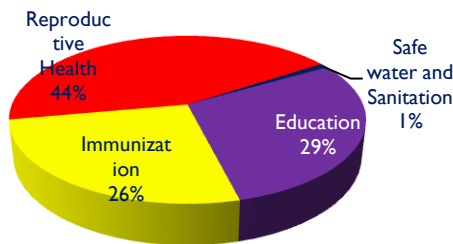


WHY INVESTING IN FAMILY PLANNING IS NECESSARY FOR PAKISTAN

Governments, including the Government of Pakistan, protect the lives, health and rights of their citizens. These social and public goods require some investments. Since there are many competing priorities for funding, governments want to know the extent and types of investments that they should consider. Every child born incurs direct, indirect and opportunity costs due to additional expenditures on food, health, education, employment, energy and infrastructure. There is a growing worldwide recognition that governments can significantly save these costs by proactively funding Family Planning (FP) services¹.

Economists estimate that every USD 1 spent on FP saves USD4 in an economy². This ratio of savings to investments is even high higher - USD 2-132 - in developing countries. For example, each USD1 invested in reducing current unmet need can result in a saving of USD1.4 in terms of maternal and newborn health care costs alone³. The reduced requirements for spending on education, immunization and other socio-demographic indicators are additional to these savings.

Breakdown of Costs Savings from Births Avoided 2010-20



Cost-Benefit Analysis for FP Investment in Pakistan

We estimated the costs of maternal and child health, childhood immunization, education and water & sanitation for each additional child born in Pakistan.

On average the present CPR of 30%, prevents 650,000 births each year. Maintaining this current CPR would result in average savings of approximately USD 98 per child during the period of 2010-20. In other words, every USD 1 spent on FP will yield savings of USD 5.4.

National CPR has increased by 0.5% annually since the 1960s. The table above compares the annual projected cost savings in 2015 if CPR continues to grow at the current 0.5% (and will be around 37% in 2015) versus the cost savings that would be possible if MDG targets were achieved (i.e. 45% CPR). While the investments in FP that are required are nearly the same, between the two scenarios, meeting MDG targets will save more than USD26 million⁴ in social sector expenditures.

Cost-Benefit Analysis for Family Planning (in millions of USD)			
	Projected for 2015, based on 0.5% increase in CPR/ year	Based on meeting MDG targets (CPR: 45%)	2013 - 2017
Education	24	50	118
Immunization	19	20	97
Motherhood costs	32	33	163
Safe water and sanitation	0.7	0.7	3.4
Total cost	76	103	381
FP Investments Required	14	14	70
Benefit-Cost Ratio	5.5	7.3	5.4

CONCLUSIONS AND RECOMMENDATIONS

- Meeting MDG CPR targets can save up to USD 7.3 for every USD 1 invested in FP or a net savings of more than USD 89 million by 2015 for a modest investment of USD14 million in FP.
- Mere investments alone, without accountability and efficiency are unlikely to lead to these savings as seen from the experience of the decade of 2000-10 when high levels of funding did not achieve any change in CPR.

The third column projects cost savings based on actual CPR growth rates over the next 5 years (2013-17) and indicates that Pakistan will save more than USD380 million in social sectors alone by investing USD70 million in FP

A word of caution is warranted. These savings will be realized only if FP programs are effective and accountable for results. In fact, **this investment is significantly less than 2 years of what Pakistan spent on FP (USD 51 million/ year)⁵ in the past decade, when the national CPR did not change at all!** This suggests that the progress in improving CPR is not constrained by funding but is rather a product of inefficiencies, lack of accountability and the inability to getting the communities to patronize available services.

- 1 The Futures Group/ USAID. The Cost of FP in Mali. 2010.
- 2 The Futures Group/ USAID. The Cost of FP in Ethiopia. 2010.
- 3 The Futures Group/ USAID. The Cost of FP in Kenya. 2010.
- 4 Frost, J.J., Finer, L.B., and Tapales, A., 2008. The Impact of Publicly Funded Family Planning Clinic Services on Unintended Pregnancies and Government Cost Savings, Journal of Health Care for the Poor and Underserved 19 (2008): 778-796.
- 5 Singh, S., and Darroch, J.E., 2012. Adding It Up: Costs and Benefits of Contraceptive Services Estimates for 2012. UNFPA.
- 6 Total cost based on MDG goal – Total cost on projected CPR
- 7 London Family Planning Summit, June 2012

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For Comments and Information please contact:



Research and Development Solutions

www.resdev.org/e2pa

Phone: +92 51 2611 746

Dr. Ayesha Khan ayesha@resdev.org
Dr. Adnan Khan adnan@resdev.org