VILLAGEREACH®
GOING THE LAST MILE...

To: Ellie Hassenfield, Holden Karnofsky

From: Allen Wilcox, Leah Hasselback, Becca Miller

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Re: Costs, funding gap, and implementation plan for Mozambique expansion

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VillageReach (VR) has been pursuing expansion of the model in Mozambique since September 2008. After several approaches, we are now pursuing expansion along the following three tracks:

- Reactivating the model in ***Cabo Delgado***. Elizabeth Glaser Pediatric AIDS Foundation (EG) will fund the operational costs of this expansion for one year. EG will fund the local provincial government (DPS) which will pay for the cost of vehicles and maintenance, field coordinator and driver per diems, fuel, and trainings. By integrating AIDS supplies into the vaccine distribution system, VR will gain valuable experience in expanding the model horizontally beyond just vaccines.

- Expanding the model to at least **one zone of Niassa**. VR will commit funds to expand to one zone of the province. The first step of working with an additional province is to review the requirements from Niassa DPS. VR will determine what resources each partner can contribute to maximize the scale and impact. Niassa is very interested in working with VR to implement the model. If funds are available, the incremental cost of expanding to a second or all three zones in Niassa is relatively small (approximately $68,000 per zone) given that we can support this expansion without increasing fixed costs.

- National expansion through ***policy change***. VR provided the recommendation for policy change submitted by the Ministry of Health (MoH) to the Minister of Health. The Minister seems inclined to approve the policy change and has asked VR to make three different presentations at the National EPI director's meeting on November 5-7 in Maputo. Once the policy decision is made, MoH and VR will discuss VR's role in the implementation of the policy change. Over the next several years, VR anticipates allocating 20% of our Mozambique staff time to national policy advocacy.

In addition to increasing vaccination coverage rates and achieving health impact, VR strives to grow the organizations' expertise and experience by expanding in Mozambique. Our objectives are:

- Cabo Delgado. Add distribution for additional health program(s) to demonstrate the horizontal applicability of the model. Reactivate the model to grow the evidence base in support of national policy change and sustainability.

- New province. Expand the model to Niassa to grow the evidence base in support of national policy change and sustainability. A new province also provides an important user base for the implementation of vrMIS3.

- National policy change. Implement the model in the entire country for greatest impact and demonstrating the scalability of the model.

In all three of these expansion paths, VR has some ability to control the scope, and therefore, cost of the projects. The budget has two main flexible variables: geographic scope and robustness of monitoring & evaluation efforts. To begin with, VR anticipates expanding into one zone of Niassa (approximately 1/3 of the whole province), but with the goal of further geographic expansion pending successful fundraising over the next 2-3 years. VR has also analyzed a number of monitoring & evaluation plans that range in coverage, detail and expense. Based on this analysis, VR recommends a plan including a province level baseline and end line in Cabo Delgado, Niassa and a third comparison province. We have included the full range of monitoring & evaluation options in the table below to show how and why we prefer this option. This preferred plan is included as option number 8 in the table below and is the basic assumption in all funding gap projections.

The table below details three options under consideration and related funding gaps. *Note: The cash projection assumptions below are assuming that funding for all other anticipated programs (GSK India demonstration project, WHO/PATH Senegal demonstration project, Atlantic Philanthropies South Africa pilot project, USAID household marketing program for VidaGas) come through. It includes current money in the bank, Skoll, Mulago and Stavros Niarchos grants.*

Immediate Mozambique Expansion Options & Financial Implications					
Option #	**Description**	**Assumptions / Dependencies**	**2010 Budget (calendar year)**	**Cash Flow Analysis**	
				Financial Impact *If we spend this now, when does VR run out of money?*	**Funding Gap** *What do we need to fundraise to keep VR in business through FY2010? What do we need to raise to fund all three years?*
1 Niassa with vrMIS3	Implement a project in one zone of Niassa. VR pays for VR and operational costs. Includes vrMIS3 and provincial level baseline and endline.	Maputo office operating costs are reduced by sharing the costs with VidaGas. Program team ready to start immediately. Assumes 20% of VR fixed costs allocated towards pursuing national expansion policy change.	$474,977 for Niassa, $40,673 for National Expansion Total: $515,650	September 30, 2010	For 1 year: $0 For 3 years: $679,944
2 Niassa and CDG incre-mental	Option #1 plus implement in CDG with EG for support of operational costs. Includes a customization of vrMIS3 to include some additional AIDs-related functionality and provincial level baseline and end line.	Maputo office operating costs are reduced by sharing the costs with VidaGas. Two projects in Mozambique requires more program support time. This budget includes 1/3 of an additional staff person. Dependency on EG for funding to CDG DPS. Assumes 20% of VR fixed costs allocated towards pursuing national expansion policy change.	$413,632 for Niassa plus $284,470 for CDG, $40,673 for National Expansion Total:$738,775	July 31, 2010	For 1 year: $172,830 For 3 years: $1,155,731
3 CDG Only	Same as option 2 but without also including a Niassa expansion.	Maputo office operating costs are reduced by sharing the costs with VidaGas. Dependency on EG for funding to CDG DPS. Assumes 20% of VR fixed costs allocated towards pursuing national expansion policy change.	$345,815 for CDG, $40,673 for National Expansion Total: $386,488	October 31, 2010	For 1 year: $0 For 3 years: $487,783

Option 1

	Baseline	Year 1	Year 2	Year 3	Endline	Total
Niassa	**$ 118,350**	**$ 356,627**	**$ 261,342**	**$ 274,409**	**$ 88,350**	**$ 1,099,078**
VR Fixed Costs	$ -	$ 142,690	$ 149,825	$ 157,316	$ -	$ 449,832
Project Costs	$ 118,350	$ 213,937	$ 111,517	$ 117,093	$ 88,350	$ 649,246
National Policy Initiative	**$ -**	**$ 40,673**	**$ 42,706**	**$ 44,842**	**$ -**	**$ 128,220**
Total	**$ 118,350**	**$ 397,300**	**$ 304,048**	**$ 319,250**	**$ 88,350**	**$ 1,227,298**

Note: Assumes shared office costs in Maputo, provincial level M & E with control zone and $50,000 implentation of MIS3 in Year 1.

Option 2

	Baseline	Year 1	Year 2	Year 3	Endline	Total
Cabo Delgado	**$ 57,575**	**$ 226,895**	**$ 175,962**	**$ 184,761**	**$ 57,575**	**$ 702,768**
VR Fixed Costs	$ -	$ 81,345	$ 85,412	$ 89,683	$ -	$ 256,441
Project Costs	$ 57,575	$ 145,550	$ 90,550	$ 95,078	$ 42,575	$ 431,328
Niassa	**$ 118,350**	**$ 295,282**	**$ 196,929**	**$ 206,776**	**$ 88,350**	**$ 905,687**
VR Fixed Costs	$ -	$ 81,345	$ 85,412	$ 89,683	$ -	$ 256,441
Project Costs	$ 118,350	$ 213,937	$ 111,517	$ 117,093	$ 88,350	$ 649,246
National Policy Initiative	**$ -**	**$ 40,673**	**$ 42,706**	**$ 44,842**	**$ -**	**$ 128,220**
Total	**$ 175,925**	**$ 562,850**	**$ 415,598**	**$ 436,378**	**$ 145,925**	**$ 1,736,676**

Note: Assumes shared office costs in Maputo, 1/3 extra staff person in VRSea, provincial level M & E with control zone in Niass and $50,000 implentation of MIS3 in Year 1 for each province.

Option 3

	Baseline	Year 1	Year 2	Year 3	Endline	Total
Cabo Delgado	**$ 57,575**	**$ 288,240**	**$ 240,375**	**$ 252,394**	**$ 42,575**	**$ 881,159**
VR Fixed Costs	$ -	$ 142,690	$ 149,825	$ 157,316	$ -	$ 449,832
Project Costs	$ 57,575	$ 145,550	$ 90,550	$ 95,078	$ 42,575	$ 431,328
National Policy Initiative	**$ -**	**$ 40,673**	**$ 42,706**	**$ 44,842**	**$ -**	**$ 128,220**
Total	**$ 57,575**	**$ 328,913**	**$ 283,081**	**$ 297,235**	**$ 42,575**	**$ 1,009,380**

Note: Assumes shared office costs in Maputo, provincial level M & E and $50,000 implentation of MIS3 in Year 1.

The tables above include the cost of a monitoring & evaluation program which is still under internal consideration.

Option	Baseline & Endline				Analysis			
	District Coverage Survey	**Zone Coverage Survey**	**Province Coverage Survey**	**Control Group Coverage Survey**	**What would this M&E strategy show?**	**Advantages**	**Disadvantages**	**Total Cost (Baseline and Endline)**
Cabo Delgado								
1 Cabo Delgado – district no control	XX				*The impact of the logistics system in Cabo Delgado.* The change in coverage rates based on reverting to the old system & the difference by the government reinstalling the system.	District level survey provides data for focusing efforts to maximize impact.	Does not show the difference in Cabo Delgado compared to other provinces. Difficult to establish attribution.	$331, 605 (203,303 and 128, 302)
2 Cabo Delgado – province no control			XX		*The impact of the logistics system in Cabo Delgado.* The change in coverage rates based on reverting to the old system & the difference by the government reinstalling the system.	Less costly than district-level survey.	Does not show the difference in Cabo Delgado compared to other provinces. Difficult to establish attribution. Without district level rates, this is essentially measurement for proof of model only (not for decision making).	$ 100,150 (57,575 and 42,575)
3 Cabo Delgado district with control (province level survey in another province	XX			XX	*The impact of the logistics system in Cabo Delgado.* The change in coverage rates based on reverting to the old system & the difference by the government reinstalling the system compared to a province without the intervention.	Would most clearly show the difference caused by the logistics system. District level survey provides data for focusing efforts to maximize impact. Control group endline could be used as a	May not be possible to have a control group at the end of the project because all province switch to the same logistics model. Niassa is the ideal control, but not possible because of project expansion. Very expensive.	$419,155 (247,078 and 172,077)

Option	Baseline & Endline				Analysis			
	District Coverage Survey	**Zone Coverage Survey**	**Province Coverage Survey**	**Control Group Coverage Survey**	**What would this M&E strategy show?**	**Advantages**	**Disadvantages**	**Total Cost (Baseline and Endline)**
such as Tete or Niassa)						baseline for a future project.		
4 Cabo Delgado province with control			XX	XX	*The impact of the logistics system in Cabo Delgado.* The change in coverage rates based on reverting to the old system & the difference by the government reinstalling the system compared to a province without the intervention.	Would most clearly show the difference caused by the logistics system. Control group endline could be used as a baseline for a future project.	May not be possible to have a control group at the end of the project because all province switch to the same logistics model. Niassa is the ideal control, but not possible because of project expansion. Without district level rates, this is essentially measurement for proof of model only (not for decision making).	$ 187,701 (101,350 and 86,350)
Niassa								
5 Niassa – district level by zone (With another zone as a comparison group)	XX covering 1 zone			XX covering 1 zone	*Impact of the logistics system in 1 zone.* What difference did it make by implementing the system in 1 zone compared to another zone in the same province?	District level survey provides data for focusing efforts to maximize impact. Allows for measurement of the project in just one zone. Control zone allows for making conclusions about attribution.	If the project expands to other zones before 2012, there will be no endline control. Very expensive. Zone level coverage rates are difficult to compare to historical data province level coverage rates.	$371,299 (230,650 and 140,649)

Option	Baseline & Endline				Analysis			
	District Coverage Survey	**Zone Coverage Survey**	**Province Coverage Survey**	**Control Group Coverage Survey**	**What would this M&E strategy show?**	**Advantages**	**Disadvantages**	**Total Cost (Baseline and Endline)**
						Endline zone survey could be used as a baseline for expansion, but is most suited to expansion starting in 2012. If the project expands, gathering district level coverage rates in zonal groupings is not more expensive than all the zones at once.		
6 – Niassa zone level (30x7 cluster survey of active zone and comparison zone)		XX		XX	*Impact of the logistics system in 1 zone.* What difference did it make by implementing the system in 1 zone compared to another zone in the same province?	Allows for measurement of the project in just one zone. A zone in the same province is a very good control group because the conditions are more similar than control groups outside of the province. Control province allows for making conclusions about attribution. Endline zone survey could be used as a baseline for	If the project expands to other zones before 2012, there will be no endline control. If the project expands, gathering coverage rates at a zone level is a highly cost-inefficient way to get coverage rates. Without district level rates, this is essentially measurement for proof of model only (not for decision making). Zone level coverage rates are difficult to compare to historical data province	$206,700 (118,350 and 88,350)

Option	Baseline & Endline				Analysis			
	District Coverage Survey	**Zone Coverage Survey**	**Province Coverage Survey**	**Control Group Coverage Survey**	**What would this M&E strategy show?**	**Advantages**	**Disadvantages**	**Total Cost (Baseline and Endline)**
						expansion to another zone, but is most suited to expansion starting in 2012.	level coverage rates.	
7 Niassa – whole province			XX	XX	*Diluted impact of the logistics system on the province.* This would show how changing the logistics system in 1/3 of the province affects the coverage rate in the entire province.	Allows for the project to expand to the entire province. Control province allows for making conclusions about attribution. A provincial-level coverage rate would be useful for comparison to CDG baseline to put any changes in CDG since 2008 in context. It would also be comparable to the coverage study done in Niassa in 2008. Possibility of supplementing with DHS data if another study is done in the time period. Province level data will allow for comparison with	Will be very difficult to gauge the impact if the project doesn't expand to other zones. Without district level rates, this is essentially measurement for proof of model only (not for decision making).	$206,700 (118,350 and 88,350)

Option	Baseline & Endline				Analysis			
	District Coverage Survey	**Zone Coverage Survey**	**Province Coverage Survey**	**Control Group Coverage Survey**	**What would this M&E strategy show?**	**Advantages**	**Disadvantages**	**Total Cost (Baseline and Endline)**
						historical data.		
Combined								
8 Niassa province level survey, Cabo Delgado province level survey and comparison province such as Tete.			XX (CDG) XX (Niassa)	XX	*What was the impact of restarting the system in Cabo Delgado compared to other provinces? How did changing the logistics system in 1/3 of Niassa affect the province compared to change in another province?*	This is the most cost-effective combination. This furthers the understanding of the impact in CDG.	This would not be so clear about the impact in Niassa. Would not expect to see a drastic change, and it might be hidden by other factors.	$310,050 (177,525 and 132,525)

The implementation plan applies for all three options.

Expansion Implementation Plan for Niassa or CDG				*Responsible*	*Coordinate*	*Calendar View*											
Objectives & Tasks						Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
1	**Sign agreement**			MG	LHB												
	1.1	Refine implementation plan with partner(s).		MG	LHB												
2	**Set up project foundations**																
	2.1	Setup office															
		2.1.1	Hire & train provincial manager (PM).	MG	LHB												
		2.2.1	Secure office space.	MG	PM												
		2.1.3	Begin procurement for office equipment.	MG	PM												
		2.1.4	Secure DPS field coordinators.	MG	PM												
		2.1.5	Hire project drivers.	MG	PM												
3	**Begin Implementation**																
	3.1	Gather baseline information.															
		3.1.1	Gather baseline information from DPS & other organizations.	PM	LHB, MG												
		3.1.2	Gather baseline information from visiting PFVs.	PM	LHB, MG												
	3.2	Customize MIS.		JD	LHB, MG, PM												
	3.3	Train local teams.		LHB	PM, MG												
	3.4	Project equipment procurement.		MG	PM												
	3.5	Roll out the project in the first zone.															
		3.5.1	Train health workers in PFVs in 1 zone.	PM	LHB, MG												
		3.5.2	Begin deliveries in the first zone.	PM	LHB, MG												
	3.6	Roll out the project in the second zone.															
		3.6.1	Train health workers in PFVs in the 2nd zone.	PM	LHB, MG												
		3.6.2	Begin deliveries in the 2nd zone.	PM	LHB, MG												