SMART SUBSIDIES IN DROUGHT RESPONSE

Veterinary Voucher Intervention in Ethiopia

APRIL 2016

The PRIME project\(^1\) supports pastoralist households of Ethiopia living in Afar, Oromia, and Somali regions to build resilience through a facilitative market systems development approach since 2013. The failure of three consecutive rainy seasons (Dira, Haga, and Karan rains) in most woredas of Siti zone of Somali Regional state resulted in massive movement of livestock in search of pasture and water which pre-disposes animals to different diseases and stress. Reports and field visits confirmed that most woredas in the zone had been badly affected as evidenced by deteriorating livestock health and body condition. Most livestock in the area were at risk of internal and external parasites while pastoralists needed to prioritize their household expenses and lacked the means to pay for animal health services during this time.

To reduce the risk of drought-induced diseases, government and nongovernment stakeholders responded immediately by distributing veterinary drugs directly to pastoralists in campaigns, which are in most cases free of charge. Lessons learnt from past similar interventions indicated that such free veterinary drug handouts undermine the achievement of development projects like PRIME, which works to enhance linkages amongst animal health actors such as Private Veterinary Pharmacists (PVPs), Community Animal Health Workers (CAHWs) and livestock producers.

The voucher scheme

Based on careful analysis of these experiences, the PRIME team proposed restricted cash voucher-based veterinary drug support that can sustain the development of producers by responding to their immediate needs while strengthening linkages with all key veterinary drug market actors. Vouchers are used as a form of drug payment from the household (or a CAHW delegated by the household) to the contracted PVP, who would then claim the equivalent amount of money from PRIME. The voucher system is a well-documented and accepted mechanism\(^2\) to establish a sustainable network between livestock owners, CAHWs, PVP and wholesalers. Veterinary service through vouchers also are viable in addressing animal health needs of pastoral and agro pastoral households during emergencies with effective targeting. It also improves awareness towards modern and quality animal health care.

The main objective of the voucher scheme is to facilitate vulnerable households’ access to veterinary inputs to improve the health status of 168,800 heads of livestock severely affected by the drought, enhancing the linkages

\(^1\) The Pastoralist Areas Resilience through Market Expansion (PRIME) project is a five-year, $62 million USAID-funded Feed-the-Future and Global Climate Change effort led by Mercy Corps to increase 250,000 pastoralist households’ incomes and enhance resilience to climate change through market linkages in Ethiopia’s dryland areas. To follow our progress, visit us at www.prime-ethiopia.org.

between PVPs, CAHWs and producers. The intervention also aimed to protect the assets of 6,000 vulnerable pastoral households from 100 kebeles of six woredas of Siti zone.

What were the key processes and procedures followed?

**Determine the voucher value:** PRIME conducted a rapid market assessment to determine the price of veterinary drugs from local PVPs and identify the essential drugs in demand during a drought in this area.

**Identify main market actors:** To implement the intervention, PRIME identified registered and licensed local PVPs, CAHWs, zonal and woreda level pastoral agriculture development offices and veterinary drug wholesalers.

**Discuss the intervention with key actors:**

- **Discussions with government officials:** PRIME met with zonal government offices to select six most affected woredas. In collaboration with the pastoral agriculture development offices from selected woredas, the team undertook a rapid assessment to prioritize ten kebeles from each woreda; and with each kebele administration, targeted 100 most vulnerable households. These woreda-level meetings also helped to identify registered and licensed PVPs and CAHWs.

- **Parallel meetings with other NGOs:** PRIME held parallel meetings with local and international NGOs who were planning to implement animal health services in the targeted areas. These meetings helped to promote technical coordination, share updates and delineate way forward.

**Target beneficiaries:** In collaboration with the relevant local authorities, PRIME team facilitated beneficiary targeting based on agreed selection criteria, including ownership of animals, financial vulnerability, households headed by women or elderly or that have members with disabilities.

**Obtain approval for selected drugs:** Based on the findings of the assessment, PRIME prepared a list of veterinary drugs for internal and external parasite control legally approved by the country drug administration and control authority. PRIME also got approval to trade the selected drugs with vouchers from USAID. PRIME sent the approved list to participating PVPs and attached as an information sheet for the beneficiaries.

**Facilitated workshop with potential PVPs:** Through the woreda government office, PRIME invited all identified potential PVPs to attend an orientation workshop in Dire Dawa. During the workshop, the process and content of the veterinary voucher scheme was presented in detail.

**Contracting with PVPs:** PRIME signed an agreement with seven PVPs based on criteria that include physical location/operation in the targeted woredas. These PVPs are registered, licensed, interested and have the capacity to perform as vendors in these areas.

**Printing and distributing vouchers:** The PRIME team printed vouchers nominated with values of 100 ETB and 50 ETB. In collaboration with woreda and kebele government bodies, PRIME distributed 250 ETB in vouchers to each targeted household.

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**WHAT IS IN A VOUCHER?**

Mercy Corps printed vouchers with values of 100 ETB and 50 ETB. Each voucher contained the following information printed in local language (Somali) and English:

- Unique identifier and serial number
- Name of the recipient or delegate
- Location (town, kebele, woreda)
- Value 100 or 50 ETB
- Expiration date
**Redeeming the vouchers:** Upon receipt of the voucher redemption request, PRIME reimbursed the participating PVPs through their bank account for the value of the collected vouchers.

**ITEMS DISTRIBUTED TO TARGETED HOUSEHOLDS**

PRIME and local government representatives distributed the following items for each household:

- Three vouchers (two 100 birr value and one 50 birr value);
- List of legally approved commercial veterinary drugs in Ethiopia for internal and external parasite control available for purchase with the vouchers; and
- List of participating PVPs and their contact details (location, mobile number) along with information for beneficiaries.

**Major achievements of the intervention**

**Reached 5,270 pastoralist households** from 53 kebeles in six woredas, who received vouchers and were linked to the seven PVPs with whom PRIME signed agreements. 87% of them purchased veterinary products from these PVPs.

**Strengthened PVP-CAHW-producer linkage:** Each PVP worked with five to eight CAHWs and paid commission to motivate them based on the number of vouchers they collected. As a result, most of the CAHWs indicated that they got more customers (an average 20 pastoralists per day, compared to five before the intervention).

**Enhanced PVPs linkage with wholesaler:** Before the intervention, local PVPs were able to purchase small amount of veterinary products from wholesalers in Dire Dawa on cash basis. Because of the written agreement between PRIME and PVPs, wholesalers developed confidence to provide veterinary products to PVPs on credit bases and in bulk. This business relationship built between the two actors resulted in credit services up to 70,000 ETB at a time. Furthermore, regional wholesalers noticed the increased sale of products locally and started reducing their wholesale prices.

“I depended on the sale of milk, but the animals gave no milk at all to sell. I did not have money to purchase the drugs and without them my animals could have died from treatable diseases,”

— Fatuma Dahir, Siti pastoralist, mother of two and owner of four cows and 20 shoats
Enhanced public-private partnership: Woreda government offices monitored PVP performance, evaluating areas with good and poor performance, communicate with PVPs, and provided them with feedback, while pushing the PVPs to reach more areas. This allowed the public sector to recognize the importance of the private sector involvement during emergencies.

Girma Nigusie, owner of Hiwot PVP signed an agreement with PRIME for veterinary product interventions. He has been working in the woreda for the last six years, but he had not renewed his license. The intervention motivated him to renew it. Hiwot PVP reached 911 pastoralists of Erer woreda and traded ETB 227,750 worth of veterinary products with these households in exchange of the vouchers. He mentioned the following as the major achievements of the intervention:

- It enabled him to supply drugs in large volume
- He built a better relationship with wholesalers, animal health posts, community animal health workers, and pastoralists
- The linkage created with pastoralist household has improved his business beyond the drought response intervention.

Reduced livestock death: Households reported improvement in the animal body condition and some reported reduced livestock death (up to 20%), following drugs use. Mariam Seid, a targeted beneficiary in Dinley Kebele of Shinille woreda, said that the veterinary product voucher helped to treat her 4 cows and 30 shoats: “without the veterinary product support, I might have lost at least five of my shoats.”

Reduced households’ transaction cost: Households reported that they would have spent 400-500 ETB for livestock treatment had they not been supported by the voucher scheme. Farha Adem, 40, is one of the targeted pastoralists in Tomie Kebele of Shinille woreda. He bought veterinary products worth 250 ETB with the voucher that helped him treat his 3 cows and 20 shoats: “Had the PVP not supplied veterinary products in my village, I would have been forced to travel frequently to Dire Dawa which would have cost 500 ETB for transportation and related expenses.”

Increased access to new quality products: The voucher system introduced new veterinary products such as multi-vitamins that brought instant improvement in livestock body condition.
Contracted PVP Performance

<table>
<thead>
<tr>
<th>Name of PVP</th>
<th>Location</th>
<th>Target HHs</th>
<th>Performance</th>
<th>Value Redeemed (ETB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barwaqo PVP</td>
<td>Shinille</td>
<td>1000</td>
<td>95%</td>
<td>237,750</td>
</tr>
<tr>
<td>Dambal PVP</td>
<td>Danbal</td>
<td>1000</td>
<td>93.9%</td>
<td>234,750</td>
</tr>
<tr>
<td>Hiwot PVP</td>
<td>Erer</td>
<td>1000</td>
<td>91%</td>
<td>227,750</td>
</tr>
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<td>Hassen Mohammed PVP</td>
<td>Hadigala</td>
<td>1000</td>
<td>63%</td>
<td>107,250</td>
</tr>
<tr>
<td>BIKI VET Pharmacy</td>
<td>Afdem</td>
<td>1000</td>
<td>94%</td>
<td>236,250</td>
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<tr>
<td>Mulu PVP</td>
<td>Maisso</td>
<td>1000</td>
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<tr>
<td>Total</td>
<td></td>
<td>6000</td>
<td>87.8%</td>
<td>1,317,500</td>
</tr>
</tbody>
</table>

Challenges and Lessons Learned

**Poor access to transportation in remote areas:** Targeted pastoralists constantly moved from place to place in search of feed and water which forced PVPs to incur extra transaction costs. PRIME helped some PVPs establish agents in villages to which pastoralists were moving. Cost-sharing should be considered to reach such remote and inaccessible kebeles in future interventions.

**Delays in voucher redemption slowed down implementation:** PRIME agreed to timely redeem all vouchers exchanged for veterinary drugs after verifying all necessary documents submitted by the PVPs. The project finance team was busy with other development activities and at times delayed redeeming, affecting the pace of the intervention. Assigning one finance officer who is exclusively responsible for drought-response interventions could help to timely redeem the vouchers that in turn improve PVPs’ performance.

**Difficulty in tracking number of livestock treated:** Pastoralists received veterinary drugs they requested in exchange for vouchers. However, it was impossible to know the number of livestock treated with the veterinary drugs. The PRIME team should develop a format or other mechanism to collect data on the number and species of livestock that were treated with those drugs.

**Low awareness of the community to newly introduced drugs:** Initially, pastoralists demanded antibiotics (Oxy TTC 20%) because of their familiarity with antibiotics, even when that is not the appropriate drug to use. Engaging in continuous awareness creation in the future could enhance pastoralists’ knowledge of drug handling.

**Low literacy level of pastoralists to understand printed materials:** To enhance the pastoralist awareness on drug handling and management, PRIME distributed informational materials written in local language to each targeted household along with the vouchers. Most pastoralists could not read and understand due to their low level of literacy. Providing sufficient orientation during voucher distribution could be better than distributing printed materials.
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