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RHSC Global Contraceptive Commodity Gap Analysis 2018

Nina Miller and Michelle Weinberger

CGA Project and Technical Leads

Reproductive Health SUPPLIES COALITION

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The Commodity Gap Analysis (CGA)

Objective: Quantify, at a global level, funding gaps that will emerge each year from now through 2020 between the cost of the total volume of supplies that the users of all methods of contraception will need to personally consume, and the amount of funding available, from all sources, to pay for these supplies.

Scope: **135 LMI countries, subset of 69 countries**

Four Questions:

1. **How much is spent on contraceptive supplies, and what are the relative contributions of international donors, country governments, and individuals?**
2. **How many women use each method of contraception, and what volume of supplies do they consume? How much will these figures change by 2020?**
3. **What is the cost of the volume of supplies currently consumed by all users of contraception? How much greater will the cost be in 2020?**
4. **Will funding gaps emerge as we move closer to 2020? If public sector funding does not increase, what burden will shift to individual users of contraception?**

The Commodity Gap Analysis 2018

New and improved:

- Updated data and improved methodologies
- New data sets, including commercial prices
- New analyses:
  - Public versus private sector method use, cost, and availability
  - Users of contraception living above and below the global poverty line
  - 69 FP2020 countries (generally "low-income") compared to 66 non-FP2020 countries (generally "middle income")

Using a range of data sources and methods to answer key questions

- Similar to CGA 2016, we use broad range of data sources to estimate and project:
  - Current spending
  - Number of users
  - Method mix of users
  - Consumption quantities
  - Consumption costs

Current spending: Donor Database (UNFPA), CSI (JSI), NIDI, OOP estimates

Number of users, Method mix of users: FP2020 indicators and UNPD projections; survey data (DHS, MICS, PMA2020, etc); service statistics; method mix projections

Consumption quantities, Consumption costs: Modelled estimates, Guttmacher Adding it Up public sector price data (including country prices based on RHI data)

- Incorporating new data to provide better insights
  - IQVIA prices and volumes
  - Social marketing volumes (from DKT International)
  - RHSC survey in LAC countries on government spending
  - Additional analysis of DHS data on poverty

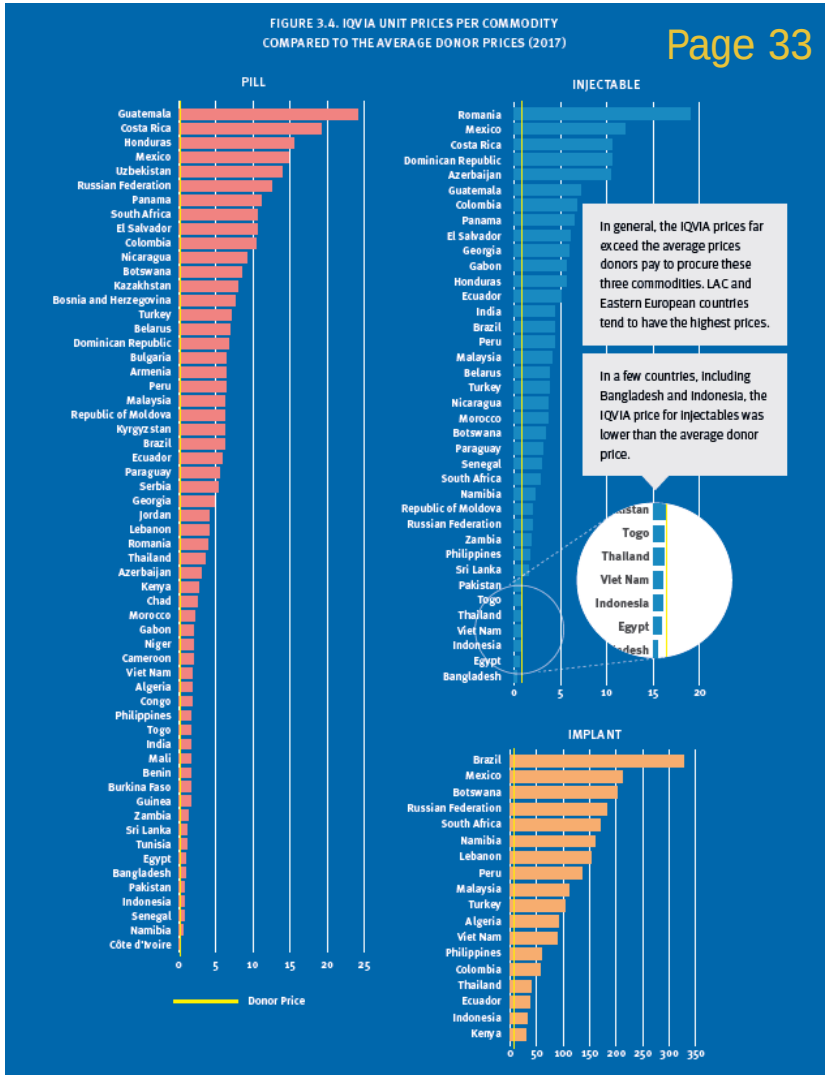
What we learned about the private sector

From the IQVIA data we see:

- **Large variation** in IQVIA prices across countries
- IQVIA prices generally **higher** than average donor prices; LAC and Eastern European countries tend to have highest IQVIA prices.

We applied IQVIA's prices to a sub-set of the volume of commodities users obtained from the private sector, due to the presence of lower priced commodities, such as those sold by SMOs.

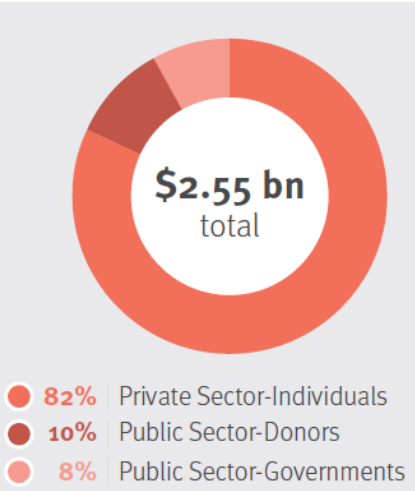
Despite this conservative approach, the new data revealed **$1.33 billion** in **additional** value across the 135 LMI countries (compared to what we estimated in the CGA 2016 report).



Updating our answers to the 4 questions

How much is spent on contraceptive supplies, and what are the relative contributions of international donors, country governments, and individuals?

$ 2.55 bn	Total annual spending on contraceptive supplies across 135 LMI countries is currently **$2.55 billion**.*
$ 267 mn	International donors spent **$267 million** on supplies, or **10%** of total spending.
$ 196 mn	Country governments spent **$196 million** on supplies, or **8%** of total spending.
$ 2.09 bn	Individuals spent **$2.09 billion** on supplies sold by the private sector, or **82%** of total spending.



Updating our answers to the four questions

How many women use each method of contraception, and what volume of supplies do they consume? How much will these figures change by 2020?

461 mn	In 2017, there were **461 million** users of contraception living in 135 LMI countries.
493 mn	The likely addition of **31.4 million** users of contraception over the next three years will raise the number of users of contraception to 493 million in 2020.

Two long-acting and permanent (**sterilization** and **implant**) and two short-term (**injectable**, **male condom**) methods of contraception will gain users over the next three years.

There will be slight declines in the number of users of **pills** and **IUDs** over the next three years.

Over the next three years (2018 through 2020), women will. . .

3.58 bn	**1.11 bn**	**30.5 mn**	**21.2 mn**
Consume **3.58 billion** cycles of contraceptive pills	Receive **1.11 billion** doses of injectable contraceptives	Receive **30.5 million** IUDs	Receive **21.2 million** implants

Updating our answers to the four questions

What is the cost of the volume of supplies currently consumed by all users of contraception? How much greater will the cost be in 2020?

$ 2.76 bn	In 2017, the total volume of supplies consumed by users of contraception cost **$2.76 billion**.
$ 2.84 bn	In 2020, the total volume of supplies consumed by all users will cost **$2.84 billion**.
$ 8.45 bn	The cumulative cost of all supplies consumed over the next three years will be **$8.45 billion**.

The consumption cost of supplies –- the cost of the total volume of supplies for each method that users will personally consume in one year -- will be **$80.5 million** greater in 2020 than in 2017.

Updating our answers to the 4 questions

Will funding gaps emerge as we move closer to 2020? If public sector funding does not increase, what burden will shift to individual users of contraception?

If total funding for supplies remains at the current level, while the consumption cost grows...

$ 238 mn	A funding gap of **$238 million** will emerge in 2018.
$ 290 mn	The funding gap will be **$290 million** in 2020, for that year alone.
$ 793 mn	The cumulative funding gap over three years (2018 through 2020) will be **$793 million**.

Cumulative funding gap over three years (2018 through 2020), by each category of spender:

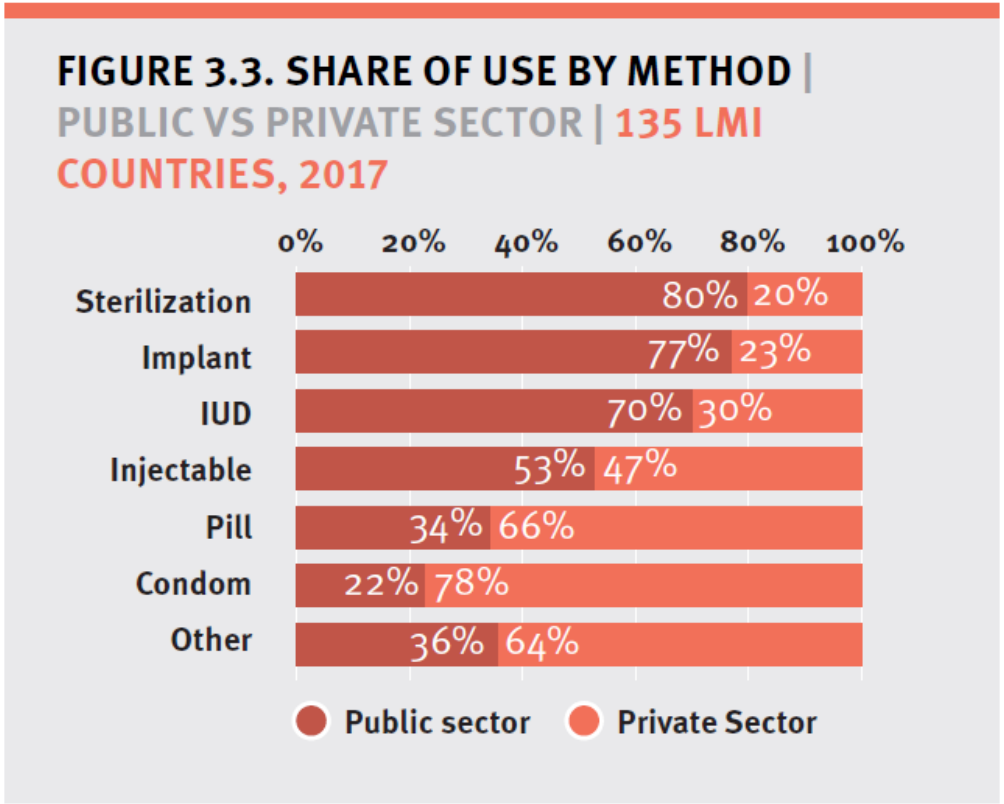
- Donors: **$101 million**
- Governments: **$68.3 million**
- Private Sector-Individuals: **$632 million**

} *If each spender maintains their current percentage of total spending on supplies*

Can public sector users of contraception find their supplies in the private sector?

Large differences among methods in where women obtain their supplies and services (2017).

- Methods that require a service were more common in the public sector; methods that do not were more prevalent in private sector.
- If women were to shift from obtaining supplies from the public to private sector, would their methods of choice be available?



Can public sector users of contraception afford to buy their supplies from private sector retailers?

In 2017, 11% of users of contraception in the 135 countries were lived in extreme poverty (below $1.90).

75% of these women had obtained their method from the public sector.

Some living above the global poverty line may still be unable to afford contraceptives in the private sector.

FIGURE 3.5. PERCENTAGE OF USERS OF CONTRACEPTION ABOVE AND BELOW POVERTY LINE | 135 LMI COUNTRIES, 2017

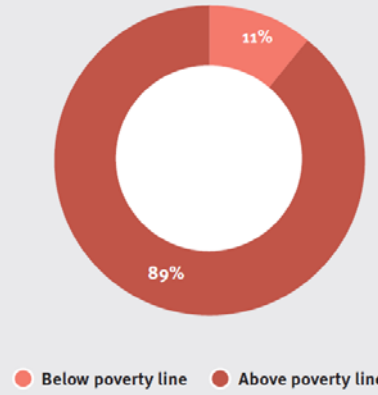


FIGURE 3.7. USERS OF CONTRACEPTION LIVING ABOVE AND BELOW THE POVERTY LINE | PUBLIC VS PRIVATE SECTOR, 2017

Conclusion

- Answers lead to more questions → our work continues to evolve as we examine nuances and explore new areas

- We welcome your feedback and in particular your thoughts on ways we can improve and augment the analysis

- We look forward to discussions with the RHSC community

FP Finance Framework: Drivers of the funding gap as well as possible solutions that look at changing funding levels or using funds differently

	Drivers of the Funding Gap	*Possible Solutions*
1. Funding Levels	**1** Donor funding is flat/decreasing	**A** **Donors –** Advocate for additional investment from new and existing donors
	2 Lack of government capacity & commitment	**B** **Government –** Increase role of gov't through committing funds and procurement
	3 Family Planning excluded from Insurance Schemes	**C** **Individuals –** Increase funds ideally through pre-payment but also through out of pocket from private sector
	4 Lack of effective advocacy messaging for FP	**D** Develop clear, cohesive advocacy to hold gov't and donors accountable
2. Utilization of funding	**5** Lack of private sector development (role of SMOs and commercial suppliers)	**E** Increase supply through engagement with private sector
	6 Lack of coordination among players	**F** Improve how resources are allocated and coordinated across sectors e.g. donors, gov't, NGOs, SMOs, private sector etc.
	7 Procurement Inefficiencies	**G** Identify efficiency opportunities in current programmatic interventions' design and implementation
	8 Competing financing priorities within FP	**H** Address supply side constraints, including procurement but also training
		I Explore and research effective innovative mechanisms for financing e.g. bonds, vouchers, revolving funds