

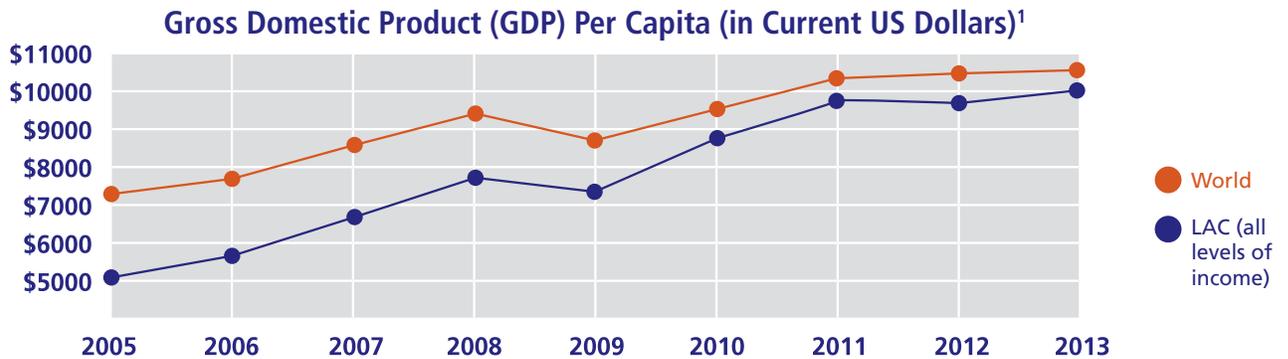
# Money Matters in Middle-Income Countries

## Funding Sexual and Reproductive Health in Latin America and the Caribbean (LAC)

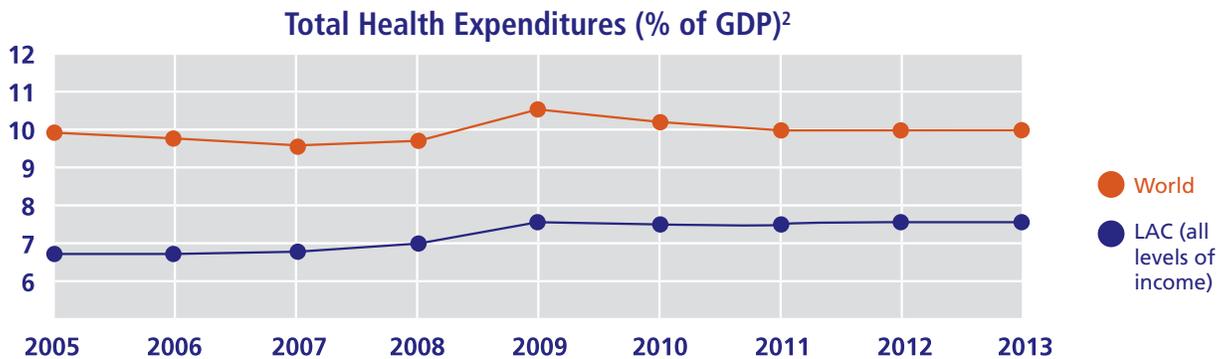
Despite a marked economic growth in Latin America in recent years, public health spending is still insufficient, and is far below the world average. In addition, official development assistance (ODA) to the region has been reduced, especially in the health sector. The result of

the reduction in ODA and inadequate financing for health in the region is that out-of-pocket expenditures are extremely high. This affects the fight against poverty in Latin America and the Caribbean, and exacerbates the already dramatic inequality in the region.

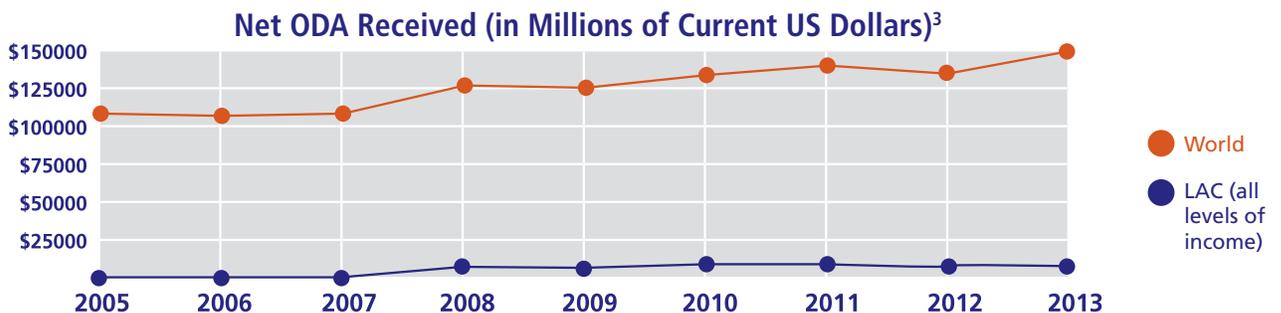
### 1. Marked Economic Growth in LAC



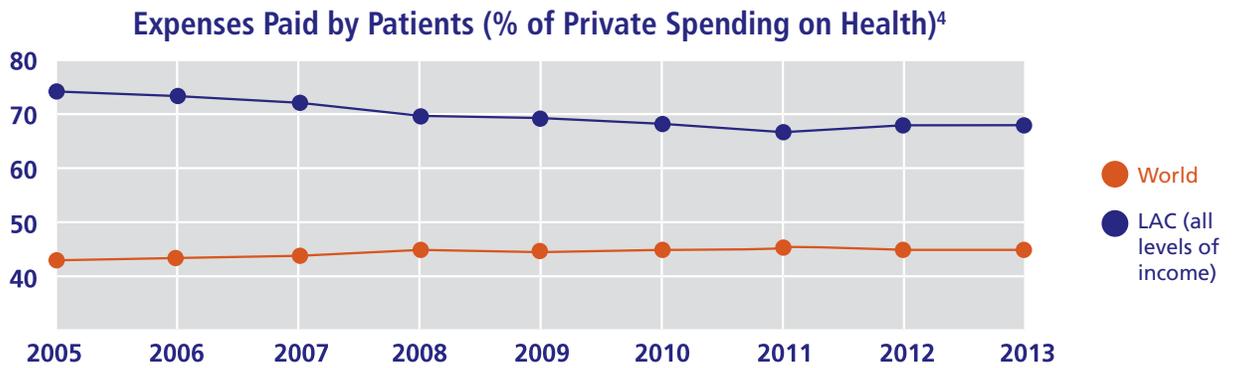
### 2. Health Expenditures Lower Than World Average — Stagnant Since 2009



### 3. ODA to LAC a Small Part of Global Total — and in Decline



#### 4. High Out-of-Pocket Expenditures Compared to World Average



#### Necessary Funding for Financing the Cairo Programme of Action<sup>5</sup>

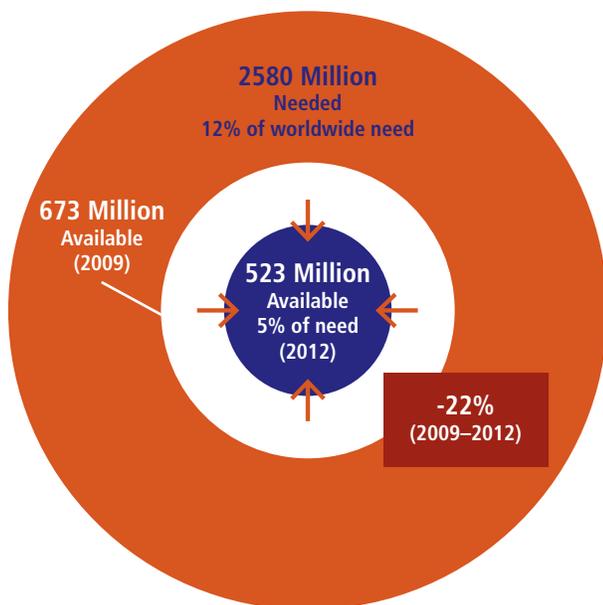
The Cairo Programme of Action — agreed to by 179 governments in 1994 — set out an ambitious agenda for ensuring access to sexual and reproductive health services. According to the United Nations Population Fund (UNFPA), carrying out the Programme of Action

in Latin America and the Caribbean required 7.77 billion USD in 2012, from which — as stipulated in the Programme of Action — 1/3 had to be mobilized by international donors and 2/3 by countries in LAC.

#### Available Financing for the Programme of Action in LAC<sup>6</sup>

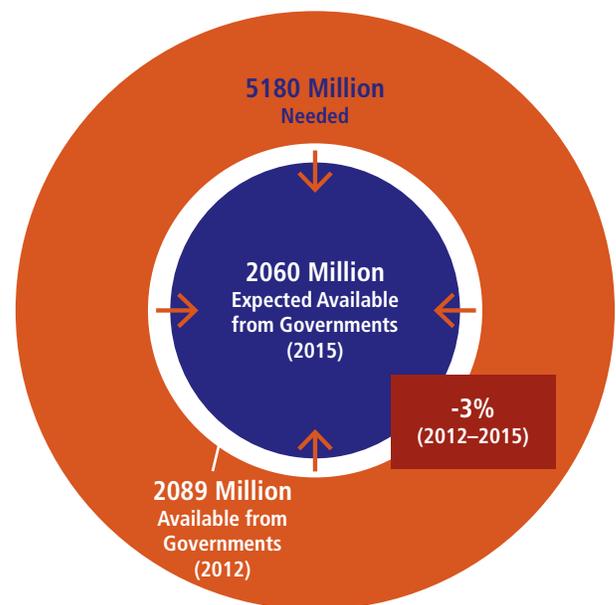
##### Official Aid for the Programme of Action (2012)

Gap of USD\$2 Billion and  
Reduction of 22% Since 2009



##### Domestic Resources in LAC (2012)

More Than USD\$2 Billion Gap and  
Expected Decrease of 3% from 2012 to 2015



## Recommendations

### For International Donors

International funding for the Montevideo Consensus<sup>9</sup> must provide the necessary funds estimated for fulfillment of the Programme of Action — 1/3 of the total amount needed, as agreed.

In line with civil society's recommendations for the zero document of the International Conference on Financing for Development, the international community must establish regional schedules and projections for financing sexual and reproductive health in order to ensure an increase in funds. The percentage of funds for LAC in relation to funds at the global level must be increased from today's 5% to the 12% that is necessary.<sup>10</sup>

Donors who continue to take an interest in the region — such as USAID or the Spanish Agency for International Development Cooperation — must revisit their current funding for sexual and reproductive health in LAC. Their contribution is extremely important.

European donors that have graduated some countries in the region must secure a minimum percentage of funds for global calls for LAC and middle-income countries. In some cases, donors should revise their graduation decisions and develop adequate transitional plans that involve participation from civil society.

Multilateral banks must include specific funding goals for sexual and reproductive health in LAC. Banks should also ensure the inclusion of high-priority LAC countries in the Global Financing Facility, expand the Salud Mesoamérica 2015 Initiative<sup>11</sup> to other countries, and ensure adequate funding for civil society.

UNFPA must continue funding and ensuring the publication of *Financial Resource Flows for Population Activities*, prepared by the Netherlands Interdisciplinary Demographic Institute. Moreover, UNFPA must continue to ensure adequate funding for its Latin American regional program.

In general, donors should prioritize resources that (1) support national-level funding; (2) provide financial resources for the most in-need and marginalized populations that are not adequately covered by national resources; and (3) ensure funding for civil society

## Out-of-Pocket Expenses<sup>7,8</sup>: 33.5% – Still on the Rise

- One out of every three dollars spent in LAC to finance services and supplies for sexual and reproductive health is paid by consumers as an out-of-pocket expense.
- In LAC, most contraceptives are purchased as out-of-pocket expenses. Contraceptives are one of the highest-selling medical items for pharmacies in the largest countries of the region (i.e., Argentina, Brazil, Colombia, Mexico, Peru and Venezuela). This reliance on out-of-pocket expenses is one of the most regressive ways to finance health.

organizations working on advocacy issues that depend on international cooperation to continue their work.

### For LAC Governments

Develop national funding plans for sexual and reproductive health that ensure the integration of plans and budgets for sexual and reproductive rights and health with other strategies and budgets, including those for education, youth, and gender.

Protect funds by earmarking and locking in resources, or by enlarging already committed funding lines for sexual and reproductive health and rights.

Consolidate demand and guarantee accountability. The Country Accountability Frameworks promoted by the Commission on Information and Accountability for Women and Children's Health provide a helpful reference for the development of national plans.

Explore funding strategies such as earmarking income from taxes — such as tobacco taxes — for sexual and reproductive health. Reorganize budgets (use taxes from the finance or military sector, for example) or restructure debt.<sup>12</sup>

## References

- <sup>1</sup> World Bank, *GDP Per Capita (Current US\$)*. <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD/countries/1W-ZJ?display=graph> (accessed May 5, 2015).
- <sup>2</sup> World Bank, *Gasto en salud, total (% del PIB)*. <http://datos.bancomundial.org/indicador/SH.XPD.TOTL.ZS/countries/1W-ZJ?display=graph> (accessed May 5, 2015).
- <sup>3</sup> World Bank, *Ayuda oficial neta para el desarrollo recibida (US\$ a precios actuales)*. <http://datos.bancomundial.org/indicador/DT.ODA.ODAT.CD/countries/1W-ZJ?display=graph> (accessed May 5, 2015).
- <sup>4</sup> World Bank, *Gastos desembolsados por el paciente (% del gasto privado en salud)*. <http://datos.bancomundial.org/indicador/SH.XPD.OOPC.ZS/countries/1W-A5-A4-ZJ?display=graph> (accessed May 5, 2015).
- <sup>5</sup> United Nations Population Fund (2014) *Financing the ICPD Programme of Action: Data for 2012, Estimates for 2013/2014, Projections for 2015*. New York: UNFPA. <http://www.unfpa.org/admin-resource/financing-icpd-programme-action-2014>
- <sup>6</sup> United Nations Population Fund and Netherlands Interdisciplinary Demographic Institute (2012) *Financial Resource Flows for Population Activities in 2012*. New York: UNFPA. <http://www.unfpa.org/sites/default/files/pub-pdf/GPAR%202012%20Sept.pdf>
- <sup>7</sup> Tobar, Federico (2013) *The Middle Income Trap: A Growth Crisis for the Reproductive Health Supply Security Financing in Latin America and the Caribbean*. New York: UNFPA. <http://lac.unfpa.org/sites/lac.unfpa.org/files/pub-pdf/Reproductive%20Health%20Supply%20financing%20in%20LAC%20countries20013.pdf>
- <sup>8</sup> United Nations Population Fund and Netherlands Interdisciplinary Demographic Institute (2012) *Financial Resource Flows for Population Activities in 2012*. New York: UNFPA. <http://www.unfpa.org/sites/default/files/pub-pdf/GPAR%202012%20Sept.pdf>
- <sup>9</sup> The Regional Conference on Population and Development was held in 2013 in Montevideo, Uruguay, to assess progress on the implementation of the Cairo Programme of Action. Representatives of 38 countries in Latin America and the Caribbean adopted a historic agreement, the Montevideo Consensus on Population and Development.
- <sup>10</sup> United Nations Population Fund and Netherlands Interdisciplinary Demographic Institute (2012) *Financial Resource Flows for Population Activities in 2012*. New York: UNFPA. <http://www.unfpa.org/sites/default/files/pub-pdf/GPAR%202012%20Sept.pdf>
- <sup>11</sup> The Salud Mesoamérica 2015 Initiative is a public-private partnership aimed at reducing health gaps in Central America faced by those living in extreme poverty.
- <sup>12</sup> High-Level Task Force for ICPD (2015) *Policy Considerations for Financing Sexual and Reproductive Health and Rights in the Post-2015 Era, 7*. New York: High-Level Task Force for ICPD. <http://icpdtaskforce.org/resources/HLTFfinancingSRHRBrief.pdf>

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International Planned Parenthood Federation/Western Hemisphere Region is a leader in the international movement to ensure access to sexual and reproductive healthcare as a human right for all.