

Methodology for Calculating the U.S. Share of the Cost of Addressing the Unmet Need for Contraception

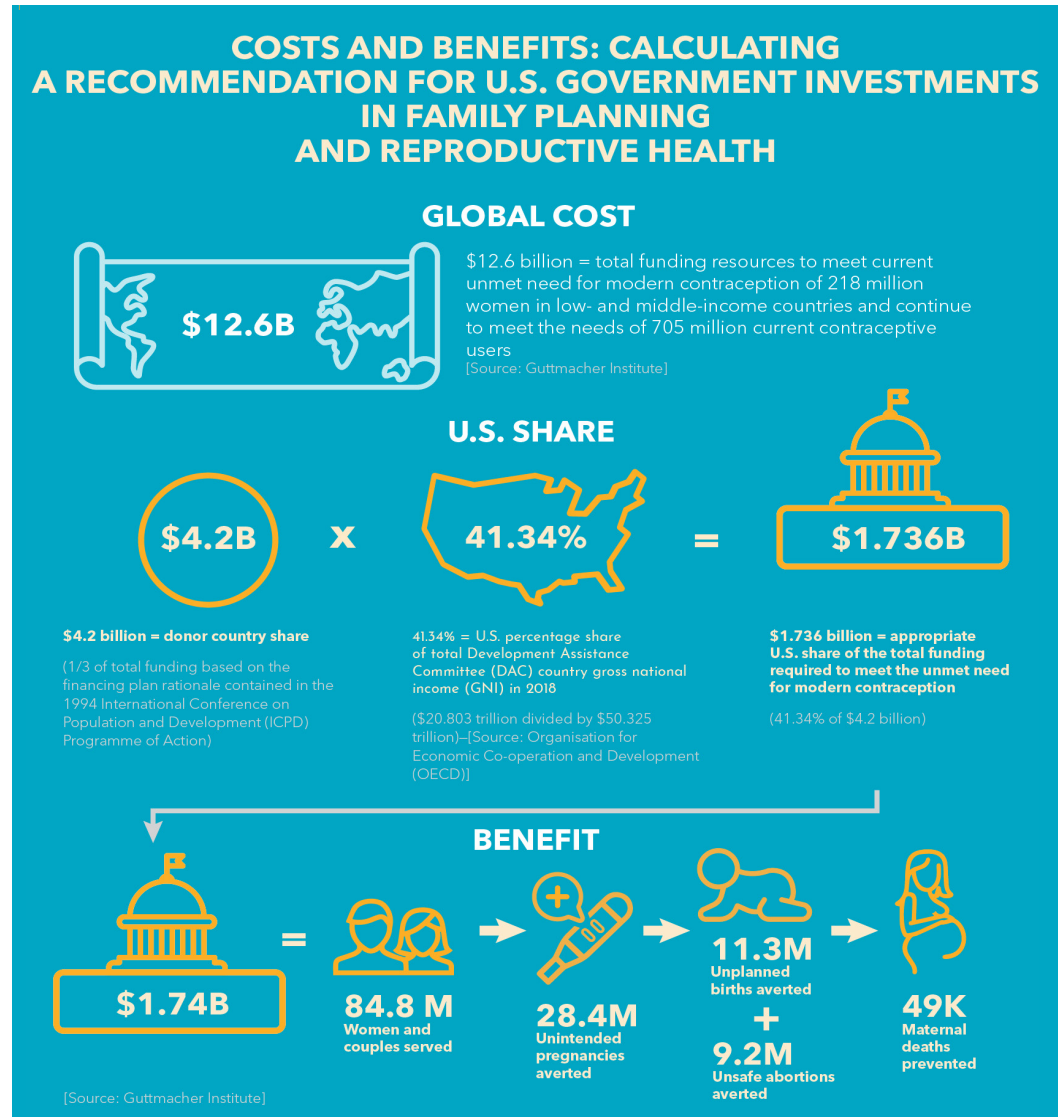
The calculation of the U.S. share of the total funding resources required to meet the current unmet need for modern contraception of women in low- and middle-income countries (LMICs) is derived from a methodologically rigorous analysis done by the Guttmacher Institute called "Adding It Up: Investing in Reproductive and Sexual Health."¹

According to the July 2020 analysis, satisfying the current unmet need for modern contraception of 218 million women of reproductive age in LMICs who want to avoid pregnancy but are not using a modern contraceptive method, while continuing to meet the needs of 705 million existing contraceptive users, would cost a total of \$12.6 billion annually.

EXPLAINING THE METHODOLOGY

At the 1994 International Conference on Population and Development (ICPD) in Cairo, 179 U.N. member states agreed by consensus – purportedly for the first time during an international conference – on a costed implementation plan designed to achieve the goal of significantly expanding access to reproductive health care, including family planning, through 2015.² The ICPD Programme of Action called for two-thirds of the annual cost to be borne by recipient countries and the remaining one-third by donor nations like the United States. Using the agreed-upon ICPD burden-sharing rationale, donor nations would be expected to contribute one-third of the \$12.6 billion total current cost – or \$4.2 billion.

The most equitable formula for allocating the relative shares of the \$4.2 billion contribution to meeting the \$12.6 billion annual cost among donor countries should be based on each nation's wealth relative to each other. The membership of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) is composed of all the major industrial nations that provide official development assistance to LMICs, amounting to nearly \$224 billion in 2023.³ Gross national income (GNI) is the internationally accepted indicator for measuring national wealth. Under this measurement, the U.S. economy represented over 41% of total donor nation GNI – U.S. GNI of \$20.8 trillion divided by total OECD-DAC GNI of \$50.3 trillion – in 2018, the latest year available at the time the U.S. share was initially calculated.⁴



The final computation produces a recommendation of \$1.736 billion for fiscal year (FY) 2024 as the appropriate U.S. share of the total annual funding from all sources required to continue care for 705 million people currently using modern contraception and meet the current unmet need for modern contraception of 218 million women in LMICs – 41.34% of \$4.2 billion. Embedded within the \$1.736 billion target is an allocation of \$116 million for a U.S. contribution to the United Nations Population Fund, the only intergovernmental institution with an explicit mandate to address the reproductive health needs of women and men worldwide.

U.S. SHARE OF THE COST

International family planning and reproductive health (FP/RH) advocates in Washington, D.C., can furnish to legislators and executive branch policymakers a defensible, evidence-based estimate of the appropriate U.S. government share of the cost of meeting the unmet need for modern contraception of 218 million women in LMICs.

To put the size of the recommendation in perspective, if \$1.736 billion were to be appropriated by Congress for FY 2025, that level of spending would require a near tripling (2.9 times) of the current FY 2024 enacted level of \$607.5 million. Appropriated levels for international FP/RH programs have plateaued at just over \$600 million for the last 14 fiscal years since FY 2011.

But flat funding is a cut in reality because of the pernicious effects of inflation. Adjusting for inflation, the purchasing power of the funds appropriated has decreased by \$185 million – nearly 30% – in constant FY 2011 dollars.¹ The FY 2011 appropriated amount would have the purchasing power of \$823 million today.⁵ From a historical perspective, the high-water mark for overseas FP/RH funding in constant dollars (\$595 million in FY 1995), enacted by Congress just prior to ICPD in 1994, would have the equivalent purchasing power today of \$1.25 billion when adjusted for inflation.⁶

Stagnant funding also fails to keep pace with the growth in the number of women of reproductive age in U.S. Agency for International Development-assisted countries, which has increased dramatically since 2011 from roughly 470 million to about 800 million today.⁷

BENEFITS OF A U.S. INVESTMENT OF \$1.74 BILLION

Based on “Just the Numbers,” a comprehensive analysis by the Guttmacher Institute in March 2023 of the costs and impacts of family planning in more than 30 LMICs receiving U.S. international FP/RH assistance in FY 2023, with additional investments – bringing the total U.S. funding to \$1.74 billion – the following would result:

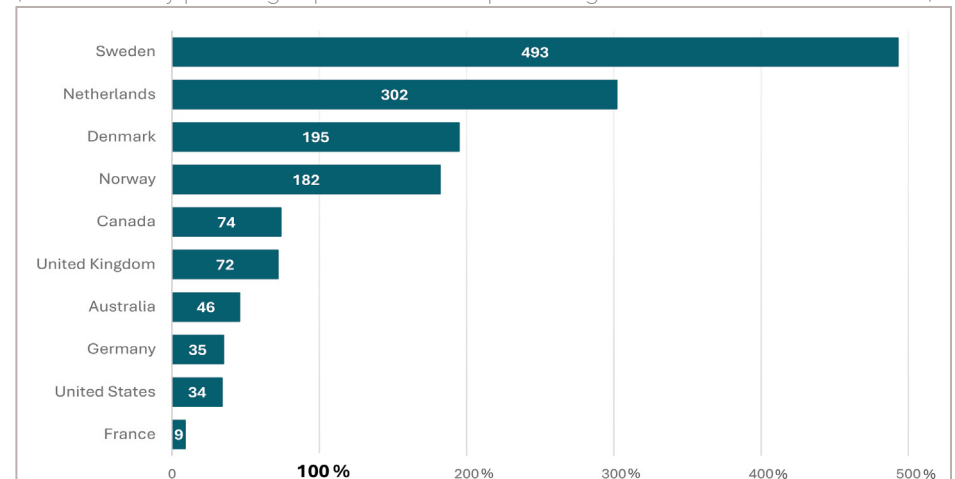
- 84.8 million women and couples with contraceptive services and supplies;
- 28.4 million fewer unintended pregnancies, including 11.3 million fewer unplanned births;
- 9.2 million fewer unsafe abortions; and
- 49,000 fewer maternal deaths.⁸

Strategic investments in sexual and reproductive health save lives. The Guttmacher Institute’s analysis found that meeting the current unmet need for modern contraception in LMICs would result in a decline of about two-thirds in unintended pregnancies (from the current 111 million to 35 million per year), unplanned births (from 30 million to 9 million per year) and unsafe abortions (from 35 million to 10 million per year). Furthermore, for every additional \$1 spent on contraceptive care, \$3 is saved on maternal and newborn care because of declines in the number of unintended pregnancies.⁹

A calculation of the appropriate U.S. share of the global investment required to satisfy the current unmet need for modern contraception of women in LMICs, derived from a methodologically sound estimate of the total annual cost to achieve that goal and based on a reasonable burden-sharing rationale for contributions to the effort by donor and recipient countries, helps inform policymakers’ priority setting and decision-making by providing a solid, evidence-based estimate of what the U.S. government should be investing in contraceptive availability and use.

BURDEN SHARING—ARE DONOR COUNTRIES PROVIDING THEIR “FAIR SHARE” OF THE COST OF MEETING THE UNMET NEED FOR MODERN CONTRACEPTION IN LMICs? | 2021

(Current family planning expenditures as a percentage of “fair share” based on GNI)



Among the 10 largest OECD-DAC donor government funders for family planning¹⁰, only four meet or exceed their “fair share,” based on relative size of their economies, with the United States and France ranking ninth and tenth at 34% and 9%, respectively. Several donors exceed their “fair shares” by orders of magnitude, for example, Sweden at almost 500%.

SOURCES

