Contraceptive Commodity Funding During the COVID-19 Pandemic
Analysis of funding trends and potential pandemic impacts in low- and middle-income countries

Webinar Presentation
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Today’s Speakers

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Introduction
1. Approach
2. Quantitative Results
3. Perspectives from Zambia
4. Reflections and Looking Ahead
Approach
Understanding Contraceptive Funding

- Multiple funding sources:
  - Domestic government funding
  - Donors to country: biggest donors of contraceptive funding are USAID and UNFPA
  - Individual users of contraceptives
  - Private organizations e.g. insurance companies

- Many factors impact contraceptive funding

- In recent years:
  - Increasing desire and attempts to diversify funding sources and reduce reliance on donor funding
  - Increased national government budget commitments to fund contraceptives

Figure: Existing (pre-pandemic) factors impacting contraceptive funding
How might COVID-19 impact on contraceptive commodity funding?
Method Overview

● **Quantitative data analysis** of four data sources for trends in public sector contraceptive funding
  ○ RHViz/VAN (RHSC)
  ○ Family Planning (FP) Market Report (CHAI and RHSC)
  ○ Contraceptive Security (CS) Indicators Survey (USAID)
  ○ National Budget Allocation and Spending (UNFPA)

● **Qualitative data analysis** from 40+ interviews and discussions with stakeholders
  ○ Global level (donors, contraceptive manufacturers, international non-governmental organizations)
  ○ National level (Kenya, Uganda, Zambia): to develop three country case studies representing a range of settings and trends observed in the quantitative data analysis

● **Main limitations**
  ○ Quantitative data - differences in how funding is captured in each data source may limit comparability; most data sources had only one year of data during the pandemic period
  ○ Qualitative data - number and range of stakeholders able to participate within the timeframe
Funding Trends

- Compared trends in funding at a global and national level ‘pre-pandemic’ (2017-2019) to trends from 2019 onwards
- Funding situation classified as ‘improving’, ‘worsening’ or ‘no/little change’

Box: Trend Categories

**Improving** is used to describe a positive change in the national funding situation for contraceptives from 2019 onwards, compared to the trend in 2017-2019. This includes countries where:

- Funding was decreasing pre-COVID-19, but reversed during the pandemic and began to increase
- Funding was decreasing pre-COVID-19, but the trend of decreasing funding slowed during the pandemic
- Funding was already increasing pre-COVID-19, and this increase accelerated

**Worsening** is used to describe a negative change in the national funding situation for contraceptives from 2019 onwards, compared to the trend in 2017-2019. This includes countries where:

- Funding was increasing pre-COVID-19, but reversed during the pandemic and began to decrease
- Funding was increasing pre-COVID-19, but the trend of increasing funding slowed during the pandemic
- Funding was already decreasing pre COVID-19, and this decrease accelerated

Countries where there was little or no discernible change in funding were categorized as ‘no/little change’.
Quantitative Results
No apparent substantial decrease of contraceptive funding during the pandemic period.
In over half of countries there was a worsening of contraceptive funding. Most commonly this was an increase in funding pre-COVID-19, followed by a decline in funding during the pandemic.
Country Level Variation

No clear geographic patterns of change; all regions have countries experiencing both improving and worsening of funding during the pandemic.
Aggregate Trends in Donor Funding

No apparent impact of the pandemic on total donor funding.

Figure: Trends in total donor funding for contraceptives from RHViz/VAN
Country Level Variation in Donor Funding

Country level results reveal wide variation in funding trends.

More than half of countries had worsening of donor funding during pandemic.

Figure: Distribution of type of change at country level in donor contraceptive funding

Data source: RHViz/VAN (69 countries)
Aggregate Trends in Domestic Funding

Domestic funding generally low and stagnant.

No apparent large impact of pandemic on domestic funding for contraceptives

*Our conclusions regarding the stagnant funding trend exclude Bangladesh, which shows a large increase in 2019 and 2020 from large purchases of contraceptives from a World Bank basket fund.
Country level results reveal wide variation in funding trends. As per UNFPA data, over half of countries had worsening trends in funding allocations and/or spending.
By contrast, according to CS Indicators data, just over half of countries had improving funding trends in domestic funding.

The most common trend was a pre-pandemic decrease in domestic funding, shifting to increasing funding from 2019 to 2020.
Perspective from Zambia
### Country Context

**Socio-demographics**

- **20 million population**
  - Source: UNPD World Population Prospects (2022)

- **Recently reclassified from lower-middle income to low-income country**
  - Source: The World Bank

**Contraceptive use and need**

- **36% of all women use any modern contraceptives**
  - Source: UNPD Estimates and Projections of Family Planning Indicators (2022)

- **15% unmet need**
  - Source: UNPD Estimates and Projections of Family Planning Indicators (2022)

**COVID-19**

- **4,000+ Confirmed deaths**
  - Source: Our World in Data

- **34 (out of 100) average COVID-19 Stringency Index**
  - Source: Our World in Data (average calculated by report authors)
For the past decade, the Government of the Republic of Zambia has been increasing its funding for contraceptives.

- In 2012, under FP2020, the government pledged to double its budgetary allocation for contraceptive commodities and committed in 2017 to increase its allocation to contraceptives to at least $1.5 million each year by 2020.

Majority of funding for contraceptives continues to be provided by donors;

- UNFPA is the largest donor, other large donors include the UK (FCDO) and the Global Fund.
- In the fiscal year 2020, domestic funding accounted for only 14% of all contraceptive funding.
Increases in donor funding during COVID-19; but cautions ahead.

Stakeholders interviewed for the analysis expected that donor funding would reduce in the future, due to pressures on their own national budgets, including those due to COVID-19.

“Yes, we’ve had indications from a couple of donors that put money in the (UNFPA) Global Supplies Partnership that they have reduced their funding to the partnership. And the reasons being given are basically COVID.” (Zambia, UN Agency)
Risk Factors

- **Diversion of domestic funding** - The Government was unable to meet its commitments to fund contraceptives due to diversion of funds to the COVID-19 response.

- **Shipping cost increases and delays** - The disruption to global supply chains led to delays in shipping contraceptives to Zambia. At one point, contraceptives had to be delivered via air freight (with higher associated costs) due to the stock-outs being experienced.

“……there was a refocus on activities and a good portion of money was allocated for the unplanned COVID-19 programs. So, I think 2020, that’s how we saw that a number of programs financing was affected …COVID supplies, medicines were prioritized.” (Zambia, government)

“… the costs of doing business increased. Some of the commodities were transported at a high cost using the flight mode instead of the road or sea. So, the cost increased.” (Zambia, government)
Resilience Factors

- **Volume guarantees** – UNFPA procures the majority of contraceptives used in Zambia, and their pre-existing agreements with manufacturers ensured price and volume stability.

- **Rapid resumption of global supply chains** – The delays and disruption to global supply chains were relatively short-lived.

  “... there were those [prices] that were agreed with the manufacturers. And I don’t think after the lock down they were able to increase the costs because they had to meet the purchase agreements that were made before. So, despite the increase in the cost to transport the commodities that the importers faced, they could not pass much of it to the retailers.” (Zambia, government)

  “I think it was [a] temporary [effect] because afterwards, we were able to ship what we had already procured. And, because of that, the stock-out was actually – it was managed and we got the supplies that we needed after the restrictions were lifted.” (Zambia, government)
Insights and Learnings

- **Improve forecasting and monitoring of family planning commodities utilization**: appropriate forecasting and supply management have been ongoing challenges in Zambia; they were exacerbated during the pandemic.

- **Regional manufacturing of contraceptives**: several stakeholders commented on the need to manufacture contraceptives within Africa to lessen future global supply chain disruptions.

- **Increased domestic funding for contraceptives**: stakeholders reflected on the need for the Government to continue to increase its commitments and allocations of funds for contraceptives.

- **Private sector has a big role in delivering contraceptives**: Many clients went to private sector when there were disruptions in public sector.

- **Improvement in family planning services**: several stakeholders commented on how family planning services could be improved to mitigate the impact of future pandemics or other disruptions.
Reflections and Looking Ahead
Most early concerns about major, sustained supply chain disruptions and stock-outs generally did not eventuate.

Overall funding remained relatively stable because:

1. funding was already committed (at least for 2020),
2. other donors stepped in to fill funding gaps caused by FCDO cuts (see later)

But possibly not seeing an impact of COVID-19 on 2020 funding since much of this funding was allocated (or even spent) before COVID-19 began.
Reflections on the effect of COVID-19 on contraceptive funding

● While some donor countries decreased their funding, others increased → overall funding remained steady
● The biggest impact on donor funding in recent years was FCDO’s reduction of overseas aid in 2020 due to the pandemic’s effects on the UK economy
● Other donors stepped in to fill this gap, but it did result in funding delays
● Reductions seen in individual countries may be due to delays in UNFPA funding, rather than funding decreases
Reflections on diversion of funding to tackle COVID-19

• Some reports of contraceptive funding being diverted to tackle COVID-19 at domestic level

“During COVID we have seen some [national government contraceptive commodity] commitments not being fulfilled…. because funding had been redirected to other priorities; COVID response, social welfare, etc.” [UNFPA stakeholder].

• Limited information about government expenditure → hard to know what actually occurred
Reflections on non-COVID-19 effects on contraceptive funding

- Non-pandemic related disruptions are also impacting funding

“Non-COVID-19 related shocks are affecting a lot of countries in the region. The food security issues affecting the Horn of Africa countries are a good example. You’ve also had major flooding in Nigeria and Pakistan. I think a lot of these other crises can be plausibly linked to climate related risks. There is the conflict in Ethiopia, Burkina Faso, Mozambique and Democratic Republic of Congo.” (Multilateral Institution Stakeholder)
Reflections on other impacts of COVID-19

- **Costs**: large increases in costs, particularly freight costs. These costs were mostly absorbed by the manufacturers and donors.

- **Supply chain**: significant delays in ordering and delivery of commodities, and some canceled purchase orders, highlighting weaknesses in the system.

- **Demand and access**: The SRH community moved quickly to address shifting needs in terms of access and method (e.g. self-care).
## Key Risk and Resilience Factors & Lessons Learned from COVID-19: Insights from Global and Country stakeholders (1)

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<th>RISKS</th>
<th>RESILIENCE</th>
<th>LESSONS LEARNED</th>
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<td>Diversion of contraceptive funding to tackle pandemic</td>
<td>Pre-existing funding agreements and early allocation of donor funds</td>
<td>Need to reduce reliance on donor funding (domestic funding, national health insurance schemes)</td>
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<td>Decrease in funding due to pandemic effect on global economy</td>
<td>Donors increased funding to fill funding gaps</td>
<td>Importance of diverse funding sources Need for UNFPA to maintain ‘cushion funding’</td>
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<td>Increasing costs (mainly freight and shipping)</td>
<td>Volume and price guarantees Manufacturers and donors absorbed cost increases</td>
<td>Need to adapt the current procurement system to facilitate direct ordering by domestic governments Future cost increases would necessitate funding increases</td>
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<td>RISKS</td>
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<td>LESSONS LEARNED</td>
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<td>Shipping and delivery delays</td>
<td>Large stocks of commodities in-country</td>
<td>❑ Need for quality supply chain management</td>
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<td>Rapid resumption of global supply chain</td>
<td>❑ Need for quality procurement and expenditure data</td>
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<td>Changes in amount and type of contraceptives needed due to changes in accessibility and demand</td>
<td>SRH community adopted or scaled-up innovative approaches to maintain equitable access</td>
<td>❑ SRH community must advocate for continuation and scale-up of approaches adopted during the pandemic</td>
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Recommendations for the Future

1. Prepare the SRH sector and governments to transition away from reliance on donors
   - Ongoing push for domestic resource mobilization, but not all countries are able or ready for this
   - Contraceptive markets operate to suit large donors rather than direct domestic procurement
   - Role for private sector as service provider and in supply chain, using public funding
   - Ensuring strategic use of donor funding

2. Improve forecasting and procurement processes through better understanding and use of data
   - More accurate, transparent and timely forecasting and procurement processes are needed to enable strategic funding decisions
   - Clear, timely and quality data needed for all countries; ongoing work by VAN around this
   - Investment is needed in human resources, systems and infrastructure at the national level
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