ELMT TECHNICAL BRIEF

ANIMAL HEALTH CARE DELIVERY AND DISEASE SURVEILLANCE IN NORTHERN KENYA INVOLVING THE PRIVATE SECTOR

EXPERIENCES AND LESSONS LEARNT FROM ELMT

by Vétérinaires sans Frontières Suisse (VSF-S)

INTRODUCTION

VSF-S has been working in agro-pastoral and pastoral areas of Kenya, Somalia and Southern Sudan with inadequate veterinary and livestock related services for over 10 years. Support to community based animal health services delivery via training of pastoralists by VSF Suisse has to some extent been able to bridge the service gap and meet the communities' basic needs. Previously VSF-S supplied trainees with basic veterinary drugs and equipment on a cost recovery basis. Since 2004, in pursuit of more sustainable service solutions for pastoralists, they have promoted private sector involvement in supplying veterinary drugs, equipment and agro-vet items. Under the ELMT project VSF-S has supported the strengthening of five privately operated agrovet stores in North Eastern Kenya and rehabilitated two in Somalia. This technical brief describes how VSF-S has linked existing livestock related services to the private sector, the achievements made so far, as well as the challenges and recommendations for future similar programs.

Livestock related service delivery in the ELMT operational areas:

In Kenya, VSF Suisse's area of operation for ELMT covered the old districts of Wajir, Mandera, Isiolo and the new Laisaimis District. Despite a high demand by livestock keepers and a greatly unexploited potential for vet services, a large proportion of the operational area (approx. 107,943 km^2), has no regular supply of quality drugs or veterinary services with only one private veterinarian, located in Wajir. Between ten to twenty Animal Health Assistants (AHAs) exist in the surrounding area, but most of them are not involved in delivering veterinary services to the communities.

Of the few veterinary drug stores that existed before the project, most had supply chain problems and only supplied the most basic and often low quality drugs. Previous interventions in the area to address these problems involved group ownership of drug stores which proved unsuccessful. Pastoralists trained in animal health service delivery by VSF-S bridged the gap to some extent but they are not legally recognized in Kenya and it was found that they could not make a living from animal health service delivery alone, due to the low margins that the market supports, partly due to the ever increasing frequency of drought which diminishes the livestock keepers' ability to pay for services and the fact that NGOs tend to undermine pastoralists' service delivery efforts by providing free drugs and direct supply to livestock keepers.

Objective of the ELMT activities:

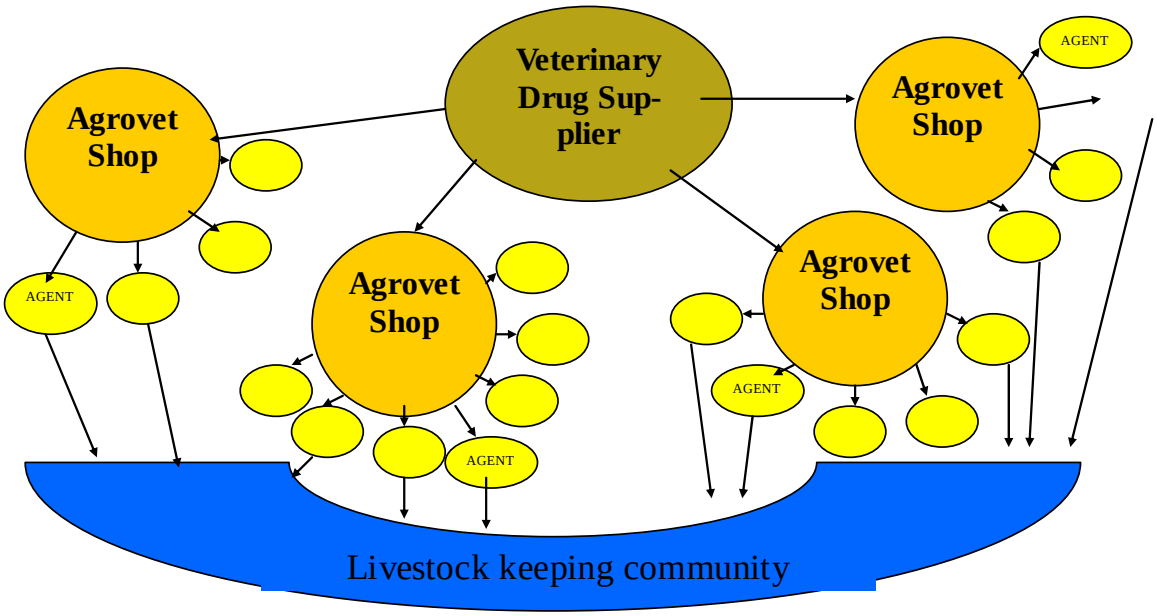
The main objective of the project was to enhance/enable privately run agrovet shops to provide regular veterinary services and quality drugs to pastoralist communities in Northern Kenya in a legal and sustainable way.

METHODOLOGY:

The Shared Risk Model

Based on the service concept outlined below, VSF Suisse's approach was to strengthen the linkages between veterinary drug suppliers, agrovet shops and trained pastoralists to deliver veterinary services to the livestock keeping community.

Figure 1: Service concept



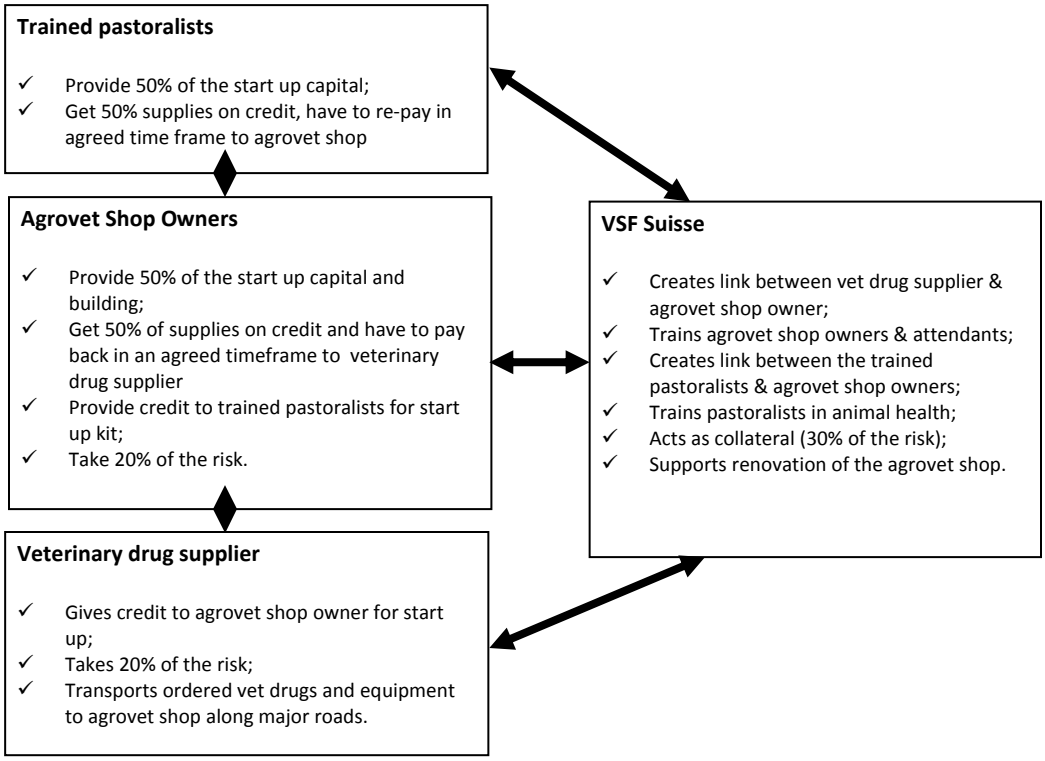
At field level, the concept of strengthening veterinary service delivery involving the private sector was introduced to livestock keepers, trained pastoralists, agrovet shop owners and the district authorities, while discussions were held with veterinary drug suppliers in Nairobi, who were interested in expanding their business into the arid and semi arid lands (ASALs) of Kenya.

The actors along the service chain were brought together at two levels:

1. Veterinary drug suppliers (as the major source for quality drugs and equipment) were linked with agrovet shop owners.
2. Agrovet shop owners were linked with veterinary service delivery agents (trained pastoralists). The idea was that trained pastoralists would procure their drug kits from the local agrovet shops and provide services to the livestock keeping communities.

At both levels the "Shared-Risk Model" was introduced in order to facilitate business arrangements between the actors.

Figure 2: The Shared Risk Model



Roles and responsibilities of the three parties involved were agreed upon and signed in a business agreement. Practically, agrovet shop owners paid 50% of their order in cash, while they received the goods for the remaining 50% on credit. The credit had to be re-paid within the project period. VSF-S acted as a facilitator and committed, in liaison with the veterinary drug supplier, to absorb proportions of losses in the eventuality that losses occurred on credit advanced to the agrovet shop owner. This risk back-up facility has to date not been used. The linkage created between the agrovet shops and veterinary drug suppliers in Nairobi has been successful and has improved the supply of quality veterinary drugs to remote districts.
The same model was used to facilitate business arrangements between trained pastoralists and agrovet shop owners.

Capacity building

VSF-S facilitated training workshops to improve the business management skills of agrovet shop owners, attendants and trained pastoralists. The initial training was based on the "Improve Your Business Kit" from the International Labour Organisation (ILO)[1] and covered marketing (especially customer relations), costing and pricing, cash book, stock book, debtors book, profit and loss account and credit management. Trained pastoralists also received refresher training on animal health and disease reporting. The trainings were conducted in close collaboration with the District Veterinary Officers (DVO) and were followed by continuous monitoring and on the job advice by VSF-S field Monitors, who checked:

- drug and equipment turnover (orders and supplies),
- gross profit calculation (income/expenditure records),
- customer base (service agents, livestock keepers),
- stock records (monthly inventory), fast moving items and seasonality of sales.

[1] http://www.ilo.org/Search3/searchOnFast.do

Renovation of the agrovet shops was also supported through the project as an additional incentive. Finally, VSF Suisse facilitated the relevant legal compliance of agrovet stores in Kenya by registering them as businesses with the County Council and the Attorney Generals Office and facilitating licenses through the Pest Control and Poisons Board.

RESULTS:

Under the ELMT project VSF-S provided support to five agrovet shops located in Takaba, Wargadud, Wajir, Dadajabulla, Garbatulla and Ngurunit linked to 8 or 9 trained pastoralists as shown below:

Figure 3: Map of Kenya indicating the locations of the agrovet shops

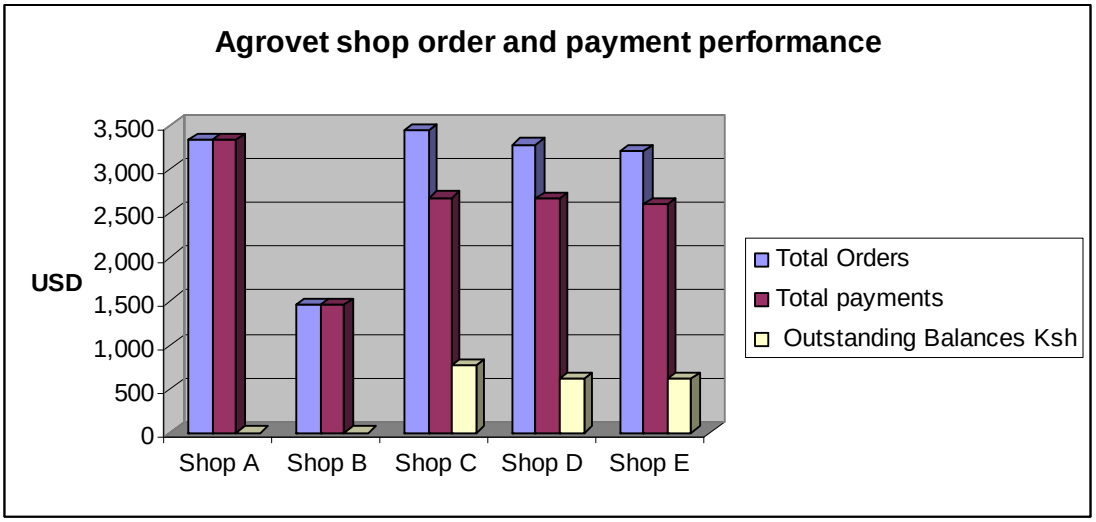
Table 1: Supported agrovet shops in Kenya with linkages to trained pastoralists:

Agrovet shop	Location	Number of trained pastoralists linked to agrovet shop
Shop A	Takaba, Mandera West District	9
Shop B	Garbatulla, Garbatulla District	8
Shop C	Ngurinit, Laisamis District	9
Shop D	Wajir, Wajir East District	9
Shop E	Wargadud, Mandera Central	2

Performance of the Agrovet shops in Kenya

Despite successive droughts and insecurity during the project period, the performance of the agrovet shops (May 2008 – August 2009) has been remarkable as shown below:

Figure 4: Agrovet shop order and payment performance



Over the 15 months period orders worth USD14,743 were placed with the veterinary drug supplier. The agrovet shop owners made repayments on time and were able to manage their repayment plan with the supplier. Two agrovet shops have finalized all payments while three still have a negative balance, within the credit limit according to the veterinary drugs supplier. The number of orders placed ranged between 4 and 34 during the period. The table below shows the net profit/loss made by the agrovet shops. The monthly net profit of four agrovet shops ranged between USD91 to USD326, while one of the shops ran at a monthly net loss of USD170.

Table 2: Private agrovet shop performance in Kenya between May 2008 and August 2009

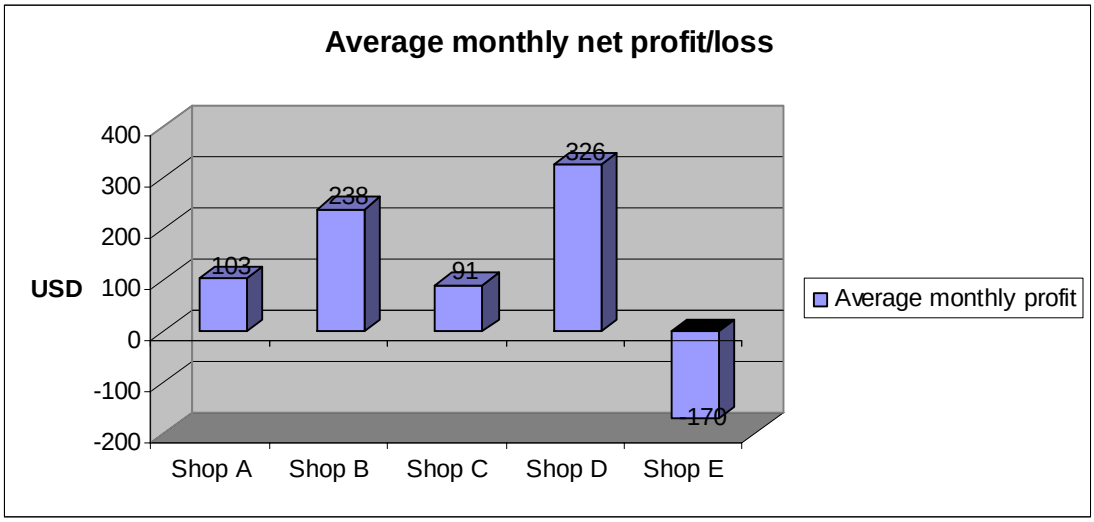
Drug store	Total income (US$)	Total Expenses (US$)	Profit/Loss (US$)	No of orders made
Shop A	12,378	10,942	1,436	6
Shop B	9,975	5,692	4,283	7
Shop C	2,362	998	1,364	4
Shop D*	5,797	3,843	1,954	34
Shop E	2,712	5,262	(2,550)	5
TOTALS	**33,224**	**26,737**	**6,487**	**56**

* Data from this agrovet shop only collected from Aug 08 – Jan 09 as the owner decided to pull out of the project

Picture 1: Pricing of drugs in agrovet shop

Picture 2: On the job training on record keeping provided by VSF field staff to agrovet shop owner

Figure 5: Average monthly net profit/loss per agrovet shop



Agrovet shop performance:

Shop A placed a total of six orders and had the highest drug turn over with a total income of USD12,378, leading to a total net profit of USD1,436 (USD103 per month). This shop was mainly linked with the veterinary drugs supplier while other shops also ordered drugs from other existing suppliers. The total income for **Shop B** from veterinary drug sales in a time period of 18 months USD9,975 with a total net profit of USD4,283 (translating to a monthly profit of USD238). Shop B had the highest net profit of all agrovet shops. In addition to veterinary drugs and equipment Shop B also sold human drugs and beauty products. Turnover for the same is not included in the presented calculations but represents an additional income. **Shop C** had a comparatively low drug turn over with a total income of USD2,362 and a total net profit of USD1,364 (USD91 per month).

The owner of **Shop D** was part of this intervention only until January 2009 and then opted to pull out. He was not interested in setting up the agreed building for the agrovet shop in the chosen location and operates his business from home. He was also involved in the trade of seeds, giving him a total net profit of USD1,954 (USD326 on a monthly basis) for the mentioned intervention period. Despite this business has placed the highest number of orders with a total of 34.

Shop E represents the only agrovet shop that did not operate at a profit. While all other shops were already small existing businesses, the owner of Shop E started up from scratch. In addition to the capital investment for the first drugs order he also encountered the investment costs for setting up a new shop. An impediment was increasing insecurity in the area which led to temporary closure of the shop (November 2008 - March 2009). Sales picked up soon after re-opening. The owner, a trained pastoralist, managed to make use of some drugs close to expiry, by going out and treating animals himself when previously his sole source of income had been the drug sales. The drought in 2009 had a negative impact on his performance as pastoralists were not able to procure drugs and/or pay for treatments.

To enhance the drug supply to ASAL areas, VSF-S, in collaboration with SNV and CAHNet Africa, successfully facilitated an exhibition and information sharing event, bringing together more veterinary suppliers, livestock traders, agrovet shop owners, service providers, livestock technician students from Egerton University, and financial institutions (e.g. K Rep and Equity Banks).

Performance of trained pastoralists

A total of 37 pastoralists were given refresher trainings in animal health issues including some in camel husbandry and health. VSF Suisse continuously monitored trained pastoralists using treatment record books distributed during training workshops. The treatment record books reflected number and species of livestock treated, the diseases or conditions diagnosed, the number of households reached and income made. 23 out of the 37 trained pastoralists were active at the end of the project period, and carried out a total of 75,651 treatments leading to a gross income of USD10,046 and serving around 5,624 pastoralist households in the period from May 2008 till January 2010.

Picture 3: Trained Pastoralist de-worming a camel

Picture 4: Trained Pastoralist de-worming a donkey

Table 3: Number of treatments carried out by trained pastoralists and income received in the period from May 2008 to January 2010

	May 2008 to January 2010	
Species	**No. treated**	**Income USD**
Camel	4,906	3,204
Cattle	4,519	1,497
Donkeys	445	226
Small ruminants	65,781	5,120
Total	75,651	10,046
No HH benefiting		5,624

In addition to the regular monitoring by field staff, an impact assessment[2] was conducted in Mandera West District, Kenya. The findings of the assessment indicated that the VSF Suisse intervention had increased stock turnover for pastoralist service agents from 19.5% to 80.5%. The finding was attributed to the availability and accessibility of quality drugs for a reasonable price, quality of services delivered after the training and a high level of community awareness. The average monthly profit for the trained pastoralist was US35, seen as a sufficient incentive to motivate them to carry on with their business. The assessment found that an average of 177 cases were attended to per trained pastoralist per month, leading to lower case fatality rate of animals treated by trained pastoralists as compared to animals treated by livestock owners themselves.

[2] Bekele, G. and Akumu, J., (2009), Impact Assessment of Community Animal Health Systems in Mandera West District, Kenya, August 2009

CHALLENGES AND RECOMMENDATIONS

	Challenges experienced	Recommendations
At agrovet shop level	Low literacy level and lack of experience in formal business record keeping especially among agrovet shop attendants.	Include agrovet shop attendants in business training. Monthly monitoring visits and on the job training.
	Low technical knowledge on animal health related issues among agrovet shop attendants.	Include agrovet shop attendants in training workshops for pastoralists on animal health issues.
	Expiry of drugs due to the placement of a large drug orders for the newly set up agrovet shop with little knowledge on drug turn over.	Newly set up agrovet shops should order only small amounts of drugs to test the turn over and avoid expiry of drugs.
	Slow sales of drugs with the newly set up agrovet shop.	Newly set up agrovet shops need to market themselves through community visits and treatment of livestock rather than only relying on sales from the stores.
	Lack of banking and/or financial institutions in the project area resulting into difficulties during payment of orders to the veterinary drug supplier.	Mpesa and other cash transfer systems were used and accepted by the veterinary drug supplier and should be encouraged in future.
At trained pastoralist level	Low literacy level of trained pastoralists.	Link with other organizations for enrolment in adult literacy classes.
	Over prescription of antibiotics.	Focus on proper usage of antibiotics during refresher trainings for trained pastoralists. Carry out awareness raising among livestock keeping communities on the proper usage of antibiotics.
	Little knowledge on camel diseases.	Training of pastoralists, local authorities, other stakeholders on camel health and husbandry.
In general	Poor road network and infrastructure still leading to delays in delivery.	Lobby Government and create awareness for the need for infrastructure development.
	Provision of free drugs to pastoralists by other organizations undermining the existing private veterinary service providers.	Awareness creation about existing private veterinary service providers to all stakeholders. Use of voucher system for the delivery of livestock treatments using the private sector as per LEGS guidelines[3].
	Policy environment for community based animal health care.	Advocacy for veterinary service delivery in the ASALs and development of a long term (10 year) strategy.
	The drought in Kenya in 2009 had a negative impact on the overall performance of agrovet shops and trained pastoralists as livestock owners were not able to pay for services. Trained pastoralists had difficulties replenishing their drug kits as the were forced to spend money on water and food items.	Use of a voucher system for the delivery of livestock treatments using the private sector as per LEGS guidelines will support the existing private vet service providers to maintain their business and provide treatments for livestock.

[3] www.**livestock-emergency**.net

Box 1: Support to animal health services in Somalia:

In Somalia, it was not possible to introduce the shared risk model due to insecurity which affected the ability of the pastoralists to pay for veterinary services, the confidence of the veterinary drug suppliers to provide drugs on credit and the ability of VSF to support and monitor the progress.

VSF-S focused on training private agrovet owners in business development services and provided signboards to promote awareness of their shops. Stores were supported in Ceel Wak, Bula Hawa, Gabaraahey, Luuq and Baardheere and Dolow in Gedo region and Afmadow, Badhaadhe in Lower Juba. In addition, VSF-S trained a total of 69 pastoralists as service agents (37 in Gedo and 32 in Lower Juba Regions) and – successfully piloted a first training for four female pastoralists. Just like in Kenya the trained pastoralists were linked to the privately operated veterinary drug stores and besides their involvement in preventative and curative treatment and vaccination, they played a key role in livestock disease outbreak reporting and investigation.

Pastoralists were issued with vouchers to claim veterinary services through a complementary program rather than paying a fee, although some pastoralists paid for additional services. 329,449 treatments were provided via this voucher scheme to 4,874 households.

Trained pastoralists also were encouraged to provide reports on livestock disease outbreaks to the local government focal points in their locality especially the District Veterinary Officers or Regional Veterinary Coordinators appointed by the MoLFR of the TFG and the drug store owners whenever they came for replenishment of their supplies.

The drug store owners were introduced to the private veterinary drug suppliers from Nairobi, in the hope that they would purchase drugs from these quality suppliers, however the drug suppliers were unwilling to provide drugs on credit due to the insecurity and distance, and the drug store owners preferred to source from local sources. Once security improves, these linkages and other means to promote quality drug supply should be pursued.

CONCLUSIONS:

The VSF Suisse approach to promoting private sector involvement in sustainable veterinary service delivery under ELMT in Kenya has shown considerable success. Effective linkages have been established between trained pastoralists, agrovet shop owners and veterinary drug suppliers. The veterinary supplier used under the ELMT project in Kenya intends to expand links with other agrovet shops in Northern Kenya as they see the business potential. The “Shared Risk Model” approach contributed towards sustainable agrovet shops and should be replicated. Most agrovet shops operated a profitable business. However, when setting up a new business the amount of drugs ordered should be modest in order to allow the accumulation of experience and avoid expiry of drugs.

Privately managed rural agrovet shops supplying veterinary drugs to trained pastoralists on credit, demonstrates a high potential for financially sustainable service delivery. Services provided to the livestock keeping community by trained pastoralists has had a positive impact on livelihoods as disease related livestock fatalities were reduced. Various organizations including SNV and CAHNet Africa, VSF Belgium and VSF Germany have shown interest in and are partly replicating the approach in other areas of Kenya. In Ethiopia various INGOs are intending to include the model into the implementation of currently ongoing projects. In Somalia, however it was not possible to introduce the approach due to the prevailing insecurity, however in future it is proposed that a similar scheme can be introduced.

The possibility to work with the private sector during disasters (e.g. using a voucher system to offer treatments) has been successfully implemented by VSF Suisse in the project areas and should be promoted in the future to strengthen, rather than undermine, the established private veterinary service delivery systems.