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**PARAGUAY**

## STATE OF THE PRACTICE BRIEF

# Guaranteeing Widespread Access to a Broad Choice of Contraceptives

**A vibrant private sector facilitates the ability of families to choose, obtain, and use contraceptives; next steps should focus on further targeting free services to those who need them the most.**



DELIVER, 2005

*Ministry of Health and Social Welfare staff during an interview to assess contraceptive availability in the Areguá Health Center, Asunción Central Region, Paraguay*

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**Contraceptive security has been achieved when individuals have the ability to choose, obtain, and use quality contraceptives and condoms whenever they need them.**

Despite a history of unstable family planning (FP) programs since 1977, in recent years Paraguay has made remarkable gains in contraceptive prevalence rates and ensuring increased availability of FP services for all. Consequently, the total fertility rate has dropped from 4.3 to 2.9 births per woman.<sup>1</sup> This indicates an increased knowledge about contraception as well as empowerment of women in Paraguay to choose, obtain, and use the contraceptive methods that are best suited for them.

According to the Human Development Index,<sup>2</sup> Paraguay—which is bordered by Bolivia to the north, Brazil to the north and east, and Argentina to the south and west—is a middle-income country that is making medium progress toward achieving human development goals. Its estimated population of approximately 6 million is predominantly urban, with 58 percent of residents living in towns and cities.<sup>3</sup> About 33 percent of the population lives below the international poverty line of U.S.\$2 a day, and the gross national income per capita is estimated at U.S.\$4,817.<sup>4</sup>

The main contraceptive providers in Paraguay are commercial pharmacies, the Ministry of Health and Social Welfare (MOH), the Center for Population Studies of Paraguay, private clinics, and PSI/Paraguay, a social marketing nongovernmental organization (NGO).

Between 1998 and 2004, when the contraceptive prevalence rate (CPR) made a dramatic leap from 57 to 73 percent, use of modern contraceptive methods showed equally dramatic gains, increasing from 48 to 61 percent nationally, and from 41 to 55 percent in rural areas. As market segmentation analysis shows,<sup>5</sup> when disaggregated, modern methods use—i.e., use of voluntary sterilization,



condoms, injectables, pills, and intrauterine devices (IUDs)—is nearly 20 percent for each method.<sup>6</sup>

Of particular significance is the dramatic increase in prevalence for the youngest and oldest married women. These two age groups have the highest rates of maternal morbidity and mortality and of adverse pregnancy outcomes. One of the most valuable indicators of increased knowledge of contraceptives is the sharp rise in prevalence among married women ages 15–19; traditionally, this has been the age group with the lowest prevalence rate in Paraguay. Within this group, prevalence rose almost 50 percent from 42 percent in 1998 to 61 percent in 2004.<sup>7</sup> Significant gains in CPR can help reduce maternal mortality rates among these two age groups in the years to come.

Certainly, upward trends in prevalence are a positive force for achieving contraceptive security (CS). However, despite these outstanding gains, the country still faces the challenge of reaching women who presently do not have access to contraception: unmet need for FP was seven percent<sup>8</sup> among women in union.<sup>9</sup> Efforts to satisfy this need will help Paraguay reach its maternal and child health goals and ensure sustained CS in the long run.

### **POLITICAL COMMITMENT SETS THE STAGE FOR ACHIEVING CONTRACEPTIVE SECURITY**

Long years of political instability characterized MOH FP programs until the enactment of Article 61 of Paraguay's Constitution established the right of every individual to freely and responsibly decide the number and spacing of their children. As a result, the current administration has taken action to make reproductive health and FP priorities in the Paraguayan National Health Plan and in the National Reproductive Health Plan. At a time when international donor assistance is being phased out, commitment and leadership that favors financing for reproductive health is fundamental for achieving CS in Paraguay in the future.

In 1994, the National Council for Reproductive Health was formed (Decree # 3197). This council includes government institutions dedicated to

reproductive health and FP, NGOs such as the Organization for Promotion and Improvement of Health (PROMESA), professional associations in such areas as obstetrics and gynecology and other physician associations, cooperating agencies, and private-sector agencies such as the Chamber of Pharmacies of Paraguay.

One of the most proactive subcommittees on the National Council for Reproductive Health is the Contraceptive Security Committee, led by the MOH. This committee includes members from governmental and nongovernmental institutions, the private sector, and donor agencies. While the committee does not include representation from the Senate or the House of Representatives, it has strong advocates within both legislative chambers. Recent committee activities include advocacy for securing financial resources for contraceptives and strengthening the logistics management capacities of the MOH. Another recent accomplishment of the committee is development of the Contraceptive Security Strategy and Implementation Plan (2006–2010), which was approved by the National Council for Reproductive Health in May 2006. This plan includes various indicators that will help monitor and evaluate progress toward achieving sustained CS in Paraguay.

As a result of advocates' stamina and commitment to reproductive health, in May 2006 Paraguay's Congress sanctioned a new law entitled Funding of Reproductive Health Commodities and Safe Birth Kits, which directly earmarks funds to procure reproductive health commodities, including contraceptives. The leadership of both Congress and the MOH was key to expediting approval of this law. This decision helps respond to gradual reduction in contraceptive donations over the next few years. Furthermore, this groundbreaking law guarantees full funding for all MOH reproductive health and FP supplies on the basis of projections of future needs; this goes further than most other countries in the LAC region toward sustaining contraceptive availability by ensuring funding even when the demand for contraceptives continues to grow.

At the policy level, the National Reproductive Health Plan 2003–2008 was developed by the National Reproductive Health Council with broad participation of leaders and civil society groups at national, regional, and local levels. In 2003, this plan was officially approved through ministerial and executive decrees and has begun to institute the services that Paraguayan law now requires the government to provide and fund.

### **THE MOH IMPLEMENTS A PHASEOUT PLAN TO GRADUALLY ABSORB COSTS OF CONTRACEPTIVES**

The Government of Paraguay, through the MOH, has progressively recognized the need to increase funding for procurement of contraceptives to help reduce unmet need, particularly for the lowest socioeconomic groups. For example, as a result of increasing recognition of the public-sector role in providing contraceptives, Paraguay is one of the few countries that now have a contraceptive line item in their national budgets. Furthermore, one of the MOH indicators of achievement of sustained CS is the percentage of contraceptive value covered by government funds.

Until 2001, international donors were the only financial source for contraceptives for the public sector. In 2003, donors covered 95 percent of total need, at an annual average cost of U.S.\$500,000. In the same year, and for the first time, the MOH purchased small quantities of contraceptives with government funds, equivalent to five percent of total need. In addition, in May 2006, the MOH signed an agreement with the United Nations Population Fund (UNFPA) that set up a procurement mechanism for contraceptives with Government of Paraguay (GOP) funds. Another memorandum of understanding will also be signed shortly between the GOP, the U.S. Agency for International Development (USAID), and the UNFPA that commits the GOP to gradually assume full financial responsibility for contraceptive procurement by 2009.

In addition to MOH funds, another government source of financing for contraceptives is the social pharmacy mechanism (*farmacias sociales*), which manages seed money to buy medicines and medical supplies, including contraceptives. These social pharmacies are linked to MOH facilities and are

managed by regional and local health councils. USAID has supported this strategy as it is both a sustainable financing mechanism and a potential model for expanding contraceptive access for the poor in the future.

### **A VIBRANT PRIVATE SECTOR COVERS 60 PERCENT OF THE CONTRACEPTIVE MARKET SHARE**

In Paraguay, involvement of the private commercial sector in providing affordable contraceptives—while the public sector serves those in the lowest income strata—has been the most equitable and efficient way to meet contraceptive needs.

The 2004 Reproductive Health Survey revealed that the private sector plays a predominant role in Paraguay's contraceptive market. Private-sector provision accounted for 61 percent of the market in 2004, with pharmacies serving 50 percent of contraceptive users. Paraguay's pharmacies offer commercial and social marketing brands spanning a wide price range, making them affordable for most consumers. The presence of social marketing brands has been possible in part through USAID's support to PROMESA, an NGO working in FP, and more recently, PSI/Paraguay, which provides a wide range of contraceptives in private pharmacies.

Compared with other countries that show an opposite trend with a declining private sector, the current contraceptive market in Paraguay serves 40 percent of FP users through the public sector and 60 percent through the private sector. The expansion of private-sector users is due, in part, to frequent public-sector stockouts. Historically, the private sector took advantage of the stockout situation and worked to fill in the shortfall. As a result, the private sector has built up a large share of the market in Paraguay. This has created a mix of public and private providers that has helped strengthen the country's ability to achieve sustainable CS.

### **THE FUTURE HOLDS MORE CHALLENGES**

Paraguay's FP community has been successful in increasing the CPR and in reducing unmet need for FP. Simultaneously, the FP community has provided incentives and a policy environment conducive to strong participation of private-sector FP and

contraceptive service providers. Still, despite these and other important steps toward achieving CS and maintaining gains over time, Paraguay must respond to a number of challenges in the future.

One of Paraguay's primary challenges is to ensure that public-sector funds, earmarked under the most recent law, are utilized to purchase contraceptives, identify strategies for targeting those resources to the poor, and ensure those contraceptives are sent to service delivery points in a timely way. The GOP can also work toward enabling the Social Security Institute to provide FP services to its affiliates and beneficiaries; defining strategies to target segments of the population with high unmet need, especially low-income women; strengthening MOH capacity to effectively implement the newly defined procurement mechanism through the UNFPA; and improving and institutionalizing all functions of the logistics system, including the logistics management information system and supervision and monitoring systems.

Moreover, advocacy and leadership initiatives are crucial to strengthening the capacity of civil society to socially audit and oversee the GOP budget for contraceptive procurement. Continued involvement and leadership to further CS by the multisectoral National Council for Reproductive Health will be critical from this point on. It is also important to solidify linkages between the Contraceptive Security Committee and the National Council for Reproductive Health through broader participation of civil society and private-sector representatives on the Contraceptive Security Committee.

Furthermore, the MOH faces the challenge of increasing access to FP services for postpartum women who want to space births or limit the size of their families, including long-term methods such as voluntary sterilization. For instance, the private sector has growth potential in voluntary sterilization

and IUDs especially if providers increase targeting to wealthy users, who are currently using the public sector for these methods, thereby freeing up public-sector resources for those without an ability to pay for these services.

Finally, as the decentralization process in Paraguay is progressively implemented, careful analysis of decentralization of certain logistics functions must be exercised to mitigate the possible negative consequences that decentralization reforms may have on provision of reproductive health and FP services. A careful study of lessons learned from other countries will be useful in avoiding stumbling blocks on the pathway to achieving sustained CS in Paraguay.

## ENDNOTES

1. Center for Population Studies of Paraguay with USAID, UNFPA, Centers for Disease Control and Prevention, and International Planned Parenthood Federation. 2005. *Paraguay: National Reproductive and Health Survey 2004*. Atlanta: Centers for Disease Control and Prevention.
2. World Bank. 2006. "Beyond Economic Growth." <http://www.worldbank.org/depweb/beyond/global>.
3. USAID. June 2006. *Country Health Statistical Report*. <http://dolphn.aimglobalhealth.org>.
4. World Bank. 2006. "World Development Indicators." <http://devdata.worldbank.org/wdi2006/contents/index2.htm>.
5. Market segmentation analysis refers to the process of using data from surveys and statistical analyses to divide the FP market into subpopulations whose reproductive health needs, characteristics, or practices require special-service provision or marketing strategies. Market segmentation can help identify ways to increase the efficiency and effectiveness of contraception-allocated resources so as to better serve unmet need. In general, the expected result is a better allocation of resources, which in turn will foster contraceptive use prevalence and increase CS.
6. Hudgins, A.A., et al. Forthcoming. *Paraguay Market Segmentation Analysis: Draft for Discussion*. Arlington: DELIVER, for the U.S. Agency for International Development.
7. See note 1 above.
8. Although the original estimate of unmet need published in the Paraguay Reproductive Health Survey was 15 percent, the CDC has made subsequent corrections to the data that resulted in a lower estimate of unmet need than originally published in the report.
9. See note 1 above.

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