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.
Discount Voucher

K15,000 OFF

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.

Mother’s Name:

Address:

Ante Natal Card no:

Date:

Trader’s name:

Address:

TelephoneNumber no:

Date:

A joint program of the Zambian National Malaria Control Centre of CBO, Mobil Oil Zambia, NetMark and USAID

LOOK FOR THIS LOGO ON PARTICIPATING STORES AND NETS

- 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:

  EcomMed (01) 224 571 or (01) 224 785
  Stand 694 Chachacha Road, Northend, Lusaka

  Crosserve (01) 286 944 or (01) 287 689
  Plot 5050, Mungwi Road, Lusaka

  Welcome Marketing & Distributors LTD.
  (01) 263 904 or (01) 263 305
  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

K-O Net®

Feno Net®
WITH FENDONA KIT
Health Worker Counseling Card

Malaria is transmitted by the night-biting Anopheles mosquitoes.

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

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)

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

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
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**.

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 Dawaa Net®.

PermaNet® and Dawaa Net® are the best ITNs available in Ghana; and Mobil Ghana always wants the best for its fellow Ghanaians. The PermaNet® and Dawaa 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 Dawaa 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 Dawaa 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

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

More information on the NetMark voucher programs found on [www.netmarkafrica.org](http://www.netmarkafrica.org) or send questions to [wshaw@aed.org](mailto:wshaw@aed.org)