

# fact sheet

## output-based aid

### Key Statistics:

- MSI provides information and services to over 4.6 million clients each year
- MSI helps couples to avoid an estimated 5.6 million unplanned pregnancies each year
- MSI saves approximately 12,000 women's lives and prevents over 177,000 infant deaths each year.

### Focused on results:

How Marie Stopes International (MSI) is pioneering the use of Output-based aid (OBA) to scale-up health services for women

MSI is at the forefront of a rising trend toward Output-based aid. Traditional health funding has been structured to provide inputs – construction, staff, equipment, etc. - to hospitals and clinics to establish and improve facilities and offer services. In contrast, OBA reimburses providers for actual services delivered. As an organisation that has always focused on delivering and quantifying results, MSI is a natural leader for output-based programming.

#### MSI's role in Output-based aid

Many of MSI's 38 programmes worldwide are partnering with donors and governments to expand access to services through OBA programmes. Some governments *contract out* MSI's services, while others involve MSI Partners in *voucher programmes*. All of these programmes help to focus attention on the ultimate 'output' of health sector spending: the number of people reached and the quality of the services provided.



MSI's OBA programmes offer safe deliveries, Kenya

#### OBA in brief:

- disperses funds on the basis of results
- targets resources to particular healthcare needs
- private, non government organisation (NGO) and government healthcare providers compete for patients
- targets populations to reach certain groups
- client may co-pay where the ability to pay exists.

Voucher programmes combine the interests of the provider and the consumer: they foster demand for health services among consumers and create an incentive for providers to offer high quality services.

### Contracting out: MSI as a service provider for governments

Contracting out to non-state service providers is an option used to deliver health services in a variety of contexts, whether health systems are well resourced or under-resourced. OBA contracts can enable governments to offer services beyond the existing capacity of the public sector.

About 55% of the abortions provided by the UK government's National Health Service are outsourced to independent providers including Marie Stopes International UK (MSI UK)<sup>1</sup>. This reflects government recognition that the services can be provided more cost effectively by MSI UK. Likewise in South Africa, three MSI clinics provide services to provincial governments.

### Contracting out in rural areas

In Sri Lanka and Nepal, many rural women do not live near a clinic that provides long-term family planning methods such as sterilisation and IUD insertion. To provide these services directly, governments would need to significantly increase spending on staffing, training and on building new public health centres. Instead, the governments contract MSI affiliates to provide mobile "Choice camps" in rural areas. For a designated day or week, MSI offers a full range of long and short-term contraceptive options to rural women and their partners. MSI is thus able to bring much-needed services to those otherwise without access.

### Contracting out from local government

In Malawi, several District Health Management Teams are in the process of signing service level agreements with MSI's Partner, Banja La Mtsogolo (BLM). Through these contracts, BLM will provide the Essential Health Package free at the point of delivery to hard to reach rural populations. The cost to government for BLM services is roughly equivalent to the cost of government-managed services (\$7.88 vs. \$7.77 per service), but BLM is able to reach more rural areas and offers greater choice. MSI is thereby providing a cost-effective option

for governments to offer a wide range of services to urban and rural Malawians.

### Vouchers: putting choice in the hands of the consumer

Through voucher programmes, particular target audiences receive or buy vouchers that can be exchanged for health services from a pre-approved public, NGO or private provider. The providers are then reimbursed by the relevant government body or donor on presenting the voucher. Voucher programmes combine the interests of the provider and the consumer: they both foster demand for health services among consumers and create an incentive for providers to offer high quality services. Voucher programmes have been used to increase uptake of safe delivery and family planning services and to improve services for survivors of sexual violence.

### Kenya

Since 2005, MSI has been on the leading edge of the design, management and implementation of voucher programmes. Marie Stopes Kenya (MS Kenya) was one of the first to provide services in exchange for vouchers in the pilot phase of a KfW-supported OBA programme, which has since provided more than 18,000 safe deliveries.

Uptake of family planning, however, had lagged behind uptake of safe delivery services. But following a recommendation of the voucher project's Advisory Board in November 2006, MS Kenya was further contracted to



Reaching women in rural areas of Sri Lanka

1. UK Department of Health, Abortion Statistics England and Wales 2006. [http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsStatistics/DH\\_075697](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsStatistics/DH_075697). Accessed 02/10/07

OBA programmes can serve as a catalyst for governments and healthcare providers, managers and donors to consider OBA as a key strategy to achieving the Millennium Development Goals in health.



*MSI's OBA programmes in Malawi provide services to people in hard-to-reach areas of the country.*

provide outreach and promotional services for family planning in Kitui in a bid to improve access and demand. The introduction of mobile clinics and marketing through this new contract appears to have significantly bolstered uptake: tubal ligations (female sterilisations) performed in Kitui between March and April 2007 were ten times the number performed in the previous year.

#### **Uganda**

Since 2006, MSI Uganda has been the management agency responsible for distributing vouchers, selecting clinics and overseeing the reimbursement process for Uganda's KfW-supported programme. Vouchers subsidise the treatment of sexually transmitted infections at approved healthcare providers in Mbarara district.

The voucher programme is also lifting the overall quality of care in the NGO, government and private sectors. During the initial

assessment, health providers were classified according to the improvements they had to make to qualify for the scheme. This gave providers both clear direction on how they might improve their services and also extra incentive to implement the changes. Quality of services has now improved as a result.

MSI's positive experiences in Kenya and Uganda have led to other MSI Partners designing voucher schemes. In Pakistan, Marie Stopes Society (MSS) will set up a Voucher Management System to reimburse accredited service providers for providing tubal ligation, vasectomy and IUD services. The management agency will operate the scheme independently from MSS in order to ensure transparency and fairness towards a range of providers which will include MSS. By the end of the project an independent Voucher Management Agency could be created to take over this role, channelling funds from other contributors, e.g. Government or corporate donors.



*Raising awareness of the prevention and treatment of STIs, Uganda*

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**Moving Ahead with OBA**

MSI believes that these initial OBA programmes can serve as a catalyst for governments and healthcare providers, managers and donors to consider OBA as a key strategy to achieving the Millennium

Development Goals (MDGs) in health. Not only can OBA be scaled up to include more countries, but programmes can expand the quality and variety of services offered with vouchers to include anti-retrovirals, safe abortion, male circumcision and other

underutilised health services.

For further information about MSI's involvement in OBA programmes, contact Leo Bryant, Advocacy Manager on 020 7636 6200 or email: [advocacy@mariestopes.org.uk](mailto:advocacy@mariestopes.org.uk)