

# CASE STUDY 7: ARA — UBUNTU AFYA UNIT

## Background

There are a wide range of challenges preventing the rural and urban poor in Kenya from obtaining quality health services, including: distance to health facilities, poor infrastructure, sub-optimal quality of health services, and overworked health providers. With funding from the HANSHEP Health Enterprise Fund, Afya Research Africa (ARA), a Kenyan based non-profit, has responded to these challenges by developing a chain of health kiosks. The Ubuntu Afya kiosks, located in hard-to-reach locations, offer affordable, accessible health care services to previously underserved populations, contributing to ARA's overall vision of improving access to quality health care.

Health kiosks are co-owned and operated by members of the community, including self-help groups and savings collectives, who contribute labor and monetary resources in order to build and staff the kiosks. All kiosks are staffed by a clinical officer and a community health worker (CHW), who provide a variety of basic health services, primarily focused on maternal, newborn, and child health, reproductive health, and family planning. CHWs provide consultations, perform basic diagnostics, and distribute medicines on a fee-for-service basis at highly subsidized prices. The kiosk operations are supported by a web-based health management information system, allowing for real time monitoring of service delivery and quality, and promoting clinical accountability.

In addition to providing basic health services, all kiosks are host to at least one other income-generating activity in order to subsidize costs for clinical services. These activities are selected and managed by members of the community. Examples include: soft drink depots, safe water sales, motorbike taxi services, and mobile money pay stations.

## Mobile Money

Three out of nine M-Afya kiosks currently operate as mobile money transfer stations, using Kenya's leading mobile money platform, M-PESA. These kiosks provide basic financial services to community members in the form of mobile phone based money transfer services, which provide clients with a platform to save money for their future health needs, fostering a culture of savings.

The mobile money stations in M-Afya kiosks provide patients with a mobile-based payment option to pay for health services, which cuts out additional financial and time costs they would incur, such as transport costs. The mobile money service is typically operated by the CHW stationed at the health kiosk, who is trained by M-PESA agents to process these transactions.

**Type of mobile money program:** Pay-for-service kiosks subsidized by supplemental mobile money transactions

**Health focus:** Maternal, Newborn, and Child Health, Reproductive Health, and Family Planning

**Date launched:** 2011

**Stage:** Scale-up

**Size:** 9 Kiosks in Rarieda and Malindi Districts

**Countries:** Kenya

**Key partners:** Afya Research Africa (ARA), Abt Associates

**Mobile providers:** Safaricom M-PESA

**Funding:** HANSHEP Health Enterprise Fund through the SHOPS project, USAID, DFID



## Results

In the first year of this public-private partnership model, the M-Afya Kiosks (now dubbed the Ubuntu Afya Unit) provided health services to more than 8,000 clients. Of these clients, 1,300 received reproductive health and family planning services; 1,400 women and children received maternal and child health care services; and more than 400 clients were screened for HIV.

In addition, supplemental kiosk activities generated more than \$27,000 in additional revenue, recovering approximately 99 percent of clinic operating costs during their first year. The M-PESA services have so far facilitated transactions of more than \$30,000 across the three units, providing access to financial services, facilitating enterprise, promoting community savings, and generating profit for the kiosks.

## Lessons Learned

- *Mobile money as a supplemental income-generating activity* – In addition to allowing clients to pay for services via mobile money transfers, ARA has found that providing mobile money transfer services within kiosks can be a viable source of supplemental income to financially support the provision of clinic services, through transaction fees generated. Although the commissions from transfers are low, the volumes are large, and the service provides additional value to communities that hitherto had difficulties facilitating transactions. The service provides an additional pull to kiosks, providing more value than apparent from the profits.

## Challenges

- *Liquidity issues at kiosks* – In a few instances, the demands from clients to cash-out required volumes of cash larger than the money flows that kiosks had access to. Due to these liquidity issues, Ubuntu kiosks were unable to meet the cash-out demands of their clients.
- *Sub-lease arrangement with mobile providers* – Currently, mobile money transfer stations operate under Safaricom agents who sub-lease the M-PESA lines to them. Therefore, ARA has to share the profits from mobile money transactions with these agents. Eventually, ARA hopes to register CHWs and others operating health kiosks as agents themselves, but this will require a significant monetary deposit, which they do not currently have available.
- *Risk of fraud* – To mitigate risks of fraud, the Ubuntu kiosks have taken preventive measures by appropriately training all M-PESA operators staffed in their kiosks.

## Looking Forward

As the Ubuntu Afya Unit continues to grow, ARA plans to link some of the mobile money stations to bank agencies to improve liquidity. Furthermore, they would like to expand their use of mobile money and eventually have an M-PESA line for all kiosks. However, this will have to be driven by community demand, as citizens are responsible for determining the investment priorities at each kiosk. In addition, ARA intends to develop a cooperative insurance model whose services will be anchored in their mobile money transfer services.

## Sources

- Inputs from Samson Gwer, Research Director, Afya Research Africa
- <http://www.hanshep.org/>
- <http://afyaresearch.org/>
- <http://www.healthenterprisefund.org/awardees/afya-research-africa-kenya/>