



Photo: Mercy Corps, Ethiopia/Yosef Tiruneh, 2023

Transforming last-mile animal health services to build resilience in Ethiopia

Poor animal health is a key driver of low livestock productivity, food insecurity and poverty in the arid lowlands of Ethiopia. Underlying this problem is the failure of public or private sector veterinary services to reach geographically dispersed pastoralist and agro-pastoralist communities.

This learning brief describes how the Mercy Corps-led RIPA-North program learnt from past failures and used a market systems development (MSD) approach to successfully catalyze sustainable animal health services reaching last-mile lowland communities. The brief highlights how private sector models can be applied even in thin markets and fragile contexts to build the resilience of vulnerable communities.

KEY CHALLENGES

- Government services are limited to disease surveillance and mass vaccination campaigns
- Private Veterinary Pharmacies (PVPs) are largely restricted to district capitals far from rural communities, so it's difficult and expensive for households to reach them
- There is a well-developed network of Community Animal Health Workers (CAHWs) in the lowlands, but virtually none play a role as market actors delivering on-going services
- Past efforts by development actors to strengthen private sector animal health services have largely failed to build sustainable services that reach last-mile rural communities.

The vision of the RIPA-North team was to catalyze a dynamic and resilient network of private sector actors delivering quality animal health services to last-mile communities across the lowlands of Ethiopia, with a focus on accessibility for female livestock producers.

The RIPA-North team realized the pivotal challenge was to introduce a viable model for market-oriented last-mile agents for Private Veterinary Pharmacies (PVPs).

Multiple projects in Ethiopia have tried to improve the performance of CAHWs through direct provision of training, kit provision and linkages to PVPs. However the evidence from such projects (including Mercy Corps' PRIME program – the predecessor to RIPA-North) was that this approach has not been successful in creating sustainable and active last-mile agents. RIPA assessments found that the vast majority of CAHWs fairly swiftly drop out of the network and discontinue purchases of vet drugs from PVPs. It's clear that an NGO-led approach to engaging CAHWs consistently fails to shift CAHWs to a market-oriented mindset.

Instead of directly supporting CAHWs to become last-mile agents, RIPA-North's approach focused on empowering PVPs to build their own last-mile agent network.

The selection of PVPs as RIPA-North's main leverage point was a critical decision. The team assessed the potential of partnerships with 'lead firm' national level actors in Addis Ababa, but decided it was unrealistic for these actors to drive the desired change in last-mile agent models in the lowlands. RIPA-North empowered PVPs to select and train their own agent networks (primarily CAHWs), envisaging that this would result in more robust, trust-based relationships and that PVPs would be more effective than an NGO as the catalyst for change in the mindset and performance of their agents.

To test this new approach, Mercy Corps identified 'early adopter' PVPs through a competitive process and provided a structured package of technical and financial support.

All PVP partnerships were framed around a plan to: i) improve the services offered by the PVP; and ii) empower the PVP to build and invest in a last-mile agent network, including gender-sensitive services. To improve the PVP services, the RIPA-North partnership supported improvements to physical premises, business training and planning, technical skills building, and support for promotional activities. Variations among partnerships saw some PVPs launch new mobile services using motorbikes, establish a veterinary clinic with laboratory testing, introduce new vaccination services and develop stronger linkages to quality drug wholesalers. All partnerships required a minimum 50% cost-share investment by the PVP.

The new business model of proactively investing in last-mile agents was embraced by partner PVPs, who introduced a range of services to support their agent network.

RIPA-North provided initial capacity-building to empower PVPs to build their own last-mile agent network, but after that the entire process was led by PVPs. PVPs used their personal networks and connections in communities to identify their agents, mainly CAHWs who they thought could develop a business mentality but also some fresh veterinary graduates. PVPs provided a one-time training and ongoing business coaching and technical advice for their agents. Many PVPs are fostering trust and commitment from agents through provision of drugs on credit and provision of white coats and basic equipment, while some PVPs have a social media group (e.g. Telegram or WhatsApp) for easy exchange of information with their agents.



1,493%

**AVERAGE INCREASE
IN SALES PER
PARTNER PVP**

35%

**OF PVP SALES ARE
THROUGH LAST-
MILE AGENTS**

6

**NEW PVPs HAVE
OPENED THROUGH
'CROWDING-IN'**

INTERVENTION IMPACT

EVIDENCE OF SUSTAINABLE MARKET SYSTEM CHANGE

RIPA-North's first measure of intervention success is whether the approach succeeded in stimulating sustainable changes in the market system. Most of RIPA-North's partnerships with PVPs began in December 2021, and after almost two years of partnership there is strong evidence that the model has been exceptionally successful in stimulating sustainable market system change. Out of fifteen PVP partners, fourteen successfully adopted the last-mile agent model and on average have increased sales by 1,493%. All PVPs increased their sales by 300% or more, except for one business in Afar region.

Remarkably, 81% of new last-mile agents are still actively purchasing vet drugs and providing vet services almost two years after starting the business partnership, which is a success rate far beyond the team's expectations. Partner PVPs on

average now sell 35% of their vet drugs through their last-mile agents. PVPs clearly recognize the value of this model, as many have independently expanded their agent network without RIPA-North support. Many of the partner PVPs have also continued to adapt and improve their services independently of RIPA-North, for example several have introduced additional clinical services and one PVP has become a regional wholesaler supplying and supporting other PVPs.

RIPA-North's ultimate aim is to demonstrate a new business model that is then replicated by other actors in the market. So far, RIPA-North has identified six PVPs that have 'crowded-in' and entered the market or replicated the new last-mile model, a positive sign that the system is dynamic and evolving without program support.



Photo: Mercy Corps, Ethiopia/Ezra Millstein, 2023

Business Success Story

Abdu Mohammed runs a PVP in Logia town of Afar regional state and prior to the RIPA-North partnership the challenges he faced were typical of lowland PVPs. With just \$300 of capital to start his business he struggled to source sufficient stock and had no additional funds to invest in promotion and marketing. His business relied on marketgoers passing by his shop, and his business was stagnating with just \$370 of sales per quarter.

Today, as a result of the partnership with RIPA-North and his own efforts, Abdu has transformed the performance of

his PVP. His shop near the Logia market is now highly visible with professional interior and external branding. Most important for his success, he now has 11 last-mile agents, to whom he provides drugs on credit and regular mentoring support. Abdu's business now generates sales of more than \$16,000 per quarter reaching an estimated 3,400 households, with 60% of sales through his agent network. Abdu has been so successful that he has now registered his business as a wholesaler, with the intention of supporting other PVPs in the region to adopt his model.



21,000+
HHS ARE USING
IMPROVED
VETERINARY
SERVICES

39%
OF HHS IN
RIPA AREAS
PURCHASED
VET SERVICES

VS **3%**
OF HHS IN NON-
RIPA AREAS
PURCHASED
VET SERVICES

INTERVENTION IMPACT

EVIDENCE OF IMPACT ON TARGET GROUPS

The second measure of intervention success, and the most important, is the degree to which the market system change has i) resulted in target rural populations purchasing veterinary services and ii) positively impacted their livelihood outcomes and resilience.

The first part of this question is easier to answer than the second. RIPA-North data shows that 21,000 households are now regularly accessing professional animal health services each quarter, compared with 6,000 before the RIPA-North intervention. Given that 35% of sales are through last-mile agents, we also know that these services are reaching remote rural populations. To assess whether women are able to access these services, the RIPA-North gender team conducted a study using focus group discussions with female livestock producers in rural communities, which concluded that *female producers do not face obstacles in access to male last-mile agents, though*

there are some benefits when they are served by female agents’.

Assessing the impact of access to animal health services on livelihood and resilience outcomes is not straightforward. RIPA-North uses an annual population-based survey including control groups, but this captures the impact of all RIPA-North interventions and it’s not possible to isolate just the impact of veterinary services. The strongest indication that the services are having a positive impact is the willingness of large numbers of pastoralists and agro-pastoralists to purchase and use the services, since they are experts in livestock production and would not continue to invest if they didn’t see the benefit. Strikingly, RIPA-North’s annual survey found that 39% of HHs in RIPA areas had purchased veterinary services during the recent severe drought, compared with just 3% in non-RIPA control groups.

Participant Success Story

Seno Ismael from Gursum district of Oromia region relies heavily on her goats and cows for income and nutrition for her nine children. Until recently, she and her neighbors in Gende Meskida village faced a daunting task in keeping their animals healthy and productive, as the nearest veterinary shop was more than two hours walk away.

When Seno’s pregnant cow recently became very sick, she feared the worst. But she recalled she had recently heard about a new clinic that had opened a

short walk from her home and she rushed there. The veterinarian examined her cow and provided injections and tablets for the disease, and the cow made a quick recovery, giving birth not long after. Seno highlights the difference this change in services has made for her family: “I would not have gone to the other clinic and the cow may have died along with her baby. I would have lost both the benefit of the milk for my children and the calf as well”.



Photo: Mercy Corps, Ethiopia/Medhanit Mulugeta, 2023



Crisis Response Pivot

From late-2021, RIPA-North target areas experienced their worst drought in 40 years, resulting in widespread problems of disease outbreaks and livestock deaths. Lost income from livestock and milk sales, compounded by the global food crisis related to the war in Ukraine, meant many households did not have resources to pay for veterinary services to maintain herd health. RIPA-North responded to this crisis through two market-based approaches.

Firstly, an e-voucher intervention enabled 11,500 drought affected households to purchase crucial veterinary drugs from partner PVPs. Secondly, support for government vaccination campaigns, including piloting an innovative public-private-partnership model through PVPs, enabled 40,000 households to protect their animals from disease. These market-based approaches meant nascent private sector networks were strengthened, not undermined, by the crisis response.

LESSONS LEARNED

1. Market systems development approaches can be an effective way of rapidly and sustainably increasing access to animal health services, even in thin and fragile market contexts.
2. Last-mile networks should be developed by private businesses themselves, as the selection and capacity-building process builds trust and businesses are more effective than NGOs at cultivating a business mindset in agents.
3. Access to animal health services is a high-priority resilience capacity in the lowlands of Ethiopia, and livestock producers are quick to recognize the value and use newly available services.
4. Identifying female-owned PVPs and last-mile agents was a challenge, but this has not been an obstacle to access to services for female livestock producers. In fact, the last-mile network particularly benefited women, as it overcomes their mobility restrictions and enables them to get support with administration of drugs.
5. Choosing regional level PVPs as the leverage point was very effective. It also had additional benefits in terms of the evolution of 'localized' systems, for example PVPs emerging as regional-level wholesalers.
6. Access to finance remains a major constraint for PVPs, in particular as PVPs aim to expand their last-mile network and provide credit to agents. This should be a focus area for RIPA-North in the coming months.
7. E-voucher approaches during drought not only addressed immediate needs, but also enabled PVPs to expand their customer base on a sustainable basis. Future models should ensure last-mile agents receive some share of the PVP profits from the voucher-based sales.



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Resilience in Pastoral Areas – North (RIPA-North) is a five-year, \$38 million USAID-funded program operating in lowland areas of Somali, Oromia and Afar regions of Ethiopia (2020 – 2025). RIPA-North aims to improve the resilience capacities of households, markets, and governance institutions, collectively contributing to enhanced food security and inclusive economic growth.