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Policy Brief

Tracking Contraceptive Financing— Lessons from Uganda



USAID | DELIVER PROJECT 2009

A logistics worker stocks condoms in Uganda.

The complexities of tracking finances, for even a limited number of family planning commodities, may confuse and discourage even the most committed policymakers. A new resource can guide users through this process.

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Adequate funding for contraceptives is essential for ensuring that men and women in developing countries have access to a full range of family planning services. But, how can a country determine how much money is enough? How can policymakers advocate for resources if they do not know how much they have, or how much they need? How can they ensure that commitments made by partners are met in full and that funds and commodities are available when they are needed?

It has always been difficult to gather and track this information. Donors have different funding cycles and policies for committing and disbursing funds, and they are rarely in sync with each other or with the country government budgeting. Some development partners provide cash or credit, while others give in-kind commodities. Procurement policies, lead times, and disbursement mechanisms vary significantly. The complexities of tracking finances, for even a limited number of family planning commodities, may confuse and discourage even the most committed policymaker or advocate.

Fortunately, as stakeholders in Uganda recently found, there are solutions to this challenge. In September 2012, policymakers from the Ministry of Health and the Ministry of Finance, Planning and Economic Development; with stakeholders from donors, partner institutions, and nongovernmental organizations (NGOs), used a new systematic approach to gather and analyze detailed financial and procurement information. This approach brought new clarity and focus to the status of contraceptive financing for the country.

Guide for Better Financial Tracking

The USAID | DELIVER PROJECT recently completed a guide—*Enhancing Contraceptive Security through Better Financial Tracking: A Resource Guide for Analysts and Advocates*. It is based on more than 10 years of experience in strengthening contraceptive supply chains, mapping and improving the funding environment, and tracking commitments and spending by donors and

governments. It will improve the tracking of contraceptive financing to ensure that decisionmakers in developing countries have timely information, can monitor trends, understand funding gaps, and mobilize resources for contraceptives. Improving this capability will, in turn, strengthen country environments for contraceptive security.

The guide aims to help family planning stakeholders—

- define funding sources and terminology
- improve their understanding of the financing processes used by the government and external donors
- identify potential sources for contraceptive funding data
- collect and track important funding information
- map the flow of funds from the contraceptive financing sources
- identify advocacy entry points to improve the timeliness of financing and ensure funders honor their commitments.

What Is Contraceptive Security?

Contraceptive security exists when people are able to *choose, obtain, and use* the reproductive health supplies they need and want. Advocates and program implementers introduced the concept of contraceptive security in 1999, in part to highlight the gap between funding needs and available resources.

Why a Guide?

A comprehensive picture of funding for contraceptive purchases is important for many reasons:

- *It is still challenging to find the money to fund contraceptives.* Low- and middle-income countries require approximately U.S. \$1 billion annually to satisfy their current family planning commodity needs; this is about one-fourth of all spending for family planning programs (Singh and Darroch 2012). Just over half of that amount is estimated to come from government or donor sources, while individuals or private companies fund the rest (Stover 2011). In addition, contraceptive funding needs are projected to rise with the increase in the number of women of reproductive age and the increasing popularity of family planning (Alkema et al. 2013; Stover 2011; Ross, Weissman, and Stover 2009). To meet these funding needs, the government, donors, and individual clients will need to make additional contributions. Many countries are committing to finding the resources to reduce unmet need through the Family Planning 2020 Initiative (FP2020 2013).
- *The funding environment is more complex than ever.* The past decade has seen a gradual shift toward new health financing mechanisms. Governments are using more of their own resources to pay for contraceptives; they are also taking more responsibility for determining funding needs, mobilizing resources, and ensuring sufficient funding. These changes promote important goals, like greater national ownership; but they also introduce new risks because family planning programs must compete with other health programs for government resources.
- *Tracking contraceptive financing is more difficult than ever.* Systems have long been in place to track contraceptives as in-kind donations from development partners, so tracking funding was less complex when external agencies provided most of the funds and commodities. However, as funding sources have multiplied and government spending on contraceptives has increased, tracking has become more complicated (UNFPA and NIDI 2011).

The USAID | DELIVER PROJECT financial tracking guide addresses these challenges; with step-by-step guidance on how to navigate these funding complexities, family planning advocates can better target their efforts.

Tracking Contraceptive Financing in Uganda

The Reproductive Health Division of the Ministry of Health has tracked financing of family planning products for some time, and they have shared this information with some relevant stakeholders. Uganda already has many of the essential elements in place to effectively track spending for family planning and reproductive health commodities. The country is ahead of many other countries in the attention they pay to tracking supplies and the sophistication of their tracking efforts.

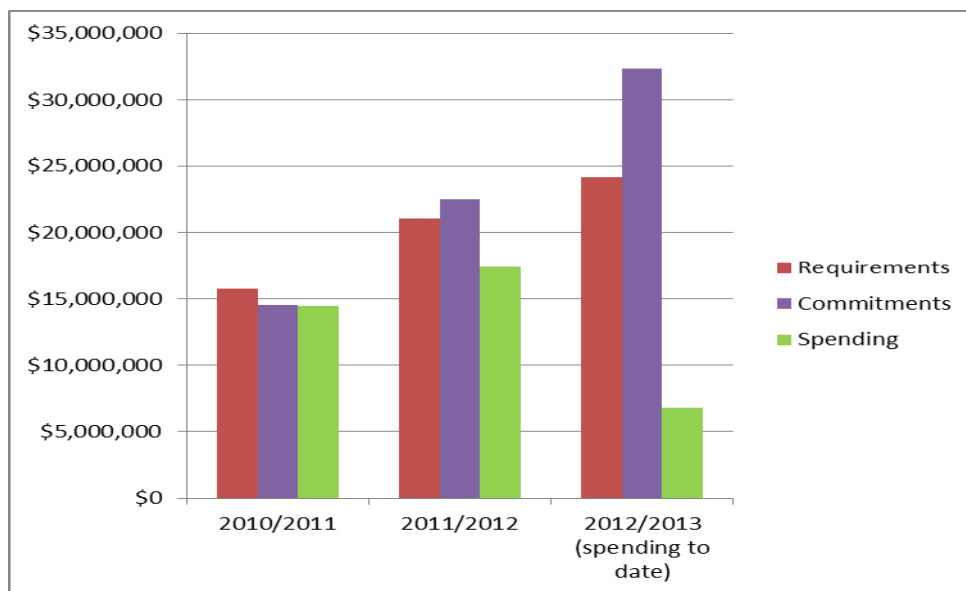
In September 2012, building on the already existing tracking efforts, a team of Ugandans from the public and private sectors and donor organizations worked with the USAID | DELIVER PROJECT and Partners in Population and Development Africa Regional Office (PPDARO) to carry out a finance tracking exercise; they followed the steps outlined in the project’s financial tracking resource guide. The findings are presented in the next section.

Funding and Commodity Requirements

Contraceptive funding needs are projected to rise steadily as the number of women of reproductive age increases and as a larger proportion of these women use family planning. In Uganda, a constant challenge for family planning program managers and advocates is to mobilize these resources and ensure that the commitments translate into actual spending.

The tracking team began its analysis by determining the funding required for commodity procurement (see figure 1). To understand the required funding amounts, the team reviewed the annual quantification figures. A 2010 contraceptive quantification showed they needed approximately \$15 million for contraceptives in fiscal year (FY) 2010/2011; this would increase to more than \$20 million for FY2011/2012 and almost \$25 million for FY2012/2013. The commitments are roughly equal to requirements in FY2010/2011 and FY2011/2012, and substantially exceeded requirements in FY2012/2013. However, while actual spending of \$15 million was roughly equivalent to requirements in FY2010/2011, spending was about \$4 million short of the requirements in FY2011/2012. Only partial spending information was available for FY2012/2013.

Figure 1. Comparing Procurement Requirements, Commitments, and Spending



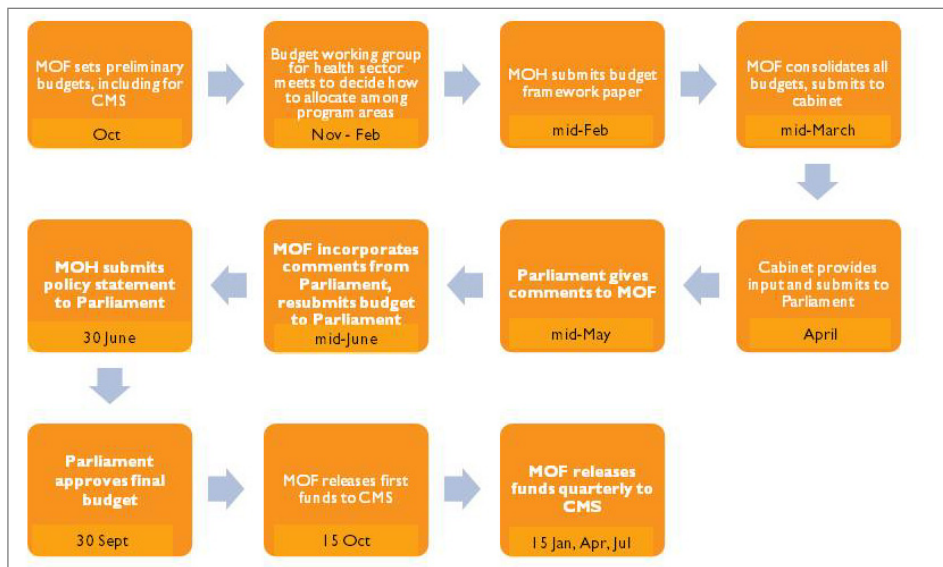
Mapping Financing Processes

To enable more effective and timely advocacy for resources—in addition to tracking the funding commitments and spending—the team also mapped the various processes to show how the funds flow

from each individual source of financing. This enabled them to better understand and to clearly illustrate these processes. For example, figure 2 summarizes the process (known as Vote 116) by which the Government of Uganda uses internally generated funds to purchase drugs and supplies, including reproductive health commodities, via the National Medical Stores (NMS).

The annual process begins in October and culminates the following September, with parliamentary approval of the budget; this enables the Ministry of Financing, Planning and Economic Development (MOFPED) to authorize quarterly releases of funds to the NMS.

Figure 2. Vote 116 Government of Uganda Financing Process



The tracking team developed similar process maps for the other government and donor actors in Uganda.

Recommendations and Action Plan to Improve Tracking

The team presented preliminary results from the exercise to the country’s Family Planning Technical Working Group, focusing on an interpretation of the financing analyses for advocacy purposes. Incorporating feedback from the working group, the tracking team recommended steps to improve tracking, address data gaps, and use the information gathered during the exercise, including the following:

- Broaden the scope of current tracking efforts to include tracking of budgeted funds and expenditures.
- Expand tracking of financing to include sources outside the current quantification and supply planning exercise; for example, international sources that fund some of the NGO commodity purchases.
- Follow up on the initial mapping of financing processes to identify advocacy entry points.
- Establish a formal tracking team with specific terms of reference, and broaden the stakeholder group to include representatives of civil society and advocacy organizations.

The technical working group adopted the recommendations as part of an action plan that lays out the specific timeline and the individuals responsible for each main activity; the tracking team was assigned to most of the tasks.

Conclusions

By following the step-by-step processes in the guide—*Enhancing Contraceptive Security through Better Financial Tracking: A Resource Guide for Analysts and Advocates*—program staff, advocates, and other stakeholders in Uganda were able to better understand the financial flows and processes and what more is needed to ensure resources for securing adequate family planning supplies. This information will help ensure that the people of Uganda can choose, obtain, and use contraceptives and other reproductive health supplies whenever they need them.

The resource guide can help other countries understand their financing situation, track funding flows, and effectively advocate for resources. In addition, although the guide focuses on commodities, it can be used with other tools to complete a broader analysis of total supply chain costs, funding levels, and advocacy needs for family planning programs or the wider health sector.

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USAID | DELIVER PROJECT

John Snow, Inc.

1616 Fort Myer Drive, 16th Floor

Arlington, VA 22209 USA

Phone: 703-528-7474

Fax: 703-528-7480

Email: askdeliver@jsi.com

Internet: deliver.jsi.com