



FAMILY PLANNING COMMODITY FINANCING AND SUPPLY CHAIN

After Progress, What Next?

Over the past decade, Uganda has increased financial investments in family planning (FP) and restructured the commodity supply chain as part of broader FP programming reforms that have enabled the country make progress on the FP2020 goals. In the light of this progress, HEPS-Uganda undertook an assessment of the country's FP financing and supply chain landscape and, in this brief, argues that progress on the country's FP2020 targets can be accelerated by establishing a separate contraceptives budget-line; revitalizing social marketing and the private sector; expediting commodity procurements; advocating for an FP-inclusive National Health Insurance Scheme (NHIS); and improving demand forecasting.

Background

Uganda has a demographic challenge: At a growth rate of 3% per year and a total fertility rate estimated at 5.4 children per woman, the country has one of the fastest-growing populations globally.¹ This rapid population growth has resulted in one of the youngest populations in the world, with more than half the population being younger than age 15 and more than three quarters being under age 30, while adolescents comprise up to 30% of the national population.²

In turn, the country's high fertility rate has been attributed to the high unmet need for FP,³ which is estimated at 28%; low contraceptive use of 39%; high desired family size of 5.7 for men and 4.8 for women; a high teenage pregnancy rate of 25%; and a high preference of the male sex by couples, among other reasons.⁴ According to the 2016 Uganda Demographic and Health Survey (UDHS), more than half of the Ugandan girls have had first sex by age 18.

Uganda's FP2020 commitments and targets

At the 2012 London FP Summit, the Government of Uganda (GOU) pledged to increase its annual budget allocation for FP supplies from USD 3.3 million (FY 2012) to USD 5 million for the next five years in domestic funding, and to mobilize an additional USD 5 million annually from donors. These pledges were renewed five years later, during the 2017 London FP Summit, during which the commitment on mobilizing donor funding was raised to USD 20 million annually.

In addition, GOU pledged to ensure an enabling policy environment and to improve service delivery to allow women to exercise their FP choices. In this regard, a Costed Implementation Plan for FP (FP-CIP) 2015-2020 was developed to guide resource mobilization and programming. The FP-CIP had a set of ambitious targets to reduce the unmet need for FP from 28% to 10% and increase the Contraceptive Prevalence Rate (CPR) among married women from 26% to 50%.

GOU reproductive health commodities financing

Overall, GOU budgetary allocations to FP have increased. In FY2015/16, the total commitments from GOU and HDPs surpassed the forecasted need. In that year, procurements under a World Bank loan were realized, and there was adequate funding of the social marketing sector by USAID, both of which contributed to this impressive picture.

Over the past three years, GOU FP commodity funding has been mainly used to procure combined oral pills, copper IUD, emergency contraceptives, and injectable contraceptives.

QUICK FACTS

3% Rate of annual population growth.

5.4 Average children per woman (TFR).

77% The proportion of population below 25.

28% Unmet need for family planning.

39% Estimated contraceptive use.

5.7 Average desired no. of children by men.

4.8 Average desired no. of children by women.

25% Teenage pregnancy rate.

5m USD pledged by GOU for FP.

28% to 10% Target reduction in unmet need for FP.

26% to 50%: Target increase in CPR.

1 National Housing and Population Census Main Report 2014

2 National Population and Housing Census, 2014

3 Unmet need for family planning is defined as the percentage of women of reproductive age, either married or in a union, who are want to stop or delay childbearing but are not using any method of contraception.

4 National Population Council (2020). Key facts on Uganda's population. <https://npcsec.go.ug/key-facts-on-ugandas-population/>

Key gaps in FP supplies financing

One of the biggest gaps in financing FP supplies is that GOU budget allocations have consistently remained below its USD 5 million annual spending commitments. For instance, the allocation for the latest financial year (2020/21) represents just about 80% of the pledge⁵; UGX 14.72 billion⁶ (equivalent to USD 3,966,928)⁷ was allocated to NMS under budget-line “Supply of Reproductive Health Items”⁸.

FALSE PROMISES?

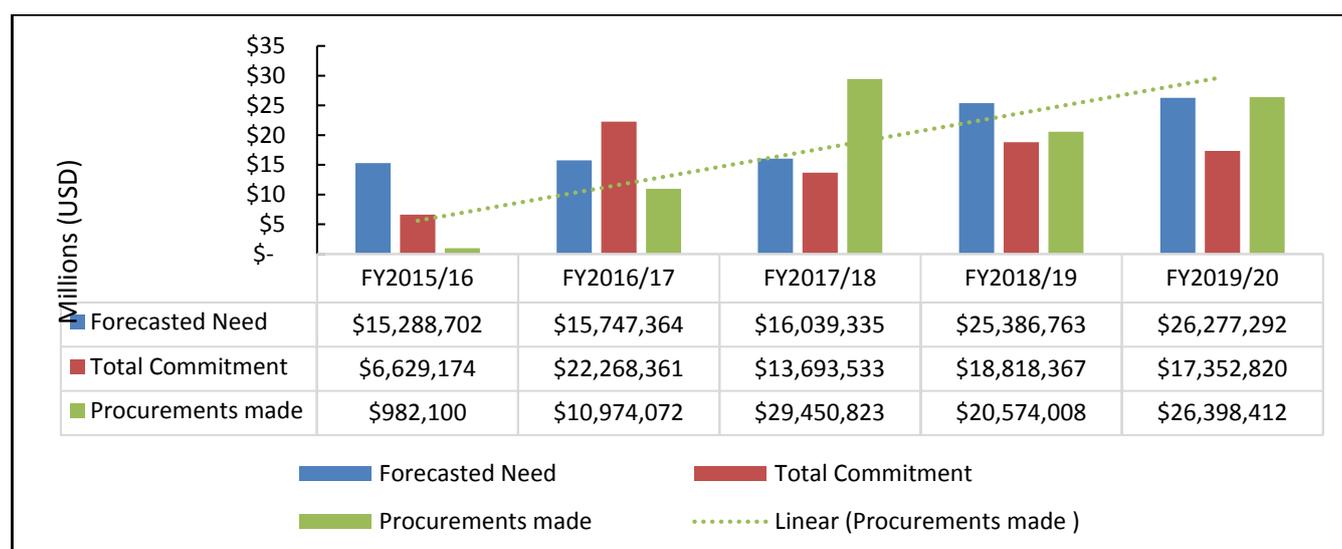
The allocation for the latest financial year (2020/21) represents just about 80% of the pledge

Overall, actual procurements have consistently been less than the forecasted need. Ministry of Health has attributed the gap to inadequate investments by GOU and HDPs.

Funding gap analysis for FP commodities

Period	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Forecast need	15,288,702.46	15,747,363.53	16,039,334.72	25,386,763.00	26,277,292.00	32,925,307.00
GOU allocation	2,216,373	2,216,373	2,216,373	4,210,526	4,210,526	4,210,526
World Bank/GFF (URMCHIP)	-	-	-	-	-	11,000,000
Global Fund (condoms)			1,519,680	2,015,649	3,858,057	1,105,067
USAID	2,561,748	17,216,416	6,303,150	6,166,125	4,476,150	4,658,850
UNFPA	1,851,053	2,835,572	3,654,330	8,420,220	4,808,087	5,423,969
Total procurements	6,629,174	22,268,361	13,693,533	18,818,367	17,352,820	26,398,412
Gap	8,659,528.00	-	2,345,801.26	6,568,395.68	8,924,471.68	6,526,894.68

Comparing forecasted need, financial commitments, and actual procurements



An analysis of the RH budget expenditure shows that most of this budget is spent on the procurement of mama kits and Misoprostol, with FP commodities consistently below 5% of the annual allocation for the past five years. Up to 98% of the domestic financing for FP has been used to procure RH medical supplies, specifically mama kits.

DONOR DEPENDENCE

The financial need for FP for FY2020/21 is estimated at USD 32.93 million, of which GOU's contribution from domestic resources is estimated at only USD 4.21 million

It is also notable that the financing for FP commodities for both public and social marketing continues to be highly donor-dependent, with health development partners (HDPs) contributing over 80% of the country's RH commodity procurements in the last three financial years, with the main funders being UNFPA, USAID, Global Fund and World Bank. For instance, the financial need for FP for FY2020/21 is estimated at USD 32.93 million, of which GOU's contribution from domestic resources is estimated at only USD 4.21 million, while the rest, amounting to USD 28.72 million, is expected to be filled by donors, grants and loans from foreign sources.

5 Ministry of Health (2020). The Uganda national RMNCAH quantification, updated 2020.

6 Health Sector Ministerial Policy Statement, FY 2020/21

7 Exchange rate of UGX 3,710.68: Bank of Uganda Monetary policy report, December 2020

8 Health Sector Ministerial Policy Statement, FY 2020/21

A major challenge that has come with high donor dependence is the unpredictability of supplies. USAID termination of funding to UHMG in 2018 caused widespread commodity shortages and stock-outs in the private sector, particularly of injectables and male condoms. In FY 2020/21, there still existed a financing gap arising from USAID's discontinuation of funding for social marketing. The World Bank-funded supplies that were expected to come over three years beginning with FY 2017/18, all ended up coming at once in FY 2020/21 due to the long lead times of the funder's procurement processes.

UNRELIABLE DONORS
The World Bank-funded supplies that were expected to come over three years beginning with FY 2017/18, all ended up coming at once in FY 2020/21

The failure to reach the GOU target of mobilizing USD 20 million per year from HDPs has been mostly attributed to the disruption of the FP Social Marketing Activity, to which USAID was contributing more than USD 5 million annually.⁹ USAID's cancellation of UHMG's contract in 2018, effectively ended FP social marketing in Uganda.

The COVID-19 pandemic has caused additional challenges, which has caused a diversion funds from RH. For instance, in 2020, World Bank reallocated up to USD 15 million (UGX 57 billion) from the Uganda Reproductive Maternal Child Health Improvement Project (URMCHIP) to the COVID-19 national response. Some of these funds were intended for RH essential medicines and commodities including FP commodities.¹⁰ It was anticipated that this money would be put back, but it is not clear whether this was done yet.

FP supply chain reforms

Government of Uganda has implemented a set of reforms in the FP supply chain, introducing alternative commodity distribution, allocating sectors to specific warehouses, providing guidelines for redistribution of essential medicines and health supplies (EMHS), authorizing drug shops to provide injectable contraceptives, community-level distribution of commodities through village health teams (VHTs), and rolling-out a web-based Logistics Management Information System (LMIS).

- The **alternative distribution strategy** was introduced in 2012 to increase access to contraceptives and selected reproductive health (RH) commodities in the private-not-for-profit (PNFP) and private sectors, which were to receive commodities through Uganda Health Marketing Group (UHMG).¹¹ In FY2019/20, this role was transferred from UHMG to Joint Medical Store (JMS).
- The **one-facility-one-warehouse** policy was introduced in FY2019/20 to enhance method mix at National Medical Stores (NMS), which had been undermined by the reluctance of public facilities to place orders due to their reliance on outreaches conducted by implementing partners at public facilities under the ADS arrangement.¹²

Under this policy, all public facilities receive commodities through the NMS, while all non-public facilities are supplied by the "alternative supplier", JMS. In the public sector, HC IVs and hospitals place their orders from NMS every two months, while lower facilities receive predetermined kits under the so-called "push system" every two months.

Donor-procured commodities, mainly funded by UNFPA and USAID, are shipped directly to JMS for distribution to the PNFP service delivery points. The policy further provides for transfer of stocks between warehouses and between districts to address shortages. Hence, NMS can still access JMS commodities through inter-warehouse transfer.

- **Drug shops** were authorized to distribute and administer injectable contraceptives in March 2021, following the disruption of social marketing in 2018 after USAID terminated UHMG's funding, causing widespread stock-outs in the private sector. Accredited drug shops are required to provide commodities free of charge and only charge clients a prescribed service fee for the supplies used for providing the method in question.
- The **EMHS redistribution guidelines** allow commodities to be moved from facilities where they are over-stocked to those that are stocked-out or under-stocked. The redistribution policy aims to ensure the effective use of the available stocks by minimizing stockpiling and stock-outs at service points.
- The lowest level of commodity distribution is through **village health teams (VHTs)**. These community health workers are trained on a limited range of contraceptives, such as male condoms, oral pills and injectable contraceptives, that they can distribute – free-

9 Data from the MoH Quantification and Procurement Planning Unit

10 <https://ugandaradionetwork.net/story/world-bank-donates-shs-57bn-to-fight-covid-19>

11 Ministry of Health (2016). The alternative distribution strategy for contraceptives and selected RH commodities 2016/17-2020/21

12 Ministry of Health (2019). Meeting Notes: Meeting held to streamline the distribution of RH commodities.

of-charge – to clients in their communities. They pick commodities for distribution from the nearest public or PNFP facility. VHTs can also distribute commodities from the private sector, where they make a small commission on the items they successfully sell.

- **Logistics Management Information System (LMIS):** Ministry of Health is in the process of rolling out a web-based system for ordering and reporting the use of RH commodities (RH eLMIS) from NMS and JMS. The system gives central warehouses access to up-to-date facility-level data on commodity stock status and consumption. This is expected to improve demand forecasting, order processing and delivery planning.

Key gaps in FP commodity supply chain

A recent assessment conducted by the Uganda Family Planning Consortium (UFPC) to monitor the implementation of the **one-facility-one-warehouse** policy revealed that there were still gaps in its implementation. These gaps included low awareness, at only 50% of the health facilities; absence of district dissemination meetings in over 76% of the health facilities; and limited dissemination of the policy guidelines, with over 71% of the health facilities having not received the communication circular from Ministry of Health. Furthermore, it was also observed that a large proportion (65%) of public health facilities received emergency supplies from JMS implying that either the facilities under-quantified their needs during the procurement planning process resulting in non-fulfillment of their orders or NMS was stocked-out of the FP commodities.¹³

POOR FORECASTING OR QUANTIFICATION?

Up to 65% of public health facilities received emergency supplies from Joint Medical Store, which is meant to supply the private-not-for-profit facilities

Summary of recommendations

- 1) The flow of FP commodities should be streamlined, effectively implemented and monitored to ensure the maintenance of good logistics data to support accurate forecasting and planning.
- 2) There should be a stand-alone FP budget-line to avoid the current situation where nearly the whole RH budget is spent on mama kits, leaving contraceptives barely funded.
- 3) Ministry of Health should expedite the TMA strategy to revitalize the social marketing and private sectors.
- 4) Ministry of Health and HDP's should improve the efficiency of procurements initiated in 2020, valued at about USD 4.6 million, should be expedited to improve stock availability in FY2021/22.
- 5) The National Health Insurance Scheme should be expedited, with FP as part of the insurance package, to help tame out-of-pocket spending, and reduce the financial burden on households.
- 6) Ministry of Health should expedite the roll-out of the web-based LMIS to enhance use of up-to-date data to drive FP programming and improve efficiency in forecasting, procurements and distribution.

Conclusion

Uganda has made significant progress since the FP2020 commitments were made, as GOU and HDPs increased funding for FP commodities and reforms were implemented in the logistics supply and management chain. Over the past five years, the overall CPR for married women grew at an annual average rate of 1.2 percentage points; the demand satisfied by modern methods steadily increased from 44% to 57%; the use of traditional methods increased from 1% to 6%; while the unmet need for FP reduced from 25% to 17%.¹⁴ Even then, the country has underperformed on its commitments, largely due to under-investments, a high donor dependence and dependence on unreliable data for forecasting and procurement planning. These challenges have to be addressed if the country is to move faster in realizing the reproductive choices and rights of women and men in Uganda.

WE CAN DO BETTER

Uganda has underperformed on its FP2020 commitments, largely due to under-investments, a high donor dependence and dependence on unreliable data for forecasting and procurement planning

13 MoH/ UFPC (2021). Assessment of Implementation of the One Facility, One Warehouse Policy Guidelines
14 MoH 2020. Evaluation of Uganda Family Planning Costed Implementation Plan 2015-2020, Ministry of Health

For more information, contact us

HEPS-Uganda

Plot 531A Balintuma Road, Namirembe | P.O. Box 2426, Kampala
Email: info@heps.or.ug | Website: www.heps.or.ug



hepsuganda



hepsuganda