

# Strategies Adopted by Caribbean Family Planning Associations to Address Declining International Funding

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In response to high rates of fertility and population growth from the 1950s through the 1990s, many Caribbean countries adopted some form of family planning program.<sup>1</sup> These programs, in combination with increased female educational enrollment and labor force participation, have been successful in reducing population growth: In Barbados, for example, the crude birth rate declined by 22% from 1978 to 1998, while the total fertility rate declined by 19% from 1980 to 1990.<sup>2</sup>

Most Caribbean family planning associations rely on funding from local, national and international sources. One such source, the International Planned Parenthood Federation (IPPF), has implemented a phased reduction in its funding of family planning services in Latin America and the Caribbean. This reduction is mainly the result of two events, a reduction of IPPF funding by the Japanese government and the earmarking of IPPF donations by several contributing countries for use only in Africa and Asia, which occurred in the mid-1990s.

In light of its diminished funds, IPPF has adopted the United Nations Population Fund's prioritization system, which allocates money according to need. Although African and Asian countries have been graded as high-need areas (category A), most Caribbean countries have been designated as areas of midlevel need (category B) and have experienced funding reductions. Two Caribbean countries, the Bahamas and Barbados, have been graded as areas of low-level need (category C) and are slated for an elimination of funding by 2005.

Between 1997 and 1998, IPPF funding for the Family Planning Association of Trinidad and Tobago dropped by 21%, from US\$255,961 to US\$202,880. Funding for the Grenada Planned Parenthood Association was also cut by more than one-fifth, from US\$92,515 in 1997 to US\$71,625 in 1998. The Barbados Family Planning Association was hit even harder: It experienced a 20% reduction in unrestricted cash grant funding, from US\$96,687 to US\$77,471, and a 73% cut in restricted funding, from US\$20,709 to US\$5,523—an overall reduction of 29%. (Restricted grants are provided for specific purposes, however, and are not usually intended to continue from year to year.) In contrast, IPPF raised its funding for the Jamaican program, FamPlan, from US\$144,579 in 1997 to US\$174,692 in 1998—an increase of 17%. This increase, however, was offset by the loss of approximately US\$30,053 in funding from the U.S. Agency for International Development (USAID); no other country reported decreased funding from USAID.

The reduction of IPPF funding has made it increasingly

difficult for Caribbean family planning associations to provide programs and services. Given this situation, as well as the pivotal role played by family planning associations in the fight against HIV in the Caribbean, a look at the funding of Caribbean family planning associations and how that funding affects their ability to provide sexual and reproductive health services is warranted. How have providers weaned themselves from heavy reliance on external funding? Have they been able to obtain more local funding and achieve self-reliance?

## THE SURVEY

A questionnaire designed to collect information on services, funding and financial strategies was administered to the family planning associations of five Caribbean countries: Antigua, Barbados, Grenada, Jamaica, and Trinidad and Tobago. The countries were randomly selected from a geographically stratified sample to ensure representation from the broad geographic regions of the Caribbean.

The survey was sent to the executive director of each participating family planning association, and a representative of each program was asked to report on its funding (sources and amounts) for 1997 and 1998, on the potential impact of reduced funding and on the strategies it was implementing or planned to implement to deal with reduced funding. So that each association would have the opportunity to describe its individual and local situation in detail, some of the questions regarding impacts and strategies were open-ended; the responses to such questions have been presented as they were reported. In addition to the survey, face-to-face interviews were conducted with the executive directors of the family planning associations in Barbados and Antigua. Results from the survey were also supplemented and cross-checked with information from the associations' annual reports.

Although the bulk of funding for Caribbean family planning associations has historically come from IPPF and the governments of their respective countries, these programs have also received money from such diverse sources as government grants; other governmental assistance (provision of duty-free concessions on materials and commodities); corporate, family and individual memberships and subscriptions; and clinical fees.

## STRATEGIES

The declining funding from international sources underscores the need for Caribbean family planning associations to identify, develop and implement new measures to secure

**TABLE 1. Total amount and percentage distribution of funding obtained by family planning associations in selected Caribbean countries, by source, 1997 and 1998**

Source	Barbados		Grenada		Jamaica*		Trinidad and Tobago*	
	1997	1998	1997	1998	1997	1998	1997	1998
<b>Total funding (in US\$)</b>	<b>591,878</b>	<b>680,444</b>	<b>166,671</b>	<b>127,017</b>	<b>358,273</b>	<b>397,994</b>	<b>741,120</b>	<b>783,435</b>
<b>Percentage distribution</b>								
Government subsidy	57.0	57.0	na	1.4	na	na	21.5	20.3
IPPF	19.8	12.2	55.5	56.4	40.4	43.9	34.5	25.9
Other international	0.5	na	12.7	na	15.8	3.1	7.8	14.9
Release of inventory funds	2.2	2.1	5.9	7.0	5.9	3.7	na	na
Release of fixed-asset funds	0.8	0.7	3.5	4.6	5.0	4.4	na	na
Contraceptive sales and fees	15.0	19.3	10.1	16.3	20.1	24.6	na	na
Fund-raising	1.5	2.6	1.7	0.3	3.6	1.8	na	na
Membership and subscription	na	na	0.9	1.1	0.3	0.5	na	na
Other	3.2	6.1	9.6	12.9	8.9	18.0	36.2	38.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\*Approximate conversion from local currency using average exchange rates for 1998. Source: United Nations (UN), *World Statistics Pocketbook*, 1999, New York: UN, 2000. Note: na=not applicable.

additional revenue. Several countries have adopted innovative approaches to obtain adequate resources (especially financial resources) and to achieve self-sufficiency. Implementation of such measures has succeeded in decreasing the extent of some associations' reliance on IPPF funding, while increasing the proportion of funding from other sources (Table 1). Although there are some strategic similarities across the region, there are also some important differences.

### Antigua

For many years, the Antigua Planned Parenthood Association was funded entirely by IPPF (not shown). Between 1997 and 1998, however, the proportion of the association's budget contributed by IPPF decreased to 50–60%, with the remainder coming from local fund-raising, contraceptive sales and service fees.\* Although the government of Antigua does not provide the country's Planned Parenthood with any direct subsidies, it has recently granted the association a concession to import needed supplies duty-free.

Of the strategies to achieve sustainability and self-sufficiency reported by the Antigua Planned Parenthood Association, the main approach involved a combination of cost-cutting ideas and prudent financial management. The association moved to a new, less-expensive location to reduce overhead costs, and introduced fees for most services (especially clinical services) to increase revenue. In addition, the program successfully lobbied the government to subsidize its utility costs, which are very high. The association was also attempting to obtain government funds to cover 60% of the salary of two staff members.

### Barbados

The IPPF funding phaseout forced the Barbados Family Planning Association to develop and implement a new strategic plan. In 1997, a task force of the association's governing council members, with the assistance of IPPF con-

sultants, developed, adopted and implemented measures to streamline the program. As part of the plan, the Barbados Family Planning Association underwent restructuring (e.g., changes in staffing and operational procedures) to make the program more accountable, efficient, effective and self-sufficient. A number of deficiencies were detected in the range of health services offered (e.g., unmet needs), which led to the introduction of 12 new services, including cryosurgery, colposcopy and infertility counseling.

The association, which had always provided services free of charge, began in 2000 to charge for some services (although needy persons who cannot afford the fees are not turned away).<sup>4</sup> The program also successfully lobbied the government for an increase in its annual grant.

In 1998, the association received US\$387,500 (57% of its total revenue) from the government. It also received an unrestricted cash grant of US\$77,471 (11% of total revenue) and a restricted grant of US\$5,523 from IPPF for a special project to serve men.<sup>3</sup> Although the association provided services free of charge in 1998, the program took in US\$131,424 (19%) from sales of contraceptives and other products. Fund-raising netted an additional US\$17,457 (3%). US\$19,702 (3%) came from the release of inventory and fixed-asset funds,<sup>†</sup> and US\$41,367 (6%) from "other" sources.

Thus, implementation of the strategic plan in 1998 resulted in a 15% increase both in government subsidies and in total revenue, despite the IPPF funding reduction. The association viewed the changes as being very positive, as is evident in the following statement from their annual report: "The year 1998 was one of exceptional growth and development. It was also a year of unprecedented trans-

\*The Antigua Family Planning Association did not provide detailed funding data.

†Inventory is the term used for in-kind donations, mainly commodities or family planning supplies. If any of these items are sold, the money obtained is put into an "inventory fund." Fixed-asset funds are analogous, although the money comes from the sale of fixed assets.

formation for the clinical and medical services of the association.”<sup>5</sup> The recent introduction of fees is likely to boost the program’s revenue even more and help it to achieve sustainability and self-reliance.

### Grenada

In Grenada, donations to the Planned Parenthood Association have been dwindling faster than the program has been able to handle comfortably. In response, the program has focused on finding the critical minimum resources required to provide basic family planning services.

The association intensified its lobbying of the government—reemphasizing the importance of combating HIV, sexually transmitted diseases and teenage pregnancy—and obtained some government assistance. The association also undertook a strong membership drive and began soliciting financial and material support from governmental agencies; individuals; agencies in the private-sector; and local, regional and international organizations. Increased fund-raising has become an important goal of the program, and the association has made it clear that it needs the assistance of organizations and businesses, as well as that of the general public. The program has also initiated a financial management approach aimed at efficient use of its limited resources.

In 1998, the program received its single largest grant, US\$71,625, from IPPF; this contribution constituted 56% of the program’s income for that year.\* The second largest source of funding was contraceptive sales, which yielded US\$20,803, or 16% of 1998 revenue. Other income included US\$8,879 (7%) from release of inventory funds, US\$5,781 (5%) from release of fixed-asset funds and US\$1,860 (1%) from government subsidies; 13% of the program’s funding in 1998 came from other small sources.<sup>6</sup>

Like the family planning association in Barbados, Grenada’s Planned Parenthood Association reported that it has been able to expand its focus programs, services and activities, in spite of reduced funding from international sources. It has especially expanded its information, education and communication programs.

### Jamaica

Like the family planning association in Barbados, Jamaica’s FamPlan restructured its operation to deliver services more effectively and efficiently. The association recorded declining services, mainly because their USAID-funded community-based distribution program came to an end. To keep staff costs manageable, excess staff were retrained to undertake vacant positions; those who could not be retrained were let go. FamPlan was careful to use the most cost-effective methods of service provision, and initiated a process to monitor the organization’s expenditures. FamPlan also shifted its focus from “heavy demographically oriented programs to broad sexual and reproductive healthcare, and greater

gender consciousness.”<sup>7</sup> In addition, FamPlan intensified its fund-raising, membership and subscription activities to improve its financial situation.

In 1998, FamPlan received an IPPF grant of US\$174,692, which constituted 44% of its total funding; the IPPF grant was made up of approximately half restricted and half unrestricted funds. In addition, the program received restricted grants totaling US\$12,376 (3%) from the Canadian International Development Agency and similar international organizations. FamPlan did not report receiving funding from the Jamaican government. Nearly 25% of FamPlan’s 1998 funding came from clinical and related fees, and from contraceptive sales. Release of fixed-asset and inventory funds each contributed 4% of the program’s income, while income from “other” sources constituted 18%. The proportion of revenue from fund-raising was 2% and from membership and subscription dues was less than 1%.

FamPlan also initiated a new strategic plan in the first quarter of 2002 to increase its revenue. This plan includes new methods for increasing income from services and will also explore the viability of expanding a small thrift shop enterprise currently run by FamPlan and the development of an empty lot owned by the program.

### Trinidad and Tobago

Faced with declining funding from international sources, the Family Planning Association of Trinidad and Tobago needed to obtain additional funding from both traditional and nontraditional sources. The multifaceted strategy (or sustainability plan, as it is called locally) implemented by the association includes an annual telethon, a drive to increase local sponsorship of the association’s programs, and a review of the existing fee structure (which resulted in slight increases in the cost of some services, especially clinical services). Like family planning associations in other study countries, the program in Trinidad and Tobago also turned to membership and subscription initiatives and to fund-raising activities to increase its income.

In addition, the association purchased the building in which it was located, improved its investment management system and revived its commercial arm, known as Profamilia Trinidad Limited. The association reports that its measures resulted in a 13% increase in locally generated funds.

The Family Planning Association of Trinidad and Tobago received US\$159,236 in government funds in 1998; this constituted 20% of the program’s income. The program also received US\$202,880 (26%) from IPPF and US\$116,606 (15%) from other international agencies. All told, 40% of the program’s income came from international donor agencies; local financial resources yielded US\$304,713, or 39% of the association’s yearly income.

## DISCUSSION

Caribbean family planning associations have adopted a number of new strategies to deal with decreased funding from international sources. Prudent financial management and restructuring (Barbados and Jamaica), business de-

\*IPPF funding for the Grenada Planned Parenthood Association decreased by 23% from 1997 to 1998; however, because the association’s total annual budget decreased during that time, IPPF funding represented approximately 56% of the association’s budget for each year.

velopment (Trinidad and Tobago) and the purchase of buildings housing family planning associations (Trinidad and Tobago) all have the potential to improve sustainability. The expansion of services and revision of fee structures (Barbados and Trinidad and Tobago) could increase revenue, while providing clients with a broader range of health care. In addition, the use of volunteers (Belize, Guyana and St. Lucia) could reduce the associations' costs and improve their relationship with the communities. Membership and subscription drives, corporate and individual sponsorship campaigns and other fund-raising activities are now major and integral sources of revenue for Caribbean programs. Most accept both cash and in-kind donations, regardless of amount.

In addition to these new approaches, many Caribbean agencies are looking to their respective governments to help with shortfalls caused by decreased funding from international sources. Family planning associations in some countries (Barbados and Trinidad and Tobago) have successfully lobbied their government for increased subsidies or for the right to purchase supplies duty-free.

Even if they can survive the loss of IPPF funding, Caribbean and Latin American programs face further difficulties. Family planning associations in Barbados, the Bahamas and Puerto Rico will not qualify for IPPF cash grants in 2005, while programs in Chile, Costa Rica, Panama and Uruguay will be defunded by 2007. In addition, many Caribbean countries are no longer being classified as poor by such international donors as the World Bank. This means that family planning associations must continue to devise new measures to generate funds or amend their operational practices to achieve sustainability.

Although the Caribbean family planning associations are making efforts to mitigate the impact of declining funding, the usual problems associated with small size apply: Overheads can be high, economies of scale may not be easily achieved and agencies may not be as secure financially as those in larger countries.

IPPF is attempting to lessen the blow caused by its funding decreases. The organization has provided consultants and technical assistance to enable the Caribbean family planning associations to begin to formulate plans. To this end, IPPF developed a tool, known as S 2000, that agencies can use to measure the level of sustainability of specific services, of individual clinics or of the association as a whole. IPPF has been helping the family planning associations in Trinidad and Tobago, Guyana and Barbados to use this tool to measure the gap between institutional expenses and income, and to define strategies to close the gap; the same will be

done in Suriname and Belize by mid-2002. Other efforts made by IPPF include special grants to assist sustainability and the provision of management information systems to help improve planning, reporting and overall efficiency.

If the family planning associations of Caribbean countries are not able to secure adequate funding through new sources, service provision will have to be curtailed or limited, which may have adverse consequences for the programs' family planning clients. Given that the Caribbean has the world's second highest incidence of HIV (after Sub-Saharan Africa), and that family planning associations play an increasingly important role in HIV prevention and counseling, any funding shortfall is likely to have a significant negative effect on the region's fight against HIV.

## CONCLUSION

The reduction in international funding is not unique to the Caribbean, although the region is among those hardest hit by recent cuts. What has happened there serves notice to family planning associations around the globe: Programs that have traditionally relied on external funding for operation may soon need other sources of revenue to support their activities and services.

Some of the strategies developed and implemented by the family planning associations of the Caribbean countries included in this study could be adapted or modified to needs in other countries. The success of these efforts should serve as an impetus for programs in other regions to begin to work toward achieving sustainability and self-reliance.

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