIP Brief in the Tools and Resources Box.)
- **Spend all allocated funds.** If a line item for commodities and supplies exists, make sure that it is funded *and spent* each year to help ensure that the line item is funded in future years.
- **Be realistic about what is achievable.** For some countries, an appropriate goal is for the government to fund 100% of commodities provided by public-sector facilities. In other countries, a realistic goal may be changing policies to increase the participation of the private sector in family planning service delivery, resulting in increased family planning access and less financial burden for the public sector.
- **Make sure program incentives support voluntary and informed choice.** Developers and managers of social insurance programs need to ensure that reimbursements to providers or clients reinforce the importance of providing or receiving comprehensive and correct information about contraceptive options and that they are not based on a target number of new contraceptive method acceptors.

Tools and Resources

HIP Brief: Policy: Building the Foundation for Systems, Services, and Supplies. Policies set the tone for family planning programs. Ministries of Health play a primary role in developing health sector policy, with the aims of improving health system performance and promoting the health of the people. Policies and laws that affect health systems and health outcomes are also developed outside the health system. This 8-page HIP brief describes various policy levels, the importance of policies for family planning, and tips on supporting and implementing effective policy change. Available at http://www.fphighimpactpractices.org/briefs/policy/.

Strategic Budgeting Process for Scale-Up of Family Planning: Costed Implementation Plans (CIPs) for Family Planning. CIPs provide a framework and tools for governments to achieve their international family planning commitments. This booklet highlights the methodology behind CIPs, walks through 10 steps for designing and implementing a national CIP, and shares experiences from seven African countries that have developed national CIPs for family planning. Available in English and French at http://www.healthpolicyproject.com/index.cfm?id=publications&get=pubID&pubID=258.

For more information about High-Impact Practices in Family Planning (HIPs), please contact the HIP team at USAID at fphip@k4health.org.

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The World Health Organization/Department of Reproductive Health and Research has contributed to the development of the technical content of this document, which is viewed as a summary of evidence and field experience. It is intended that this brief is used in conjunction with WHO Family Planning Tools and Guidelines: http://www.who.int/topics/family_planning/en/.