



RESOURCE

REQUIREMENT TO MEET

INDIA'S FP 2020 COMMITMENTS

The policy brief is based on the findings of a study conducted by Prof. Barun Kanjilal of Indian Institute Of Health Management Research, Jaipur on behalf of Population Foundation of India.

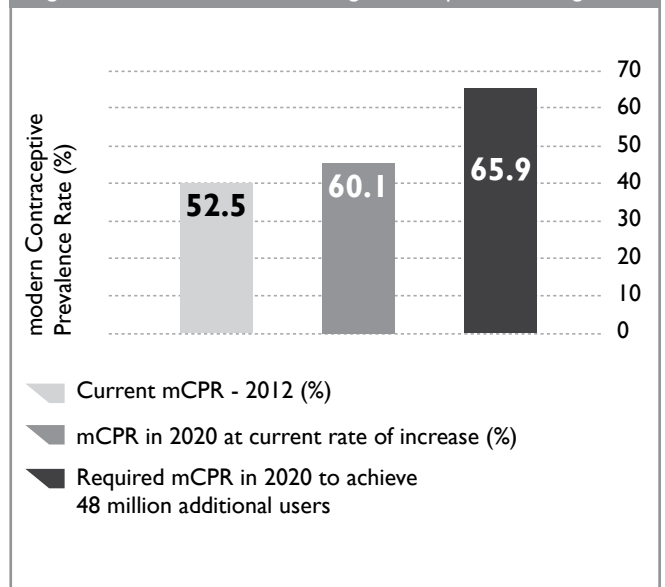
A landmark event in the global discourse on Family Planning (FP) is the London Summit on Family Planning in 2012, where over 60 countries pledged to increase access for an additional 120 million women to family planning services by 2020. Commonly known as the FP2020 commitments, India too, committed an outlay of over USD 2 billion to provide family planning services to an additional 48 million women in the country in addition to sustaining the current coverage of about 100 million users by 2020.

At an all India level, the current (2012) modern Contraceptive

Prevalence Rate (mCPR) is 52.5 per cent. At its existing rate of increase, the mCPR it is likely to touch 60.1 per cent by the year 2020, implying that India will have about 32.8 million additional users by 2020. This falls short of the committed goal of 48 million by about 15 million (Figure 1).



Figure 1: Current trend in FP usage and required coverage



Attaining India's commitment for the FP2020 goals crucially hinges on its ability to scale up the coverage of spacing methods of contraceptives. Given the large young population and increasing urbanisation, alongside additional educational and

employment opportunities, there is a likely shift in the need for contraceptives with increasing preference for spacing methods (Figure 2 and 3).

Figure 2: Modern Contraceptive methods (Current share 2012)

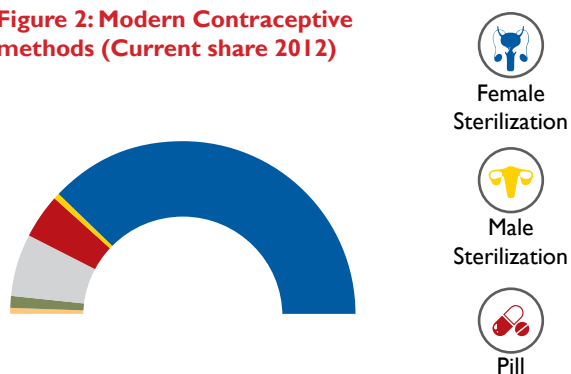
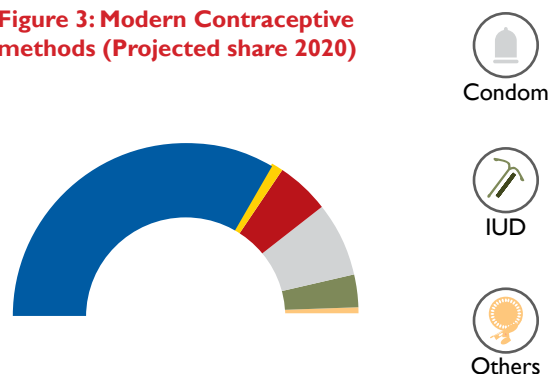


Figure 3: Modern Contraceptive methods (Projected share 2020)



This poses a challenge for India's family planning programme, which is largely focused on terminal methods. Based on the secular trend of NFHS-3 and DLHS-4/AHS, the private sector is expected to cater to 42.5 per cent of all modern contraceptive users (between 2013 and 2020). But, considering only the spacing methods (pills, condoms and IUDs), 76.5 per cent of the users are expected to be catered to by the private sector. Therefore, FP2020 is critically dependent on private sector participation. At the current trend, the number of 'additional' users served by the private sector, is expected to be close to 10 million while the required number is almost 22 million to meet the FP2020 goal. This implies a gap of 12 million that is unlikely to be covered by the private market on its own. Meeting the FP2020 commitments for India requires active and sustained participation of the public and private sector delivery systems. The intensity of drive towards the FP2020 goal needs to be much stronger in the 10 high priority states (8 EAG states, Assam and Himachal Pradesh), most especially in Bihar, Odisha, UP, and Assam (Table 1).

Table 1: Gaps between current trend and FP2020 goal

States	Additional Users (2013-20) (millions)		Gap	Gap %	Rank
	Current Trend	FP2020 Goal			
Bihar	3.28	7.2	3.92	119.4%	1
Odisha	0.97	1.83	0.86	88.8%	2
Uttaranchal	0.25	0.46	0.22	88.5%	3
Assam	0.8	1.43	0.63	78.5%	4
Uttar Pradesh (UP)	6.72	11.09	4.37	65.1%	5
Jharkhand	1.47	2.1	0.63	42.7%	6
Himachal Pradesh	0.21	0.29	0.08	40.1%	7
Madhya Pradesh (MP)	2.04	2.78	0.73	36.0%	8
Chhattishgarh	0.84	0.99	0.15	17.9%	9
Rajasthan	2.18	2.06	-0.12	-5.5%	10

As seen above, states such as Rajasthan, Madhya Pradesh, Chhattisgarh and Himachal Pradesh appear to be 'on-track' with respect to the FP2020 target. On the other hand,



Assam



Bihar



Uttar Pradesh

Require significant scaling up of mCPR to reach their respective FP2020 targets

CURRENT BUDGET

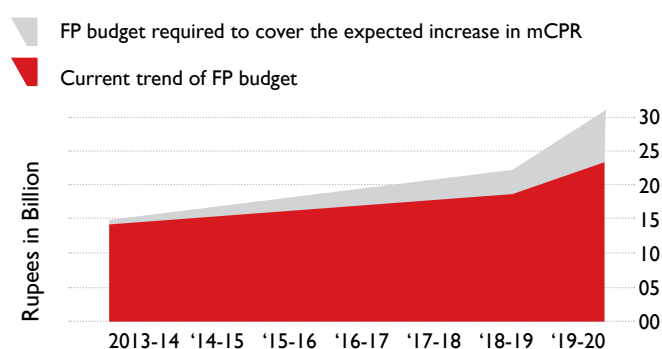
TRENDS IN FAMILY PLANNING

The central government funds the family planning programme through two funding channels: a. the treasury route under the Family Welfare (FW) budget head; b. the off-budget (Society) route for Family Planning (FP) under the National Health Mission (NHM). The treasury (FW) funds for family planning support: contraceptive procurement and free distribution, infrastructure maintenance (cost of sub-centres and ANMs), social marketing projects and FP linked health insurance (for compensations related to sterilization failures).

The FP component under NHM supports direct costs related to providing sterilization and IUD services in camp mode, family planning awareness activities and accreditation of private facilities for providing FP services. It does not include costs of the health staff providing family planning services, training of staff on family planning or the procurement of contraceptives and sterilization equipment. These are combined with others (for maternal, child health facility strengthening under IPHS) as separate budgets under the NHM. Family Welfare, which includes

budgets for family planning components, constituted only 4 per cent of the 2014-15 Health and Family Welfare budget (Budget Estimates – BE). On the other hand, under the National Health Mission (NHM) FP was around 2 per cent of the total NHM resources in the year 2013-14.

Figure 4: FP budget - Current trend



Notwithstanding the increases in NHM allocations for FP by 47 per cent between 2013-14 to 2015-16, shortfalls to the tune of Rs.1,500 (US \$231 million) (Figure 4) persist. The current trend in budgetary increases thus makes it difficult to reach even 33 million additional users by 2020 (as per the current trend of increase in mCPR). The trend in allocation of resources from the central government is however, discouraging, with current movements indicating that there would be a significant deficit in terms of meeting the required support from this source. These have shown a sharper declining trend in the last few years; for instance, allocations through it have been reduced by 54 per cent between 2013-14 and 2015-16. Since the contraceptives and IEC materials are obtained from this budget, the declining trend from 2011-12 (Figure 5), clearly raises serious concerns about the possibility of attaining the FP2020 goals, if the trend is sustained.

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Figure 5: Trend in actual allocation through Central Sector budget for FP



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At the state level, a review of the recent state NHM plans shows that most EAG states have raised state contributions to the resource envelope for FP. This is a clear indication that there is a need for the Centre to step-up with more resources (the central resource share matching state resources in 60-40 ratio) to meet the FP2020 goal. For example, the approved allocation in UP (under NHM) has risen from Rs. 115 crores (US \$17.7 million) in 2013-14 to Rs. 212 crores (US \$32.6 million) in 2015-16. This

is an increase of 84 per cent in just two years. Similarly, the approved outlay in Odisha has increased from Rs. 27 crores (US \$4.15 million) in 2013-14 to Rs. 51 crores (US \$7.85 million), i.e. an increase of 88 per cent. Bihar, on the other hand, showed a comparatively sluggish growth – just a 44 per cent increase between 2013-14 and 2015-16. It is also noteworthy that at least one of the EAG states (UP) has explicitly mentioned FP2020 in one of the PIP cost items.

BUDGETARY ALLOCATION

REQUIRED TO MEET FP2020 COMMITMENTS

To meet the FP2020 goal, the government would need to spend approximately Rs. 15,800 crores (US \$2.4 billion) during 2013-2020 to provide family planning services by publicly funded providers. This, however, may still not guarantee the additional 48 million users since private sector clients (users served by private sector) may not increase adequately to bridge the required gap.

If all the additional 48 million FP users are to be covered by both the public and private providers, at the current public-private mix (ratio of 70-30), an additional Rs. 11,150 crores (US \$1.7 billion) is required over the next four years, i.e. an additional Rs. 2,800

crores (US \$431 million) per year approximately, from 2016 to 2020 (Figure 6). If all the additional 48 million FP users are to be covered by the public health system, an additional Rs.18,730 crores (almost US \$3 billion) is required over the next four years, i.e. an additional Rs. 4,700 crores (US 723 million) per year, from 2016 to 2020 (Figure 7). Projections in the 8 EAG states and Assam and Himachal Pradesh show that they are expected to fall short of financial resources by Rs.3,800 crores (around US \$585 million) collectively, if all the additional users are catered to by the public health system.

Figure 6: FP budget for FP2020 target- Additional users served by current public-private mix

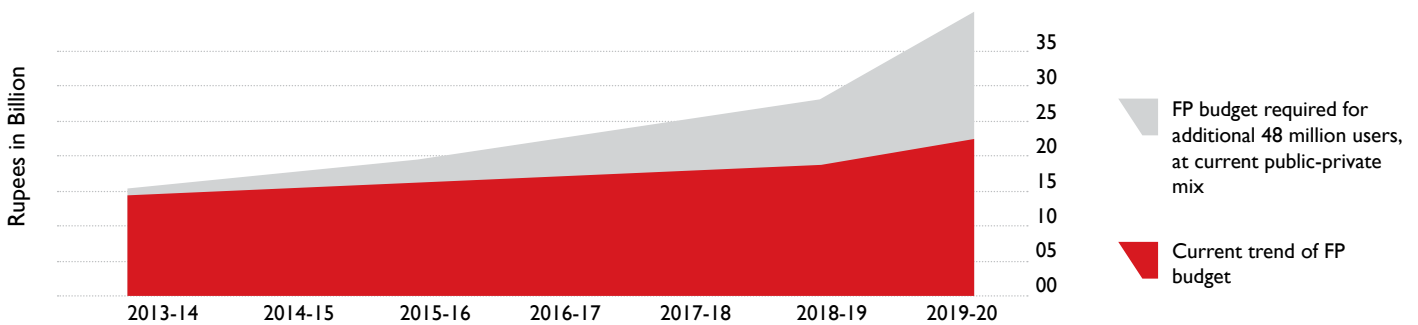
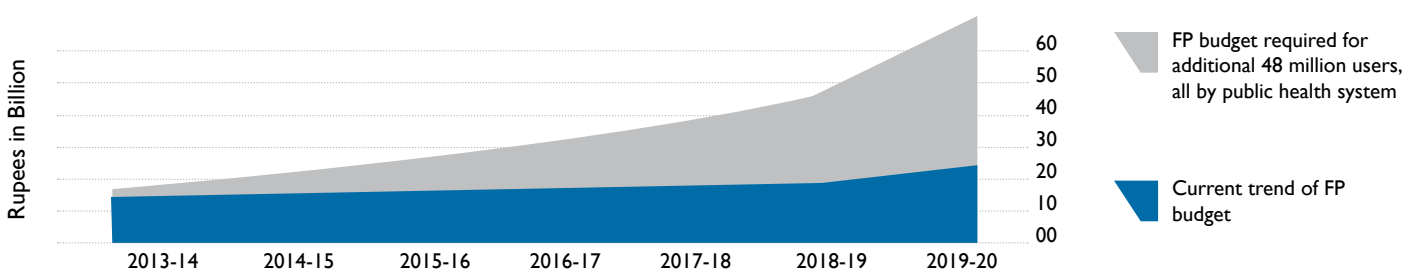


Figure 7: FP budget for FP2020 target- Additional users served by public health system

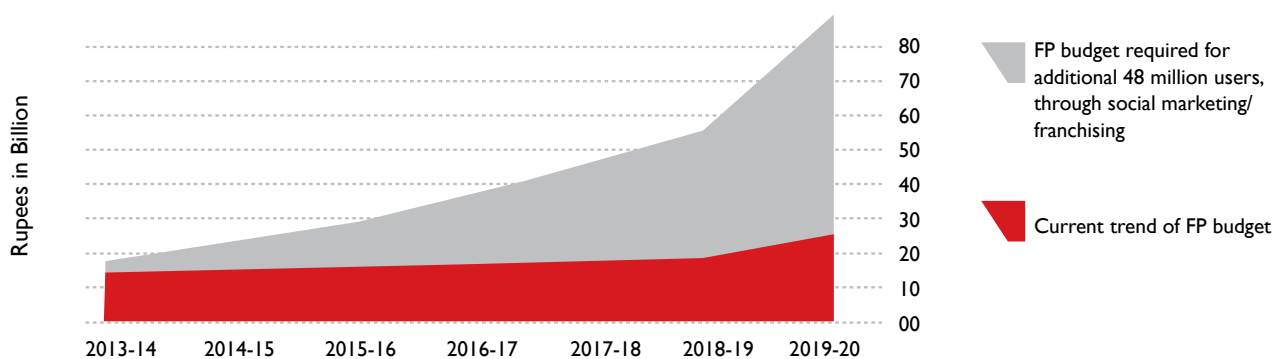


In terms of the percentage of the current allocation trend, the government would require at least 32 per cent of additional financial resources from the central government, in order to meet the costs of just the additional public users. The requirement for the additional fund climbs to 95 per cent if the 'private gap' is to be filled by public providers. A more efficient approach to address the gap is to involve private providers through the social

franchising / social marketing (SF/SM) mechanisms, especially in select EAG states, such as, Bihar, Chhattisgarh and Odisha.

If all the additional 48 million FP users are to be covered by the SF/SM mechanisms, an additional Rs. 23,000 crores would be required over the next four years, i.e. an additional Rs. 5,750 crores per year from 2016 to 2020 (Figure 8).

Figure 8: FP budget for FP2020 target- Additional users served by social franchising/social marketing



The SF/SM mechanism would better ensure the required progress towards the FP2020 goals, but would also cost more. This would need an increase of public finance by 131 per cent if the government finances the operation of the SF/SM channels.

POLICY RECOMMENDATIONS

TO ADDRESS THE CONCERNS

- A revision of the FP component in the Centre-State resource sharing formula is required to meet the FP2020 commitment
- More specifically, the resources for FP2020 need to be tightly ring-fenced with a maximum central share to assure the fulfillment of commitments

KEY POLICY RECOMMENDATIONS

- Though the overall budget for family welfare in the country has declined, the recent increase in family planning budget under the NHM (which is a small proportion of family welfare budget) should be sustained.
- Reverse the declining trend of central government budgetary allocation for contraceptives.
- Involve the private sector in contraceptive promotion and distribution through social marketing and social franchising.
- Introduce additional contraceptive methods that are safe and cost-effective.
- Invest in research on the cost and financial implications of new family planning technologies.
- More specifically, the resources for FP2020 need to be tightly ring-fenced with a maximum central share to assure the fulfillment of commitments

