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Sustainability & Scalability of Voucher Programs

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Main Topics

- **A Public-Private Partnership Model for Vouchers: experience from 5 countries**
- **Scalability Challenges**
- **Sustainability Challenges**
- **Lessons for the future**

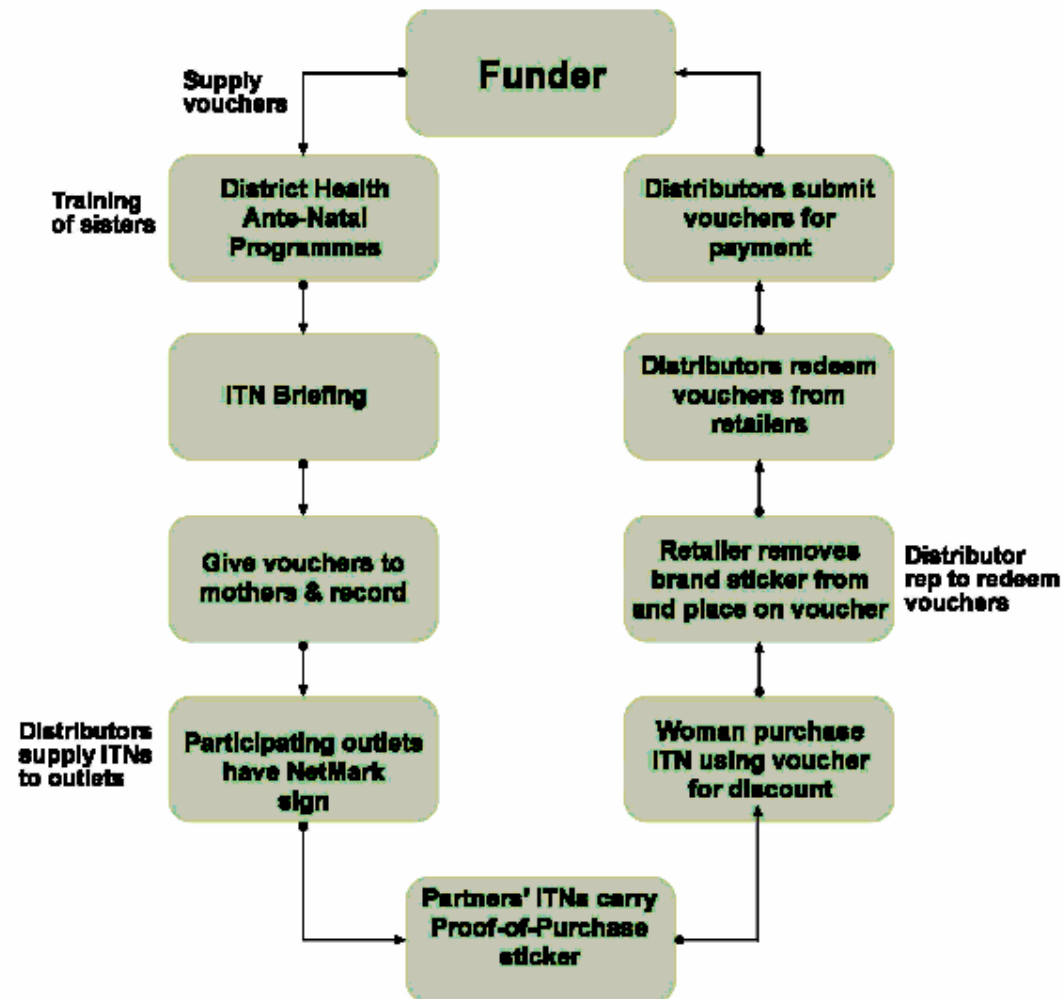
Case Study: ITNs in Africa

- Provide targeted subsidy for Insecticide Treated Nets to highly vulnerable groups (pregnant women, <5s)
- Maximize use of funds for the subsidy
- Minimize delivery costs (some social marketing programs spent \$5-\$15/ITN)
- Have health staff focus on health care and not on stocking, distribution, management, and sales of ITNs


PPP Voucher Model

- The **public sector** delivers the subsidy directly to the target group via a discount voucher.
- The **commercial sector** handles the logistics of purchasing, storing, transporting, tracking, and selling the product.

PPP Voucher Model



Discount Voucher

Mother's Name: _____ Address: _____ Ante Natal Card no: _____ Date: _____	<h2 style="text-align: center;">K15,000 OFF</h2> <p>Mobil Oil Zambia offers you this discount voucher on an Insecticide Treated Net. Only KO-Net, Fen Net and Iconet ITNs with the NetMark seal of quality are eligible for a discount. Valid until June 30, 2005.</p> <p>Trader's name: _____ Address: _____ Telephone no: _____ Date: _____</p> <p>A joint program of the Zambian National Malaria Control Centre of CBOH, Mobil Oil Zambia, NetMark and USAID</p> <p style="text-align: right;">    </p>
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**LOOK FOR THIS LOGO
ON PARTICIPATING
STORES AND NETS**



This voucher can be exchanged at any Mobil Mart, chemical shop or any trading store carrying the NetMark logo.

- This voucher entitles the holder to **K15,000** off any KO-Net, Fen Net or Iconet insecticide treated net.
- This voucher cannot be exchanged for cash or used to purchase other goods or services.
- Lost or stolen vouchers cannot be replaced.
- To redeem vouchers, retailers should contact either:

KO-Net EcoMed (01) 224 571 or (01) 224 785
Stand 694 Chachacha Road, Northend, Lusaka

FEN NET Cropserve (01) 286 949 or (01) 287 689
Plot 5055, Mungwi Road, Lusaka

ICONET Melcome Marketing & Distributors LTD.
(01) 288 194 or (01) 286 359
7200 Kachidza Road, Light Industrial area

TO THE RETAILER: Please allow K15,000 off the price of one KO-Net, Fen Net or Iconet carrying the NetMark Logo. At the time of sale, dealers must peel off the proof-of-purchase sticker from the ITN package and attach it to the voucher. Only vouchers with proof-of-purchase sticker will be redeemed. Misuse of this voucher constitutes fraud.

This offer expires on June 30, 2005

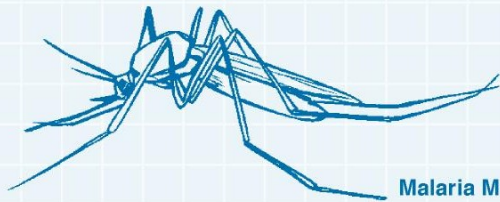
Proof of Purchase Stickers on Product



Health Worker Counseling Card

Malaria is transmitted by the night-biting *Anopheles* mosquitoes.

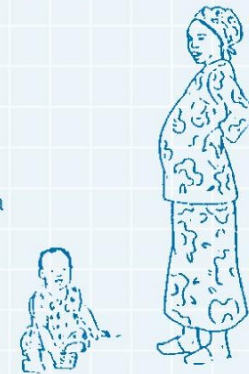
- 97% of malaria mosquito bites occur between 10pm and 6am



Malaria Mosquito

Pregnant women and children under five years of age are affected most by malaria.

- Malaria in pregnancy causes
 - Anaemia
 - Still births
 - Miscarriage
 - Children are more likely to die of malaria



Pregnant lady and a child

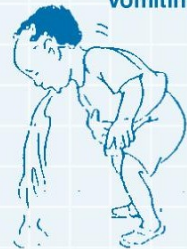
A person with malaria may have one or more of the following symptoms:

- Fever (sweating, feeling cold, shivering)
- Painful joints
- Loss of appetite
- Vomiting
- Diarrhea
- Convulsions (fits)

Headache



Vomiting

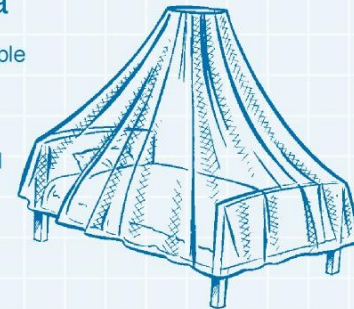


Fever



Sleeping under an Insecticide Treated Net (ITN) is the best way to prevent mosquito bites that cause malaria

- The insecticide is **SAFE** for people but repels and/or kills the *Anopheles* mosquito
- A net will last several years and is a good investment for a healthy life



help us  help

Mobil
We're drivers too.

Briefing Paper for Retailers

WHY USE ITNs?

ITNs Kill Mosquitoes!

The insecticide on ITNs repels or kills mosquitoes.

ITNs Help Prevent Illness and Death!

A treated net is twice as effective as a regular mosquito net.

ITNs Are Safe For Children!

The insecticide is approved by the World Health Organization and safe for babies, even if they suck on the net.

ITNs Save You Money!

They provide better all-night protection than aerosols and coils and last for years.

ITNs Protect You At The Most Dangerous Time!

Malaria-carrying mosquitoes mainly bite between 10 p.m. and 6 a.m. when most people are in bed.

HOW DOES THE DISCOUNT VOUCHER PROGRAM WORK?

1. Pregnant women in the Accra and Kumasi areas should go to their local antenatal clinic for a checkup and advice from health workers.
2. A health worker will counsel the woman on malaria and ITNs and provide her with a discount voucher that lowers the price of specific ITNs by **¢40,000**.

SAMPLE VOUCHER

Mother's Name:		¢40,000 OFF Mobil Oil Ghana offers you this discount voucher on an Insecticide Treated Net. Only PermaNet® or Dawa Net ITNs with the NetMark seal of quality are eligible for a discount.	
Address:			
ANC no:			
Date:			
Retailer's name:			
Address:		Place Sticker Here	
Telephone no:			
Date:			
In collaboration with the National Malaria Control Program of the Ghana Health Service with support from the USAID NetMark Program.		Mobil We're drivers too.	

3. The woman must take the voucher to any Mobil Mart or a local shop carrying either the green NetMark seal of quality or the red Prevent Malaria logo of the GHS.



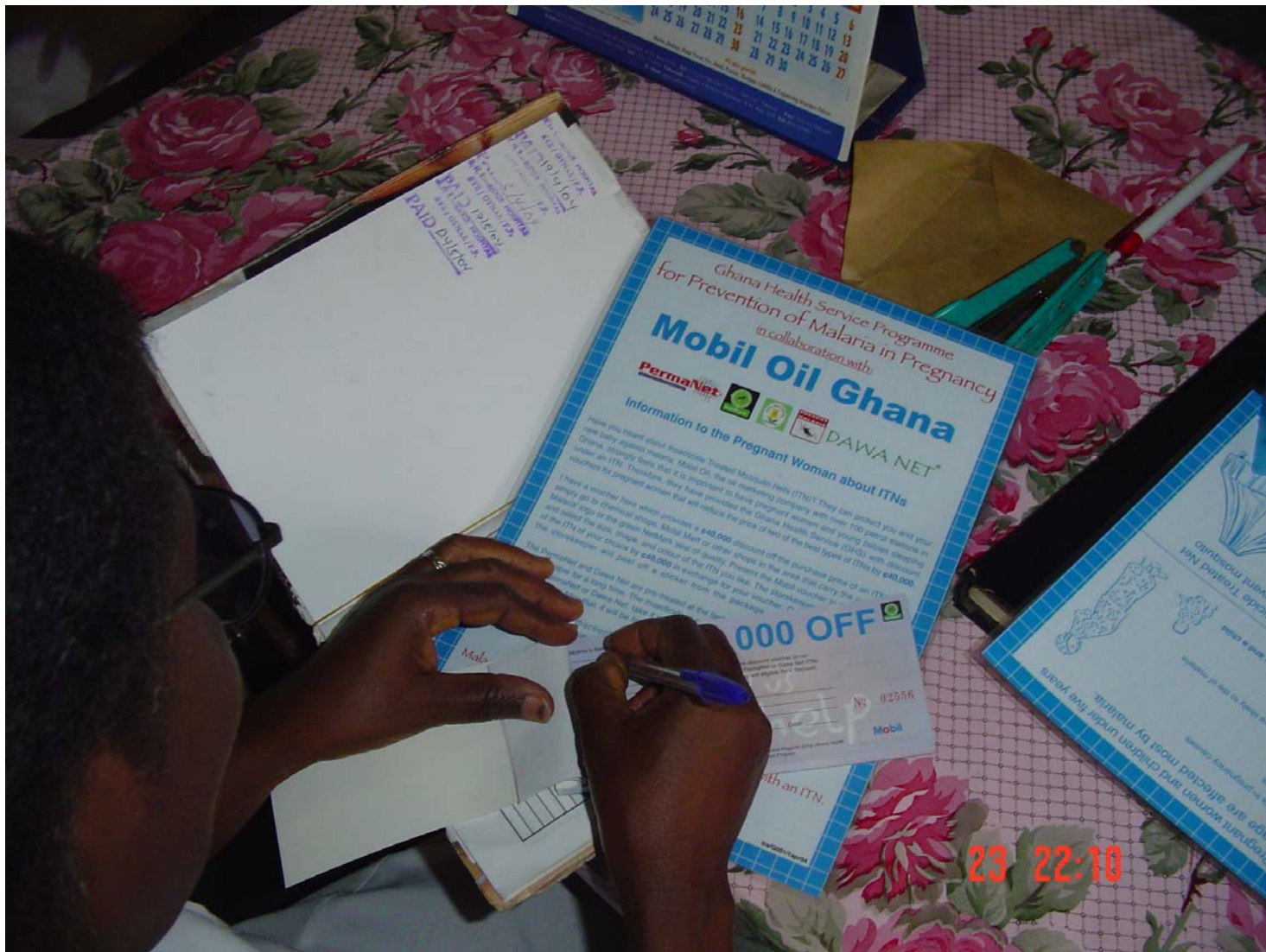
4. At the Mobil Mart or local retail shop, the woman should ask to see the PermaNet® or Dawa Net®.

PermaNet® and Dawa Net® are the best ITNs available in Ghana; and Mobil Ghana always wants the best for its fellow Ghanaians. The PermaNet® and Dawa Net® are carefully treated at the factory with an insecticide that is perfectly safe for women and babies. These ITNs remain effective for a long time even if washed multiple times.

5. The woman selects the size, shape, and color of PermaNet® or Dawa Net® she prefers.
6. The shopkeeper takes the voucher from the woman and deducts the **¢40,000** from the store price. The woman pays the rest.
7. The shopkeeper removes the PermaNet® or Dawa Net® proof-of-purchase sticker from the net package and places the sticker on the voucher.
8. The shopkeeper gives the woman the ITN she has selected and keeps the voucher with the proof-of-purchase sticker.
9. The woman should take the ITN home and hang it in the open air for 24 hours to air it out before sleeping under it.
10. The shopkeeper can take the discount vouchers to the ITN distributor and exchange them for more ITN stock or cash OR wait until a salesman comes by once a month to collect the vouchers and reimburse the shopkeeper.



Health Worker counsels client and fills out Voucher



Person redeems at local outlet



or temporary outlets near clinic



or special redemption depot



Redemption Rates: >76% aver.

Voucher value: 40%-60% of price

Country/Funder	Target Audience	Redemption %
1. ZAMBIA USAID 2002	15,000 pregnant women	70%
2. ZAMBIA Exxon 2003	8,000 pregnant women	71%
3 ZAMBIA IFRC 2003	15,000 children <5	99.2% (free)
4. ZAMBIA UNICEF 2004	107,000 pregnant women	66%
5. ZAMBIA Exxon 2005	35,000 pregnant women	88%
5. GHANA DFID 2004	60,000 pregnant women	69%
6. GHANA Exxon 2004	65,323 pregnant women	87%
7. GHANA DFID 2005	80,000 pregnant women	79%
8. GHANA Exxon2-2005	35,000 pregnant women	92%
9. NIGERIA Exxon 2005	60,000 pregnant women	68%
10. MALI USAID 2005	18,000 pregnant women	68%
11. ETHIOPIA USAID 2005	22,000 pregnant women	66%
12. NIGERIA Exxon 2006	120,000 pregnant women	91%

Advantages of Commercial Voucher Model

- Relatively easy to get the subsidy into the hands of the target group
- Public sector doesn't have to replicate an extensive commercial network
- Maximum funding goes for the subsidy rather than the logistics given greater logistical efficiency of the commercial sector
- Expands availability of products/services as providers are more willing to invest if they know there will be consumer demand in their areas

Advantages of Commercial Voucher Model

- Consumers learn the real price of a price/service and not just the subsidized price
- Consumers can choose where to go for the product or service
- Voucher approach supports the commercial sector instead of undermining it:
 - Sales go through commercial shops
 - Leakage is very limited
 - Consumers aren't "taught" a subsidized price
- Can attract varied financial support (ExxonMobil, DFID, Red Cross, Global Fund, etc.)

Requirements for Success

- **Several strong & committed distributors for products/multiple service providers**
- **Fairly functional clinic system or alternate system (NGOs, midwives, etc.)**
- **Geographic coverage matching target audience**
- **Monitoring of voucher distribution & redemption and product stocks/service delivery**
- **Ensuring health workers are issuing vouchers to all who are eligible—and not being too strict**
- **Quick reimbursement of redeemed vouchers**

Scalability Challenges

- **Planning:** Plan for scaling-up even if doing a pilot by asking at every decision point: “Can this be done on a national level?”
- **Funding:** Cash flow is a problem for commercial partners when going to large scale with costly products. Credit help may be needed.
- **Supply & Demand:** Are the services & products there? Does consumer demand have to be built through BCC?
- **Mass promotion:** only possible if program covers a defined geographic area

Scalability Challenges

- **Roll-Out:** Need cascade training system to reach large numbers of clinics/outlets and gradual phase-in of geogr. areas
- **Redemption:** Payments must be quick to sustain provider participation and flow of products
- **M&E:** Are people getting quality products or services? Easier to track products than services; so more funds may be needed to monitor service provision.

Scalability Challenges

- **Mixed Model will reach scale faster:**
 - Public sector and others (NGOs, midwives, etc.) to get the vouchers to target audience
 - Commercial sector products and services where their networks are strong
 - Public sector and others providing products and services to those areas that are not well covered by the commercial networks.

Sustainability Challenges

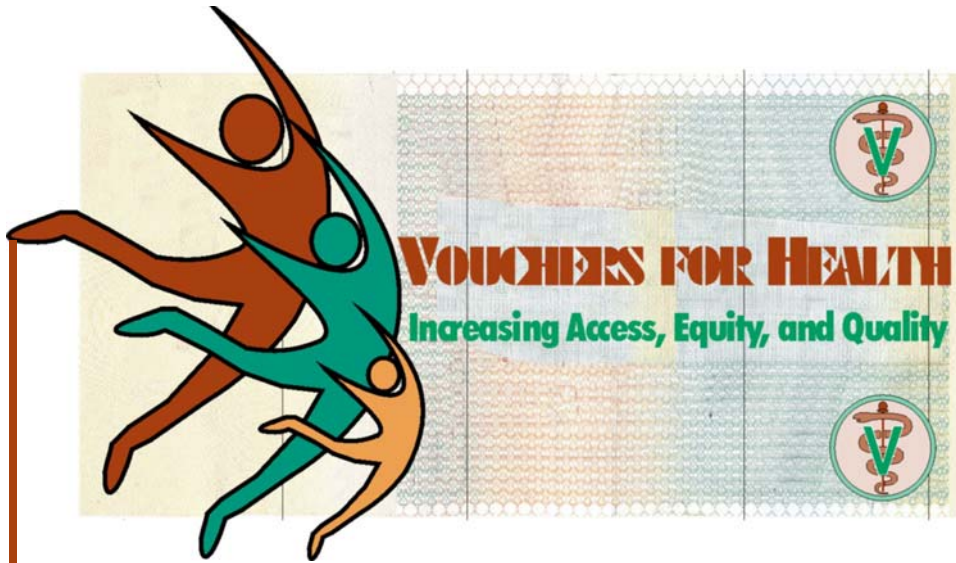
- **Funding:** Subsidies are money losers. Who will pay for the subsidy?
- **Focus:** Deliver the subsidy to those who most need it. Target! Target! Target!
- **Use the Commercial Sector:** They can maintain their networks at no cost to public sector
- **Price:** Willingness-to-pay data must guide the subsidy value. Adjust for inflation over time.

Sustainability Challenges

- **Maintain Provider Interest:** Reimburse on time; make it profitable for commercial providers; recognize public providers
- **Maintain Consumer Interest:** Make sure system is working; monitor satisfaction; promote via media if large scale
- **Incorporate into Health System:** Make voucher distribution part of ongoing responsibilities—not special program.

Lessons for the future

- Vouchers can be an efficient TS tool
- Keep the system as simple and efficient as possible
- Minimize delivery expenses & maximize the number of people getting the subsidy
- Mix of public and commercial networks is more likely to achieve success
- Be creative in getting the vouchers to the most needy; and making the product or service available close to the consumer.
- Remember! Every rupee spent on management is a rupee NOT given as a subsidy.



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Thank you!

More information on the NetMark
voucher programs found on
www.netmarkafrica.org
or send questions to wshaw@aed.org



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