

OVERVIEW: THE NEED FOR SECURITY
IN REPRODUCTIVE HEALTH SUPPLIES

MEETING THE CHALLENGE



The Interim Working Group on Reproductive Health Commodity Security (IWG) is a collaborative effort of John Snow, Inc. (JSI), Population Action International (PAI), the Program for Appropriate Technology in Health (PATH) and Wallace Global Fund. The IWG was formed in response to a meeting of the Working Group of the Global Initiative on Reproductive Health Commodity Management of UNFPA in January of 2000. At the meeting, UNFPA called for the participation of a wide variety of stakeholders to address the looming crisis represented by the shortfall in contraceptives around the world. The IWG's objective is to further the goals of the 1994 Programme of Action by raising awareness about the importance of securing reproductive health supplies. The IWG seeks to identify the causes of failures and weaknesses in commodity systems and to spur actions that will contribute to securing essential supplies for the delivery of reproductive health care.

The IWG understands the importance of addressing the full range of reproductive health commodities. The group is focusing on contraceptives first, however, due to the widespread lack of consensus within the population and reproductive health field regarding which commodities to include in an essential list of supplies. Moreover, there is little information on donor contributions for non-contraceptive reproductive health commodities. Through its efforts on contraceptive security, the IWG is working to bring together stakeholders to develop strategies for addressing the broader issues of reproductive health commodity supplies in the future.

ACKNOWLEDGMENTS

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OVERVIEW: THE NEED FOR SECURITY IN REPRODUCTIVE HEALTH SUPPLIES

The last few decades have seen an enormous increase in the use of reproductive health services around the world. Yet even as donors, non-governmental organizations, private sector initiatives and program providers work to meet the need for all reproductive health services, new demands continue to drain available resources. In recent years, these actors have become increasingly concerned about observed shortfalls in reproductive health supplies throughout the developing world.

The Programme of Action adopted at the International Conference on Population and Development (ICPD) in 1994 establishes the right of men and women to be informed about their reproductive choices and health, and to have access to the information and services that make good health possible. The Programme of Action mandates access to a range of reproductive health care services, including health education, information and counseling on sexuality and reproductive health issues—including parenting, family planning, prenatal care, delivery, and post-partum care, abortion (where not against the law) and post-abortion care—and the prevention and treatment of reproductive tract infections, sexually transmitted diseases and infertility. Given the anticipated increases in demand for such services over the next few decades, large supplies of contraceptives and “other commodities essential to reproductive health programmes”¹ will be needed in order to meet the ICPD’s challenging programmatic objectives.

In the case of contraceptives alone, in fact, the gap between the need for donated contraceptive supplies and the funding available for purchasing these supplies is projected to reach hundreds of millions of dollars by 2015. A potential shortage of such magnitude could stall or reverse progress toward the reproductive health goals set by 179 nations in Cairo.

Four major factors contribute to the growing shortfall of contraceptive supplies:

1. *Growing interest in contraceptive use.* The success of family planning programs worldwide has enabled more and more couples to choose to have smaller families. This trend increases the number of contraceptive users and requires an increased supply of commodities. The number of contraceptive users will

rise by 28 percent in the next five years and by 79 percent by 2015, an increase of 105 million people.²

2. *More people of reproductive age.* More people means more potential contraceptive users. Population growth and the large size of recent generations mean that many people are just now entering their reproductive years. An even larger group of adolescents will soon follow them. The number of women of reproductive age is projected to grow by 36 percent by 2015, or 191 million women. This is more than the total number of women who currently live in either Latin America or sub-Saharan Africa.³

3. *Insufficient, poorly coordinated donor funding.* Donors do not provide enough money to meet the need for subsidized contraceptives, i.e., those commodities that cannot be supplied by the private sector. A lack of coordination between national governments and donors and among donors themselves results in gaps in supply, duplication of efforts, or even donations of inappropriate products. The gap between needed and provided funding is projected to exceed US \$100 million per year by 2015 if current donor trends continue. Developing country governments and the private sector will not be able to make up for such funding shortfalls.

4. *Inadequate logistics capacity in developing countries.* Ensuring a sufficient supply of contraceptives will require tremendous capacity building in developing countries. Both a stronger commitment by governments to a sustainable supply of contraceptives and expanded assistance to develop and implement plans and mechanisms for a secure supply chain are sorely needed.

THE CONCEPT OF REPRODUCTIVE HEALTH COMMODITY SECURITY

A secure supply of essential reproductive health commodities will be crucial to achieving the goals of the Programme of Action. Reproductive health commodity security denotes an adequate supply and choice of quality reproductive health-related supplies for every person who needs them. This form of security requires not only

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the commodities themselves, but the capacity to forecast, finance, procure, and deliver them to the places they are needed, at the times they are needed.

THE INTERIM WORKING GROUP ON REPRODUCTIVE HEALTH COMMODITY SECURITY (IWG)

The Interim Working Group on Reproductive Health Commodity Security (IWG) is a collaborative effort of John Snow, Inc. (JSI), Population Action International (PAI), the Program for Appropriate Technology in Health (PATH) and Wallace Global Fund. The Working Group's goal is to further the goals of the 1994 Programme of Action by raising awareness about the importance of securing reproductive health supplies. The IWG seeks to identify the causes of failures and weaknesses in commodity systems and to spur actions and work with other stakeholders such as donors, developing country governments, technical agencies and NGOs to contribute to securing essential supplies for the delivery of reproductive health care. The IWG was formed in response to a meeting of the Working Group of the Global Initiative on Reproductive Health Commodity Management of the United Nations Population Fund (UNFPA) in January of 2000. At the meeting, UNFPA called for the participation of a wide variety of stakeholders to address the looming crisis represented by the shortfall in contraceptives around the world.

THE PLACE OF CONTRACEPTIVES IN REPRODUCTIVE HEALTH COMMODITY SECURITY

The IWG understands the importance of addressing the full range of reproductive health commodities. The group is focusing on contraceptives first, however, due to the widespread lack of consensus within the population and reproductive health field regarding which commodities to include in an essential list of supplies. Moreover, there is little information on donor contributions for non-contraceptive reproductive health com-

modities. Finally, this approach makes it possible to build on the experience of existing logistics systems that have generally separated contraceptives from other supplies. The IWG recognizes, however, that programs will need to overcome this separation as reproductive health care systems integrate their services. The IWG, in its efforts around contraceptive commodity security, is working to bring together stakeholders to develop

strategies for addressing the broader issues of reproductive health commodity supplies in the future.

A CALL FOR COORDINATION TO MEET ICPD GOALS

The ICPD Programme of Action calls on the reproductive health community—donors, technical and service delivery agencies, and health advocates—to move quickly on developing a coordinated system for ensuring supplies of the products and services men and women need to achieve and maintain reproductive health (see para. 7.25). UNFPA plays an important leadership role in meeting the goals of the Cairo agenda and has drafted a strategy to stimulate leadership and collaboration in moving forward. Addressing the challenge of securing reproductive health commodities in a period of intensifying demand requires the cooperation of individuals and organizations working in all areas of reproductive health, as the following issue summaries make clear.

DONOR RESOURCE TRENDS

Since 1990, donor support for contraceptives has made up about 10-12 percent of total population assistance.⁴ The proportion of population assistance allocated to contraceptive commodities peaked in 1993 at 15 percent of total population assistance. As global population assistance levels rose briefly following the ICPD, donor support for contraceptive commodities also increased. Between 1992-96, donor funding for contraceptive commodities more than doubled, from about \$83 million to \$172 million.

However, by 1999, total available financing from donors had dropped to \$131 million. This drop was primarily due to large reductions in commodity financing from Germany (from \$38 million in 1996 to just \$8 million in 1999) and smaller but steady declines in commodity support by all bilateral donors.⁵ The global decline in support for contraceptive commodities in

1997-1999 indicates an inconsistent and unpredictable trend in commodity financing by donors at a time when commodity requirements are increasing dramatically.

THE ROLE OF DEVELOPING COUNTRY GOVERNMENTS

Contraceptive security is not strictly a donor problem. It is essential that developing country governments and ministries of health acknowledge the importance of the issue and develop and implement plans to ensure a regular supply of quality and affordable contraceptives. Such plans might include increased government funds for supply budgets, advocating for more donor assistance, better in-country coordination of donor inputs, a commitment to improving supply procurement and management skills, and strategies to increase private sector participation such as market segmentation.

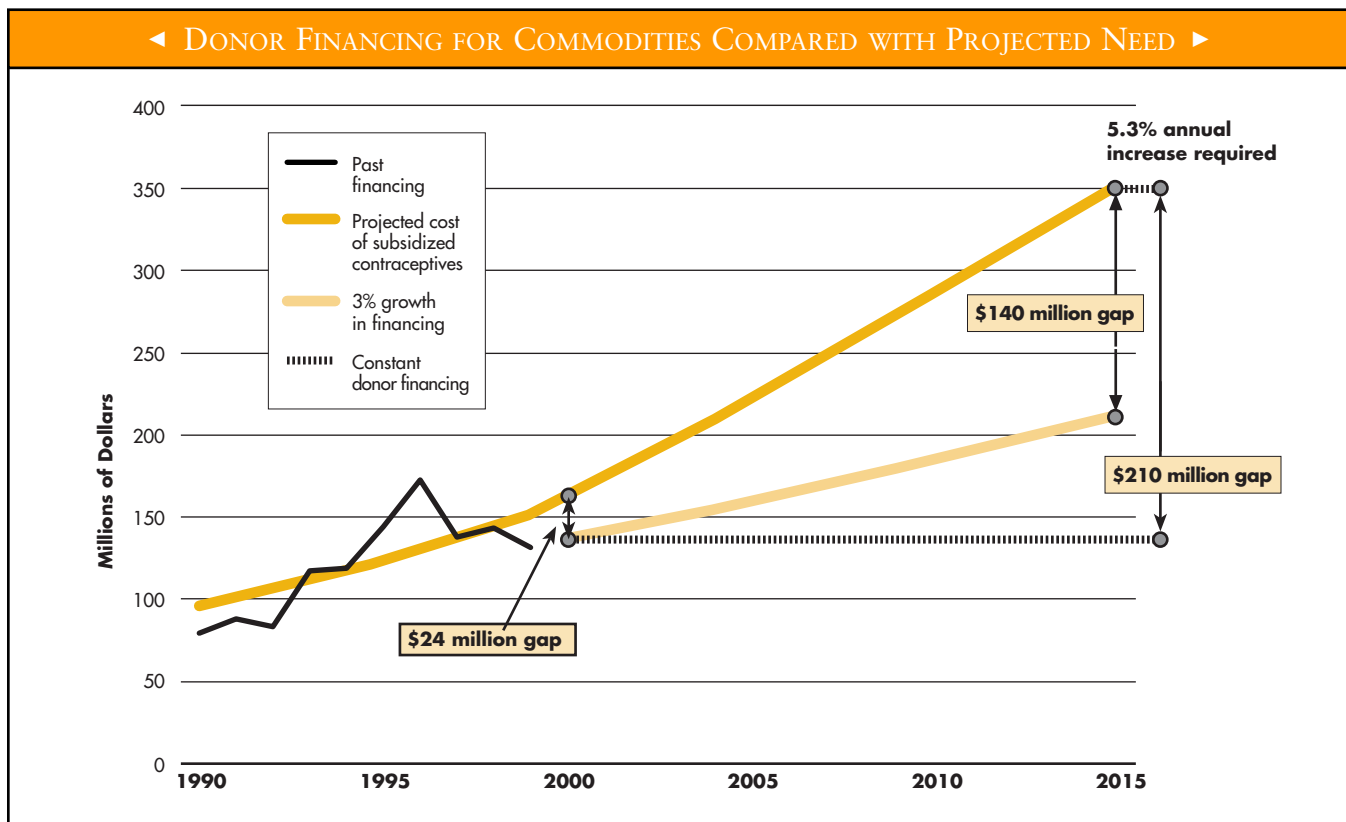
CAPACITY BUILDING

Contraceptive commodity security is not simply about financing the purchase of supplies. Supply security cannot be achieved without effective logistics management on every level, from forecasting future needs to prevent-

ing stock-outs at clinics. Country level capacity building should be emphasized with regard to all aspects of logistics and supply management, including the determination of appropriate method mix, the strengthening of regulatory systems, and independent procurement. However, it would be a mistake to assume that capacity building alone or improvements in any one part of the logistics chain can relieve the current crisis. Supply systems cannot work if they lack the ability to secure adequate amounts of commodities.

THE ROLE OF INTERNATIONAL FINANCIAL INSTITUTIONS

The reduction of contraceptive commodity assistance from donors such as the United States Agency for International Development (USAID) has motivated some countries to seek external financing for commodity procurement in the form of loans. Since 1990, the World Bank—although not traditionally considered a source of funds for contraceptives—has included loans to finance contraceptives in 29 projects. In some countries the volume of funds intended for contraceptive procurement is substantial, for example in Bangladesh (\$25 million)



In order to meet the estimated need for subsidized supplies, donor funding would have to increase by \$24 million immediately and then increase by 5.3 percent per year thereafter. If donor funding were to remain stagnant, the funding “gap” would total some \$210 million annually, rather than the \$140 million noted in the graph. Since significant increases in donor funding are unlikely, it is all the more urgent to examine alternative solutions such as increasing both private sector and developing country funding, in addition to alerting donors to this serious shortfall.

and Pakistan (\$31 million).⁶ In fact, between 1995-98, the World Bank almost quadrupled the volume of loan funds it provides for contraceptive procurement, from about \$5 million to \$19 million.⁷ Indeed, loan funds may provide a bridge from one source of funding to another in some countries and other development banks should be encouraged to join the World Bank in funding contraceptive commodities.

THE ROLE OF THE PRIVATE SECTOR

The proportion of women in developing countries who purchase modern contraceptives from the private sector varies widely, from just 7 percent in Asia to almost 50 percent in some Latin American countries. The combination of rapidly rising demand for contraceptives worldwide, lagging donor funding, and the lack of available developing country government funds has given the private sector an important role in meeting the future demand for contraceptives.

It is unlikely that the private sector alone will be able to keep pace with the rising demand for contraceptives and condoms for disease prevention, particularly among the poor, adolescents, and populations that are difficult to reach.

A key to private sector involvement is market segmentation, which ensures that subsidized public sector supplies reach those who cannot afford private sector services. If developing and donor country governments can create policies and regulations that maximize commercial sector involvement, it may be possible to shift those people who can afford to pay for contraceptives from public programs to services supported by the private sector. This will allow governments and donors to better target their efforts to make contraceptives (including condoms for HIV prevention) available to everyone who wants them, irrespective of their ability to pay.

In the next two decades, however, it is unlikely that the private sector alone will be able to keep pace with the rising demand for contraceptives and condoms for disease prevention, particularly among the poor, adolescents, and populations that are difficult to reach. It should also be noted that a sudden crisis, such as the recent economic downturn in Asia or a humanitarian crisis, can topple the public-private balance. Donor assistance will therefore always provide a necessary safety net for many countries.

Current population projections indicate that in the coming decades, millions more men and women (including adolescents) will need and want to use contraceptives. At the same time, preventing the spread of sexually transmitted diseases requires concerted effort to provide sufficient supplies of condoms. Many actors in both the public and private sector, and both in-country and internationally, have important roles to play in attaining contraceptive commodity security throughout the developing world. In light of current and projected shortfalls of contraceptive supplies, strategies to further this process must be comprehensive, focusing both on increasing donor, developing country and private sector financing and on improving and maintaining strong logistics and capacity building at the country level.

NOTES

- ¹ United Nations. *Report of the International Conference on Population and Development, Cairo, 5-13 September 1994*. Paragraph 7.25 (New York: United Nations, 1995).
- ² Ross J. and R. Bulatao, *Contraceptive Projections and the Donor Gap* (Washington, DC: The Futures Group International for John Snow, Inc./Family Planning Logistics Management Project, 2001).
- ³ Ibid.
- ⁴ UNFPA. *Donor Support for Contraceptives and Logistics, 1999* (New York: United Nations Population Fund, 2000); and UNFPA, *Global Population Assistance Report, 1997* (New York: United Nations Population Fund, 1999).
- ⁵ UNFPA. *Donor Support for Contraceptives and Logistics, 1999* (New York: United Nations Population Fund, 2000).
- ⁶ Hanson, K., L. Kumaranayake, et al. (1998). "Supplying Subsidised Contraceptives: Economic Rationale and Programme Issues for Promoting Sustainability," (London: Population Division, Department for International Development [DFID], 1998).
- ⁷ UNFPA. *Donor Support, 2000*.

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SECURING CONTRACEPTIVE SUPPLIES

SECURING SUPPLIES FOR REPRODUCTIVE HEALTH

The Interim Working Group on Reproductive Health Commodity Security (IWG) is a collaborative effort of John Snow, Inc. (JSI), Population Action International (PAI), the Program for Appropriate Technology in Health (PATH) and Wallace Global Fund. Recognizing the important leadership role of the UN Population Fund (UNFPA) in meeting the goals of the 1994 Programme of Action, the IWG's objective is to further these goals by raising awareness about the importance of securing reproductive health supplies. The IWG seeks to identify the causes of failures and weaknesses in commodity systems and to spur actions that will contribute to securing essential supplies for the delivery of reproductive health care.



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