



Contraceptive Commodity Funding During the COVID-19 Pandemic

Analysis of funding trends and potential pandemic
impacts in low- and middle-income countries

Webinar Presentation
April 4, 2023



Today's Speakers



Martyn Smith
Director, RHSC



Michelle Weinberger
Avenir Health



Kumbutso Dzekedzeke
Consultant



Gillian Eva
Consultant



Introduction



1. Approach
2. Quantitative Results
3. Perspectives from Zambia
4. Reflections and Looking Ahead



Approach

Understanding Contraceptive Funding

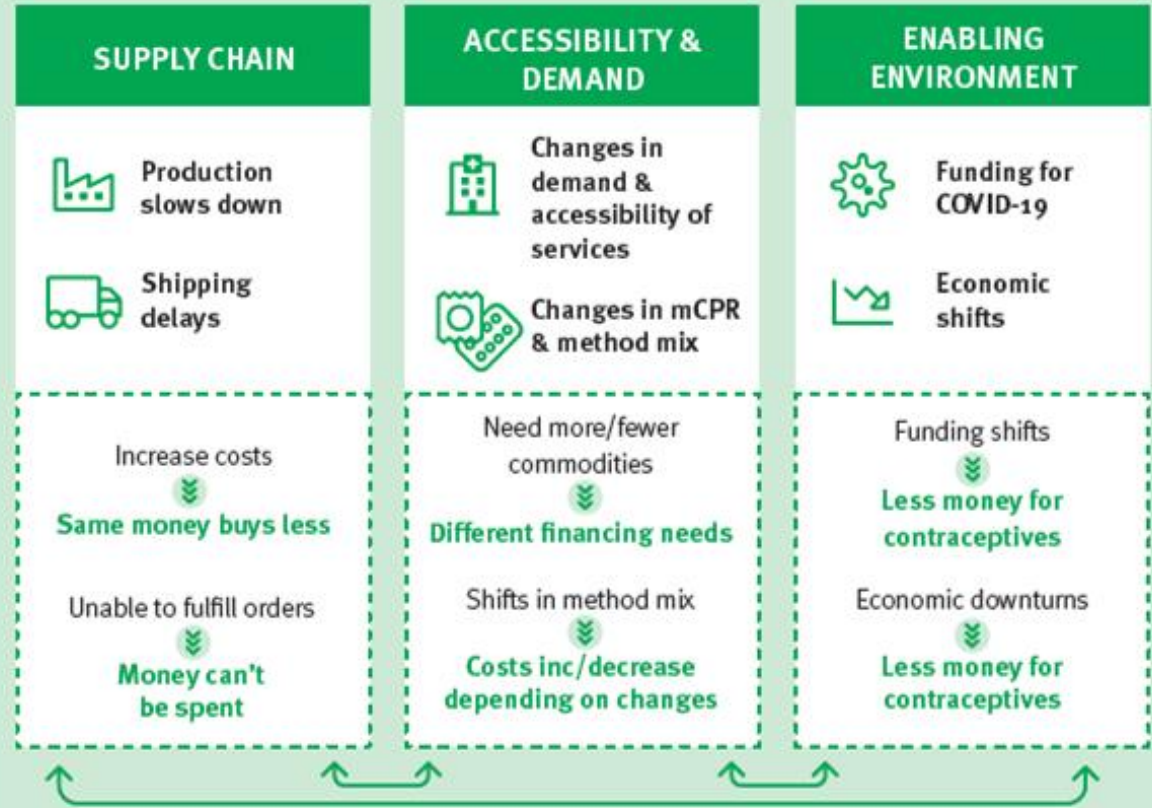
- **Multiple funding sources:**
 - Domestic government funding
 - Donors to country: biggest donors of contraceptive funding are USAID and UNFPA
 - Individual users of contraceptives
 - Private organizations e.g. insurance companies
- **Many factors impact contraceptive funding**
- **In recent years:**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



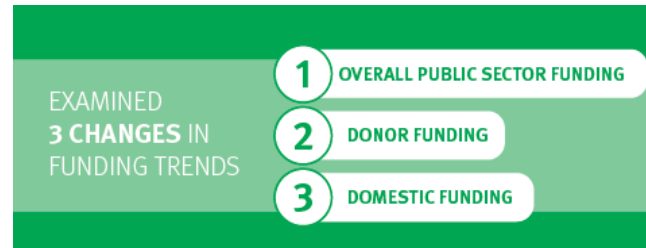
How might COVID-19 impact on contraceptive commodity funding?

Figure: Theoretical framework of potential impact of COVID-19 on contraceptive 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

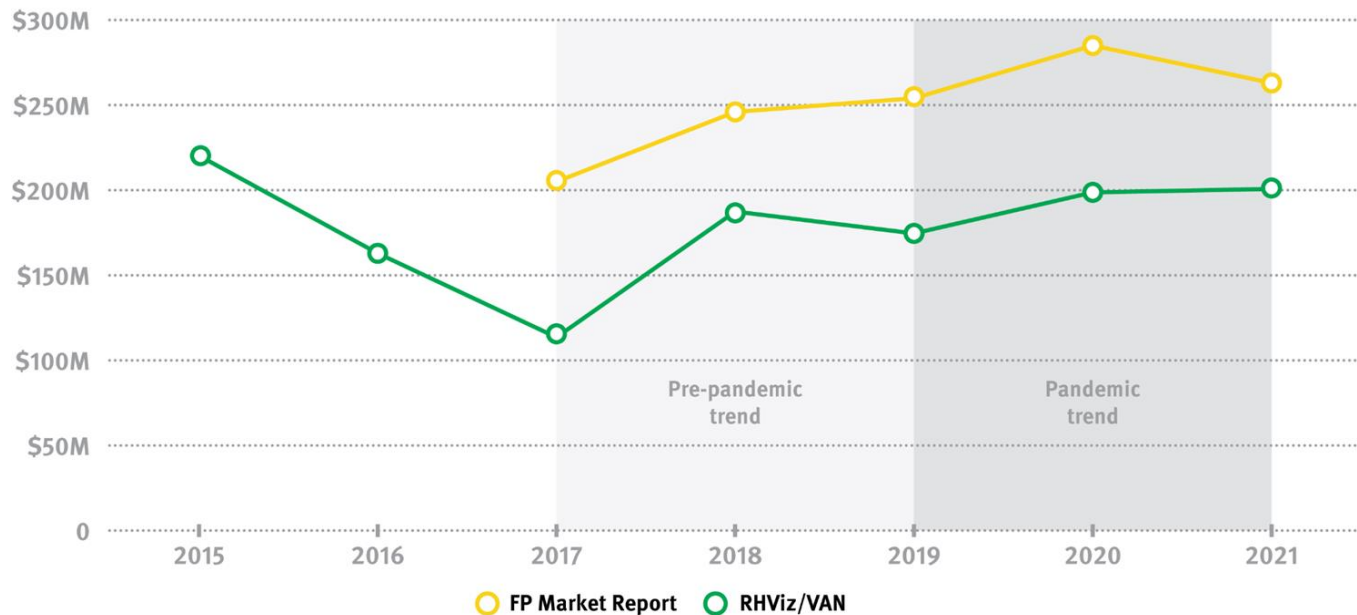
Countries where there was little or no discernible change in funding were categorized as '**no/little change**'.



Quantitative Results

Aggregate Trends in Public Sector Funding

Figure: Trends in overall public funding for contraceptives, by data source



No apparent substantial decrease of contraceptive funding during the pandemic period

Country Level Variation

Figure: Distribution of type of change at country level in overall contraceptive funding, by data source

Data Source: RHViz/VAN (99 countries)



Data Source: FP Market Report* (65 countries)



Decrease to increase Decrease, slowing Increase, more rapid

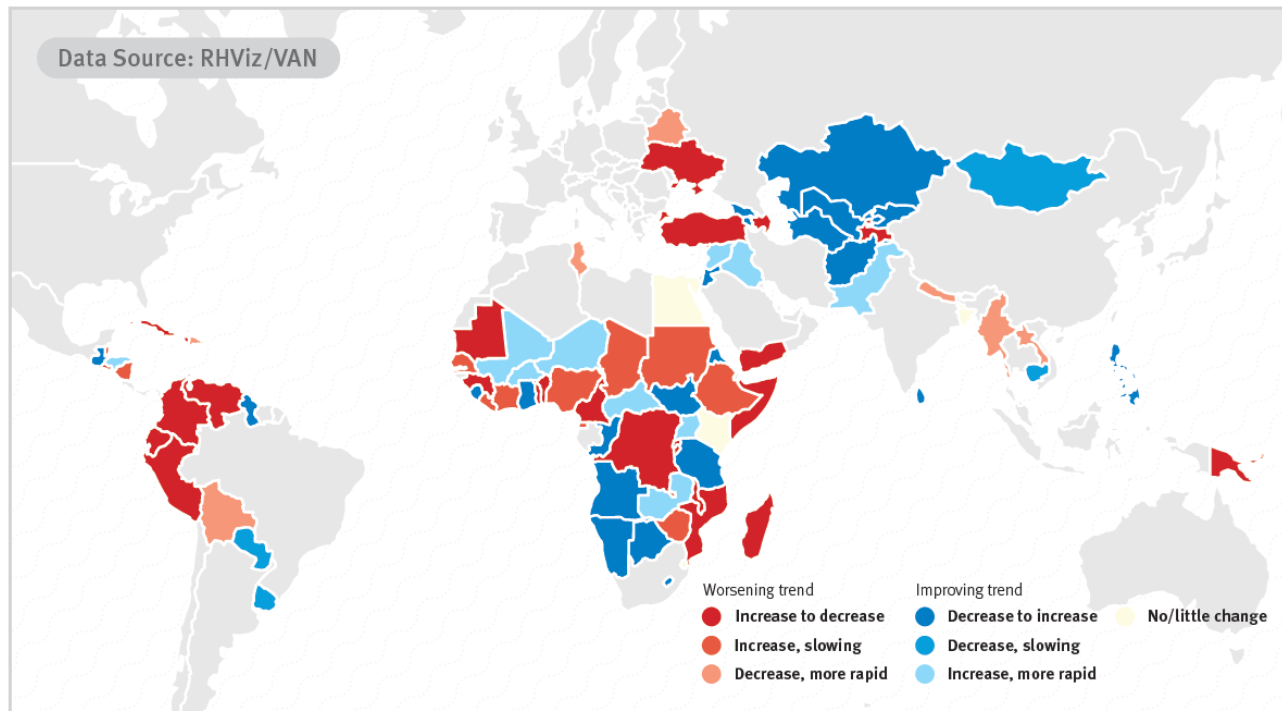
Increase to decrease Increase, slowing Decrease, more rapid

*FP Market Report results do not include 2021 data as it was not published at time of analysis

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

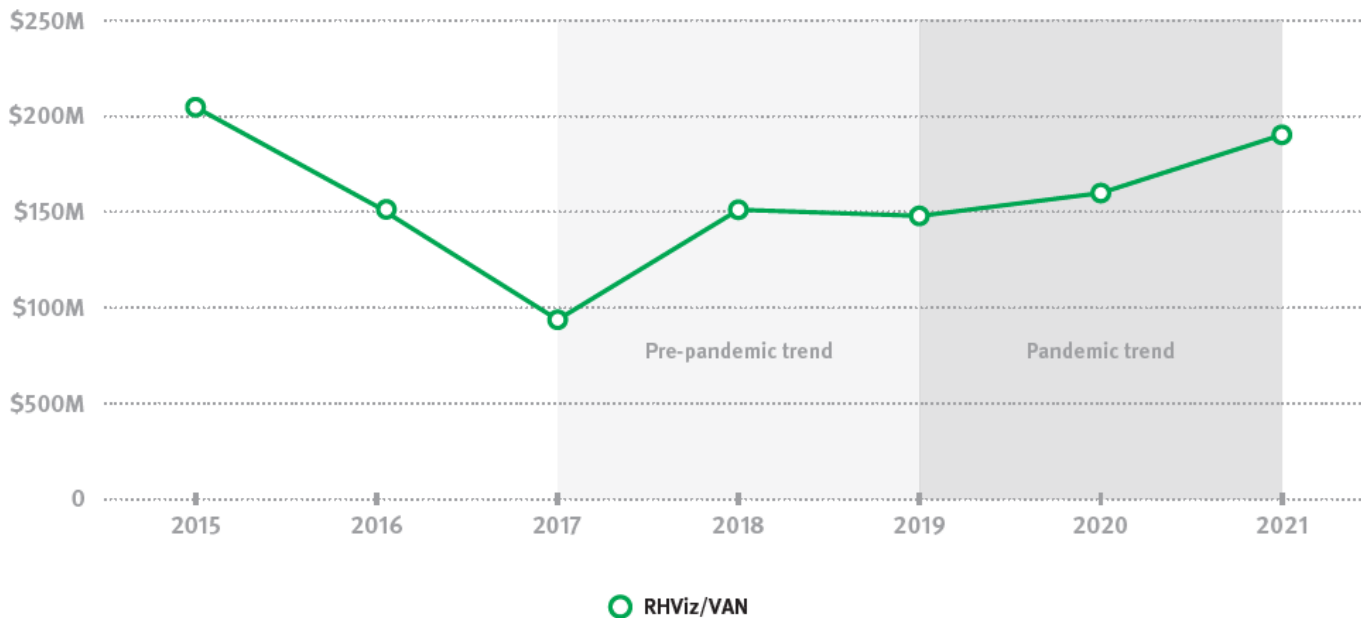
Figure: Map of type of change in overall contraceptive funding



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

Figure: Trends in total donor funding for contraceptives from RHViz/VAN

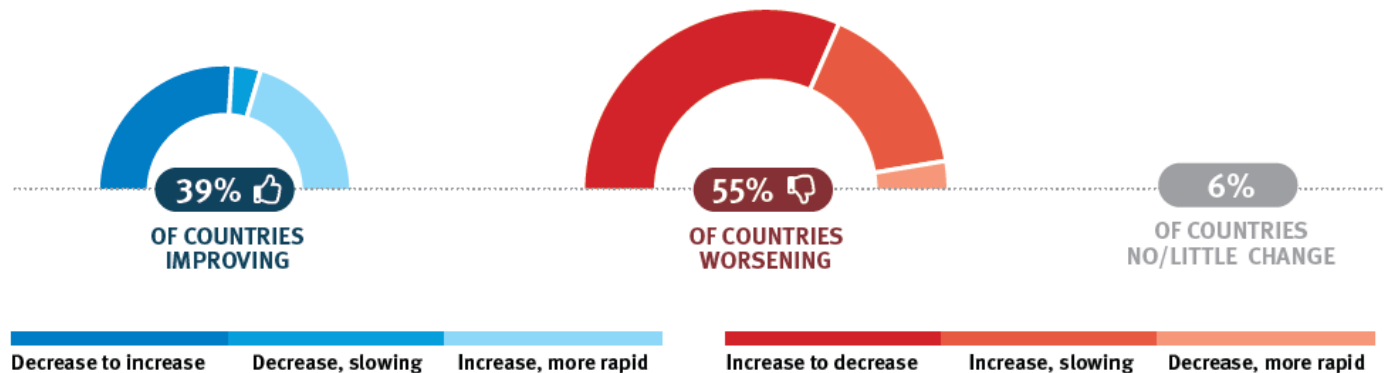


No apparent impact of the pandemic on total donor funding.

Country Level Variation in Donor Funding

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

Data source: RHViz/VAN (69 countries)

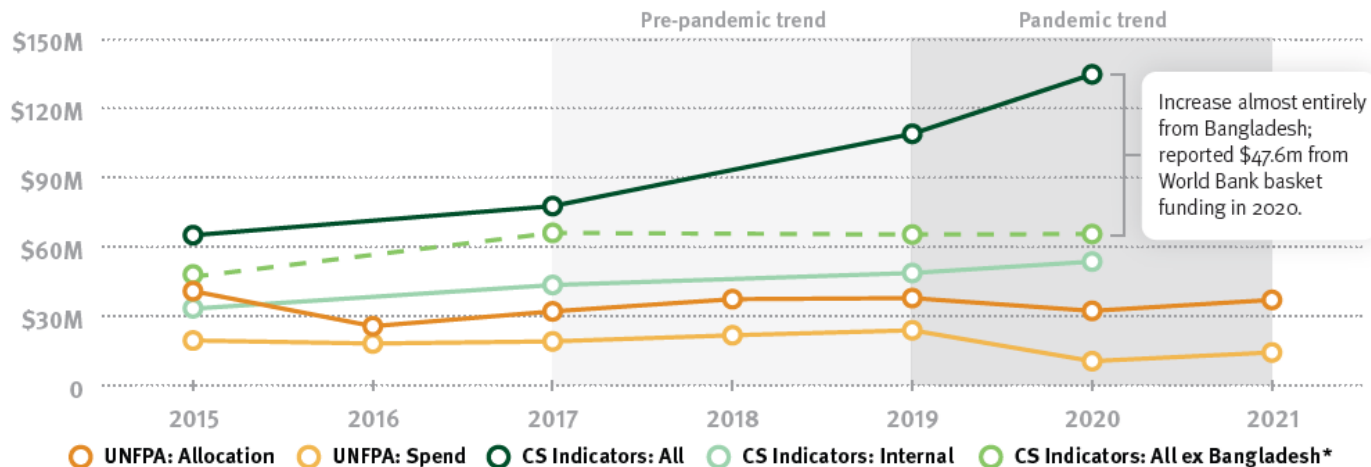


Country level results reveal wide variation in funding trends.

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

Aggregate Trends in Domestic Funding

Figure: Trends in domestic funding and allocations for contraceptives, by data source



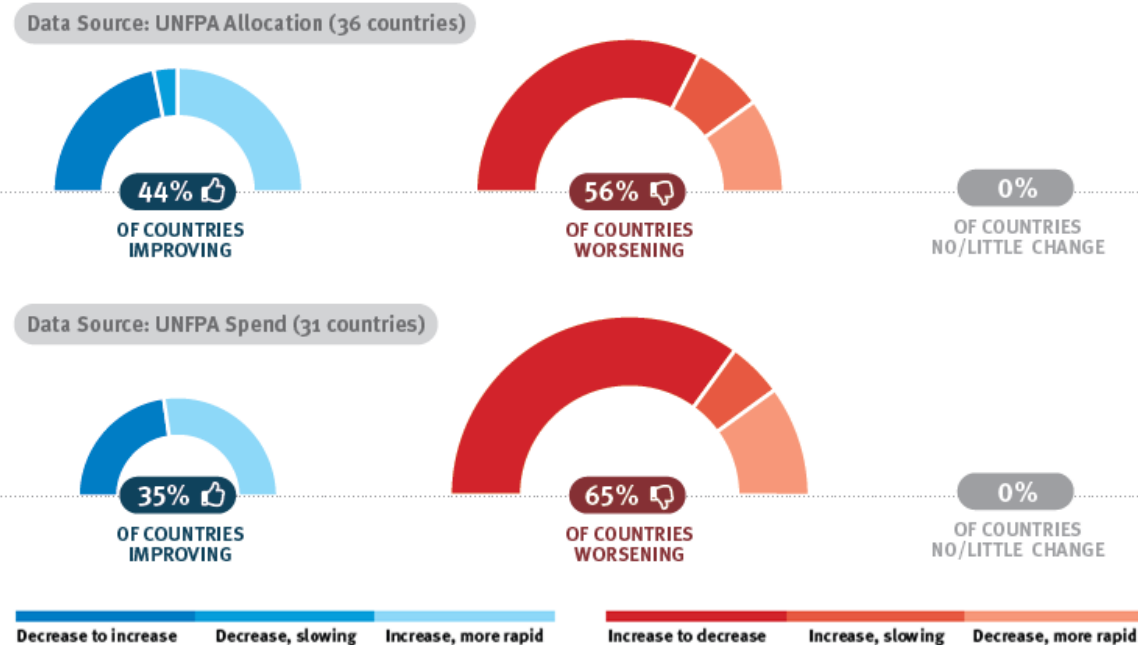
Domestic funding generally low and stagnant.

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.

County Level Variation in Domestic Funding (1)

Figure: Distribution of type of change at country level in domestic contraceptive funding and allocation, by data source



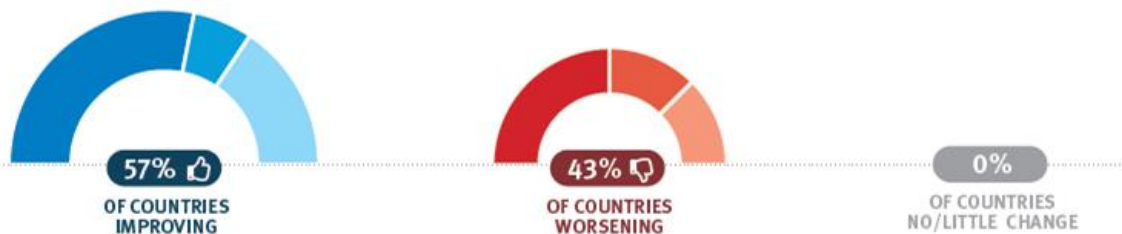
Country level results reveal wide variation in funding trends.

As per UNFPA data, over half of countries had worsening trends in funding allocations and/or spending

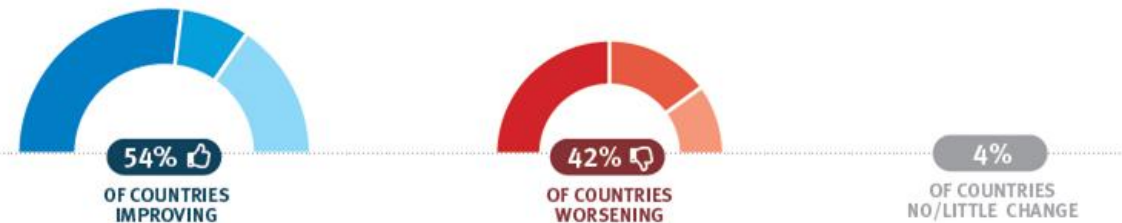
County Level Variation in Domestic Funding (2)

Figure: Distribution of type of change at country level in domestic contraceptive funding and allocation, by data source (continued)

Data Source: CS Indicators - All Government Expenditure (28 countries)



Data Source: CS Indicators - Internal Government Expenditure (24 countries)



Decrease to increase Decrease, slowing Increase, more rapid

Increase to decrease Increase, slowing Decrease, more rapid

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)

Contraceptive Funding Before COVID-19

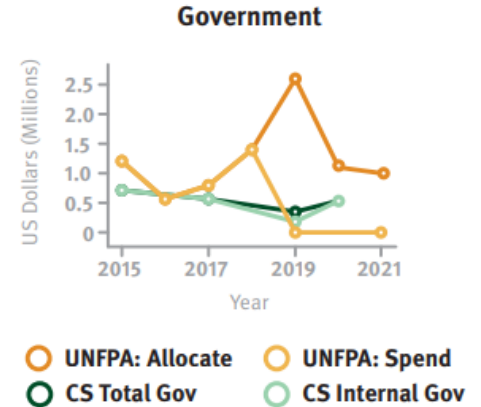
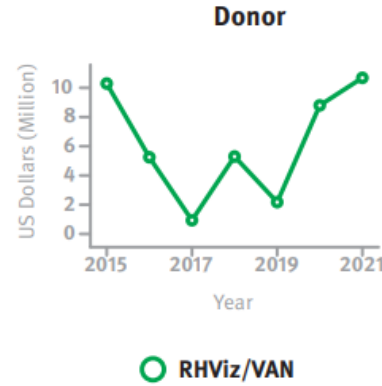


- For the past decade, the Government of the Republic of Zambia has been increasing its funding for contraceptives.
 - In 2012, under FP2020, the government pledged to double its budgetary allocation for contraceptive commodities and committed in 2017 to increase its allocation to contraceptives to at 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.

Pandemic Impact on Commodity Financing



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



- 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



- 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)



- **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)

⚠️ RISKS	🛡️ RESILIENCE	💡 LESSONS LEARNED
Diversion of contraceptive funding to tackle pandemic	Pre-existing funding agreements and early allocation of donor funds	<ul style="list-style-type: none"> ❑ Need to reduce reliance on donor funding (domestic funding, national health insurance schemes)
Decrease in funding due to pandemic effect on global economy	Donors increased funding to fill funding gaps	<ul style="list-style-type: none"> ❑ Importance of diverse funding sources ❑ Need for UNFPA to maintain 'cushion funding'
Increasing costs (mainly freight and shipping)	<p>Volume and price guarantees</p> <p>Manufacturers and donors absorbed cost increases</p>	<ul style="list-style-type: none"> ❑ Need to adapt the current procurement system to facilitate direct ordering by domestic governments ❑ Future cost increases would necessitate funding increases

Key Risk and Resilience Factors & Lessons Learned from COVID-19: Insights from Global and Country stakeholders (2)

⚠️ RISKS	🛡️ RESILIENCE	💡 LESSONS LEARNED
Shipping and delivery delays	<p>Large stocks of commodities in-country</p> <p>Rapid resumption of global supply chain</p>	<ul style="list-style-type: none"> ❑ Need for quality supply chain management ❑ Need for quality procurement and expenditure data ❑ Fast-tracking decisions without sacrificing quality is possible
Changes in amount and type of contraceptives needed due to changes in accessibility and demand	SRH community adopted or scaled-up innovative approaches to maintain equitable access	<ul style="list-style-type: none"> ❑ SRH community must advocate for continuation and scale-up of approaches adopted during the pandemic

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

Acknowledgements

The full report, and these summary slides were prepared by Michelle Weinberger (Avenir Health) and consultants Gillian Eva and Judy Gold (Cultivating Change). Meghan Reidy (Avenir Health) supported the analysis of quantitative data and prepared the figures for the report.

Country level interviews and analysis were conducted in partnership with Track20 by Monitoring and Evaluation Officers Daniel Mumbia (Kenya) and Rogers Kagimu (Uganda), with support from consultant Gabrielle Appleford (who also drafted the case studies). In Zambia, the case study was prepared by consultant Kumbutso Dzekedzeke, including conducting the country level interviews and analysis.

We gratefully acknowledge the individuals and organizations who contributed data and information to this report (see Annex 1 in full report). We are also grateful to RHSC for providing overall direction and support to this work, including Safia Ahsan, Martyn Smith, Julia White and Lucian Alexe.

Recommended citation: Weinberger M, Eva G, Gold J.. Contraceptive Commodity Funding During the COVID-19 Pandemic: Analysis of funding trends and potential pandemic impacts in low and middle income countries, Reproductive Health Supplies Coalition. 2023.



Q&A