

# Sustainability and affordability in low-income countries

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# Our ambitions

- We – the SF community - are very ambitious! We want SF to achieve:
  - Health impact
  - Quality
  - Equity
  - Cost-effectiveness
  - Health market expansion
  - Sustainability
- We have a proposed definition of sustainability: *‘continued high quality health outcomes over time while achieving the social goals of social franchising’*.
- We expect franchisors to reduce their dependence on institutional donors.
- We hope to secure public and private health financing of services and recover costs from franchisees.

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# The reality of a low income country

- How do these expectations apply to a low income country like Madagascar?
  - 77.1% live in extreme poverty
  - 83% live in rural areas
  - 64% of the population is <25 years old
  - mCPR is 33.3%
  - Absence of financial means with the treatment 68.6%
  - Net ODA received is 53% of central gov't expense (World Bank, 2014)
  - All MoH activities depend on ODA.
- This context presents challenges for many SF goals, including sustainability.

# Addressing affordability

- We can't achieve health impact, equity and health market expansion without addressing affordability.
- We've demonstrated this is possible with our voucher programmes:
  - At least 70% of SF LARC clients are voucher clients.

	2013	2014	2015	2016	2017	Total
Unintended pregnancies averted	19,569	62,726	39,634	47,467	17,022	<b>186,418</b>
Maternal deaths averted	52	157	95	109	37	<b>450</b>
Unsafe abortions averted	5,809	18,621	11,765	14,091	5,053	<b>55,339</b>
Total DALYs averted	25,339	80,639	50,708	60,378	21,526	<b>238,589</b>
Direct healthcare costs saved (2015 GBP)	704,922	2,259,577	1,427,710	1,709,883	613,194	<b>6,715,286</b>

- Vouchers can also incentivise and finance franchisees to deliver quality.

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# Who pays for the service if the client can't?

- What options are available to a low-income country like Madagascar?
  - **Institutional donors:** Invaluable USAID funding is ending; some other key donors are yet to be convinced of the value of investing in voucher programmes; DFID are beginning to show interest in.
  - **Public health financing:** No prospect the government will purchase services in the short-medium term.
  - **Private health financing:** Few schemes exist; don't enrol the poorest.

# Matching the ambitions to reality

- Tension between sustainability and other SF goals in LIC like Madagascar.
- We can, and will work to:
  - Diversify our donors.
  - Increase cost recovery from franchisees, e.g. increasing user fees.
  - Increase value for money.
  - Demonstrate strategic purchasing of services from PSPs works.
- But institutional donors are still critically important partners.

