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Policy Brief

SAVING LIVES, SAVING MONEY: Financing Family Planning Commodities in Lao PDR

Providing family planning services is one of the most cost-effective investments governments can make to improve health and promote economic development.

In Lao PDR, increasing the investments on contraceptive commodities could avoid thousands of unnecessary deaths and morbidities – and in turn, it could avert almost \$100 million dollars spent on direct healthcare costs.



Family planning – the provision of modern methods of contraception and counseling, backed up by comprehensive sexuality education - prevents unintended pregnancies and abortions, reduces maternal and child mortality and saves precious health care resources.

Family planning services should be accessible to all those who might need them (including unmarried couples, single women and adolescents) and must take into consideration the right of women and their partners to choose the best method available for them. Society as a whole reaps the benefits when women are free to choose a family planning method that suits their needs.

Investment in family planning has far-reaching social and economic impact, with as much as \$120 dollars in general social returns per each \$1 dollar spent. As such, the value of family planning for economic and social development in Lao PDR cannot be underestimated.

While great progress has been achieved in the past decades in public health and economic development, much more remains to be done to reach the Sustainable Development Goals targets and allow for the graduation of Lao PDR from 'Least Developed Country' status.



NIER
National Institute for
Economic Research



WHY INVEST IN FAMILY PLANNING?

The Government of Lao PDR has made commendable progress in promoting women’s health policies. In 2015 Maternal Mortality Ratio (MMR) was brought down to 197 deaths per 100,000 live births (from a starting point of 905/100,000 in 1990), while the modern Contraceptive Prevalence Rate (mCPR) had reached 48.5 percent among married or in-union Women of Reproductive Age (WRA, women aged 15-49 years).

Now, the 2016-2020 National Socio-Economic Development Plan (NSED) spells out the objective of reducing maternal mortality to 160/100,000 by 2020 and “providing healthcare information and services, especially on reproductive health and family planning”. The Government also pledged to increase mCPR to 65 percent for WRA and reduce unmet need for contraceptives to 13 percent in their Family Planning 2020 commitment. These efforts are also reflected Reproductive, Maternal, Newborn and Child Health Strategy and Action Plan (RMNCH 2016-2025).

Turning these commitments into reality requires carefully planned strategies and investments. One of these strategies must entail the prioritisation of family planning services: in fact, investments in family planning will not only dramatically reduce the costs of healthcare for mothers and their children but also result in changing age structures within the population. Changing age structures could potentially lead to a demographic dividend which could provide a boost to economic growth in the long term.

Access to family planning will also reduce the number of adolescent pregnancies, allowing young women to fully develop physically, stay in school and achieve optimal levels of nutrition before embarking on childbearing. Ensuring adolescent girls are healthier and well nourished, while a benefit in itself, will also result in them becoming healthier mothers if and when they decide to have children.

Family planning saves lives and resources

Saving mothers: Contraceptives are to maternal mortality what vaccinations are to infant mortality. When women are in control of their reproductive health, unintended pregnancies and unsafe abortions will decrease.



Saving children: The ability of mothers to take care of their reproductive health will result in decreasing neonatal and infant mortality and morbidity. Children will grow into healthy, productive adults, contributing to national development.



Investments to Reach the Target:
65% mCPR
13% Unmet Need

Direct Healthcare Costs averted:
less need for antenatal, delivery and post abortion care.



Invest more productively
Savings can be invested in education and health. Women will be able to continue their education, enter the labour market and contribute more to society.

The demographic dividend
Changing age structures and focused investments on young people will increase the number of healthier, better educated adults in society, boosting economic growth.

Costs and Benefits of Family Planning in Lao PDR

Increasing financial investment in family planning commodities in Lao PDR can have a very attractive rate of return-on-investment: spending \$1 dollar on contraceptives can reduce the cost of pregnancy-related care by \$7, and save millions of dollars in direct healthcare costs.

Furthermore, shifting towards long-acting reversible contraception (LARC) should be promoted. These methods are less costly in the long run, less vulnerable to stock outs, and provide women and their partners with long-term and more effective protection against unplanned or unsafe pregnancies.

In 2016, mCPR in Lao PDR was 48.5 percent among married and in-union women, with an unmet need for family planning of 20 percent. An estimated 618,000 women were using modern family planning methods, among whom 90,000 were using LARC (14 percent).

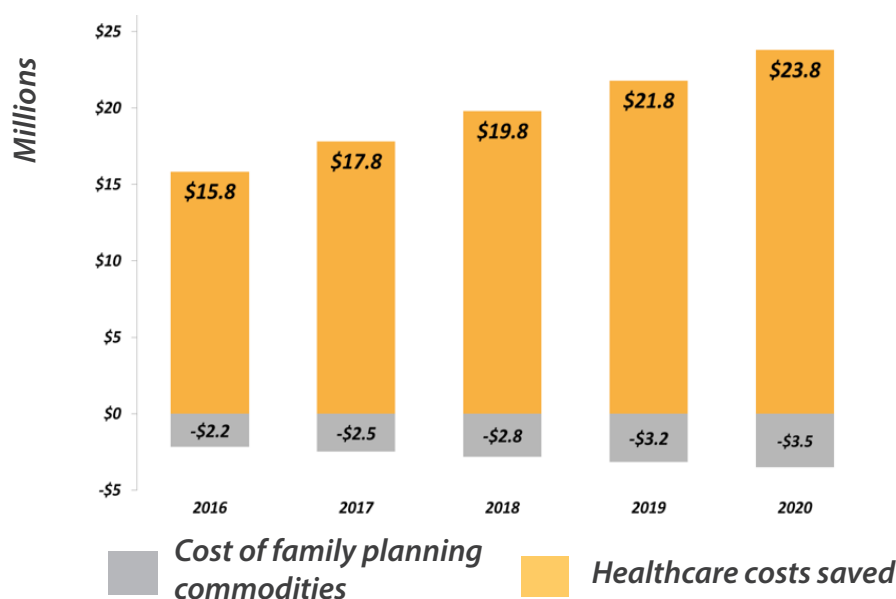
By 2020, Lao PDR aims to increase mCPR to 65 percent and decrease the unmet need to 13 percent, with a focus on shifting towards a higher proportion of LARC users. This means that mCPR has to increase by

16.5 percent and unmet need reduced by 7 percent by 2020.

Expenditures for contraceptive commodities amounted to 2.2 million USD in 2016, including all sources of financing (public, private, donors and NGOs). This investment helped to avert almost 16 million USD in healthcare costs for Lao PDR society by reducing unintended pregnancies, abortions and the extra need for maternal and newborn healthcare. **In order to reach the committed targets, however, additional gradual increases in FP investments per year are required during 2016-2020.** Over time, annual expenditures on contraceptives should increase from 2.2 million USD in 2016 to 3.5 million USD in 2020, as shown in the graph below.

During 2016-2020, expenditures on contraceptive commodities should reach an overall amount of 14.1 million USD. The costs of spending will be offset greatly by the returns, as investing 14.1 million USD will save almost 100 million USD of averted healthcare costs in 2016-2020. Annually, the direct healthcare costs saved would increase from almost 16 million USD in 2016 to 24 million USD in 2020.

Annual expenditures on contraceptives and health care costs saved



By increasing expenditures on contraceptive commodities in this way, Lao PDR would benefit from an impressive return-on-investment of \$7 dollars for each \$1 dollar spent – a seven-fold increase.

POLICY RECOMMENDATIONS

- Increasing the investment in family planning commodities in Lao PDR can have a very attractive rate of return-on-investment: spending \$1 dollar on contraceptives can reduce the cost of pregnancy-related care by \$7, and save millions of dollars in direct healthcare costs averted
- Shifting towards long-acting reversible contraception (LARC) should be promoted. These methods are less costly in the long run, less vulnerable to stock outs, and provide women and their partners with longer-term and more effective protection against unplanned or unsafe pregnancies
- Making family planning services available to everyone who needs them is the most cost-effective investment that government can make. The provision of modern methods of contraception and counseling - backed up by comprehensive sexuality education - prevents unintended pregnancies and abortions, reduces maternal and child mortality and saves precious health care resources



Investing in family planning has enormous potential to save lives and resources. By prioritising family planning investments by 2020, Lao PDR will be able to dramatically improve the health of mothers and their children, save millions in healthcare resources and boost economic growth. These outcomes cannot and must not be neglected.

RESULTS AT A GLANCE - 2016 to 2020 in Lao PDR



\$7:\$1 Return on Investment

550,000 unsafe abortions averted



614 maternal deaths averted

966,000 unwanted pregnancies averted



6,130 child deaths averted



Ministry of Health
 Department of Hygiene and Health Promotion
 Vientiane, Lao PDR
 Tel: +856 (0) 21 214010

National Institute of Economic Research
 Kaison road, Ban Sivilay, Saythany
 Vientiane, Lao PDR
 Tel: +856 (0) 21 716028

United Nations Population Fund (UNFPA) Lao PDR
 Ban Hatsady, Lane Xang Avenue
 Vientiane, Lao PDR
 Tel: +856 (0) 21 267 777