



# eBox Micro Enterprise:

*An Incentive for community health actors*



Madagascar Community-Based Integrated Health Program (CBIHP), locally known as MAHEFA, was a five-year (2011-2016), USAID-funded community health program that took place across six remote regions in north and north-west Madagascar (Menabe, SAVA, DIANA, Sofia, Melaky, and Boeny). The program was implemented by JSI Research & Training Institute, Inc. (JSI), with sub-recipients Transaid and The Manoff Group, and was carried out in close collaboration with the Ministry of Public Health, the Ministry of Water, Sanitation and Hygiene, and the Ministry of Youth and Sport. Over the course of the program, a total of 6,052 community health volunteers (CHVs) were trained, equipped, and supervised to provide basic health services in the areas of maternal, newborn, and child health; family planning and reproductive health, including sexually transmitted infections; water, sanitation, and hygiene; nutrition; and malaria treatment and prevention at the community level. The CHVs were selected by their own communities, supervised by heads of basic health centers, and provided services based on their scope of work as outlined in the National Community Health Policy. Their work and the work of other community actors involved with the MAHEFA program was entirely on a voluntary basis.

This brief is included in a series of fifteen MAHEFA technical briefs that share and highlight selected strategic approaches, innovations, results, and lessons learned from the program. Technical brief topics include *Behavior Change Empowerment, Community Radio Listening Groups, Community Score Card Approach, Chlorhexidine 7.1%/Misoprostol, Champion Communes Approach, Community Health Volunteer Mobility, Emergency Transport Systems, Malaria, Community Health Volunteer Motivation, Family Planning & Youth, WASH, eBox, Community Health Financing Scheme, Information Systems for Community Health and NGO Capacity Building.*

## Background

Community health volunteers (CHVs) play a vital role in providing health services in Madagascar, especially in remote regions where government health services may be limited. CHVs work on a voluntary basis, so their motivation is a key consideration for any community health program. Challenges to building and maintaining a volunteer health force are numerous and are often attributed to lack of supportive supervision, travel required for home visits and to reach health facilities, and lack of remuneration and other incentives among others. From its onset, MAHEFA's core strategy included the trial of innovative solutions to address CHV motivation through establishing the transport-related Micro Enterprise eBox, improving CHV mobility, and establishing emergency transport systems (ETS). This MAHEFA technical brief addresses eBox activities. CHV mobility and ETS are addressed in other technical briefs.

## MAHEFA Context

Due to a lack of bicycle import standards and a low capacity for assembly when they arrive in country, many bicycles in Madagascar are of poor quality. Quality repair services are not widely available, especially in isolated areas and many people lack resources to pay for repairs when services do exist. Therefore, durable bicycles are required to reach remote places with challenging terrain (e.g., sandy and mountainous areas) and to withstand the country's landscape during the rainy season. Depending on the severity of the rainy season, which lasts anywhere from four-six months of the year, many rural and remote areas are inaccessible by motor vehicle.

Though CHVs in Madagascar are a recognized cadre in the government health system and serve as a critical element to the national community health strategy, they do not receive a salary from the government. Other forms of remuneration and incentives for CHVs depend on the programs that support them. As a result, they are highly variable and may be short-term in nature. Given the minimal remuneration that exists for CHVs, methods to increase income generating opportunities, such as the eBox, are critical for providing incentives and retaining CHVs to continue the work they do.

## The MAHEFA Approach

MAHEFA implemented the eBox approach to respond to gaps in the bicycle sales and repair market, and to provide new skills and income generating opportunities for community members. The eBox functioned as a strategic support to the other integrated transport activities: bicycle distribution for CHV mobility, and establishing ETS at the community level. In 2013, MAHEFA provided 1,020 CHVs with quality bicycles and training on safe operation and maintenance. In the same year, MAHEFA also started to implement community-owned ETS. It introduced bicycle ambulances, bicycle rickshaw ambulances, wheeled stretchers, canoe ambulances and ox-drawn carts. In setting up the ETS and CHV mobility initiatives, it was clear that one of the biggest



challenges would be a mechanism to keep bicycles and other non-motorized transport running. This included ensuring the availability of spare parts and skilled mechanics for complex repairs. Additionally, an income stream allowing CHVs and ETS management committees to pay for repairs and maintenance would be essential.

MAHEFA drew on a tried-and-tested model developed by the Bicycling Empowerment Network Namibia<sup>1</sup> which established 34 eBoxes in Namibia. In addition to the innovative links with the other transport activities, MAHEFA also piloted a linkage between the eBox and local community health insurance schemes, *mutuelles*. EBoxes gave 10% of their profits to their local *mutuelles*, which are also linked with the local ETS committees.

## Key Activities

**1. Ensured the supply of bicycles and spare parts.** A number of organizations operating out of Australia, the US and the UK collect quality second hand bicycles and spare parts to ship them to developing countries. Drawing on the expertise and contact list of Bicycle Empowerment Network Namibia, MAHEFA identified such partners in the UK, US and Australia who collaborated to collect and ship quality bicycles to Madagascar. For the first round of shipment, the MAHEFA program managed the entire process. However, during this period, the program made sure to train members of the eBox cooperatives on how to receive the shipment and handle the transport of the containers. Therefore, after the first shipment, eBox members were encouraged to handle the container delivery, tax clearance, and container transport to the eBox site on their own.

**2. Selected the eBox site.** To limit issues with competition and to prevent taking business from other small local enterprises, eBox sites were chosen where there were not sufficient bicycle repair and maintenance services. Another consideration for site selection was strong leadership and good team work among community actors. Community actors in four communes in Sofia and Menabe regions were selected as pilot sites for the eBox activities. The initial meeting was organized in each commune to present the eBox concept and the roles and responsibilities of the community and program. Two communes in Antsohihy and Bealanana districts in Sofia region and two communes in Miandrivato and Morondava in Menabe region were selected.

**3. Established the eBox cooperative structure.** MAHEFA assisted the four communes mentioned above on how to form a cooperative and complete registration in their own district. Members of the eBox cooperative committee consisted of fokontany-level health workers (COSAN), CHVs, members of the management committee for *mutuelles*, and members of the ETS. Based on the government's cooperative guidelines, membership consisted of 25 to 70 individuals. Of the group, approximately 10 were on the management team, five-eight worked on bicycle sales and three-five were responsible for bicycle repair. The rest of the members helped with promotion of the sales and other tasks as assigned by the management team.

**4. Conducted training and delivered containers with bicycles.** As explained above, MAHEFA, was responsible for the first shipment of a container of about 400 recycled bicycles and spare parts. Before the arrival of the container at the eBox sites, MAHEFA conducted two trainings for two different groups of members. The first training was for members of the management team. Although they were volunteers, it was important they were taught how to handle tax clearance and how to correctly manage the financial operations of the eBox activity. The second training was for members of the repair and sales team. These members are paid and usually work part-time positions on a rotating basis. Some CHVs are in the management committee and some are in the repair and sales group. Income to pay these members comes from the sales of bicycles, spare parts and repair services. As a result, more work is available when a new shipment of bicycle and spare parts are received. The trainings for members ensure that eBox cooperatives are ready to receive bicycles when they arrive at the commune and secure them in a safe location to avoid theft. In extremely poor areas in the MAHEFA regions, theft by bandits was common.

**5. Started eBox cooperative activities.** The MAHEFA program used the containers in which the bicycles were transported to serve as bicycle shops for sale and repair. Based on their action plan prepared during the trainings, the eBox cooperative members took turns to work in the shop. Funds generated from sales and repairs, as well as annual dividends, were handled by the management committee in line with the cooperative's training and standard operations. MAHEFA staff monitored the financial activity (checking financial records) on a monthly basis. Once a year the program contracted an external auditor to perform an audit of each cooperative. A refresher training on financial management and accounting was provided in response to the recom-

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1. <http://bennamibia.org/>



mentations of the audit. A combination of reporting mechanisms, remote support and regular field visits from MAHEFA contributed to increasing the cooperative's capacity to generate income and ensure robust financial controls.

**6. Helped the cooperatives resupply and become self-sufficient.** Self-sufficiency was an important goal, as it would mean that the cooperatives would have the capacity and funds to manage their own resupply of bicycle equipment after MAHEFA ends. In the second round of resupply, representatives from the management committees of the cooperatives travelled to the capital and participated in the logistics and moving the bikes to the eBox sites. They participated in the process of tax clearance. They sorted and labeled the bicycles based on the conditions and quality of the bikes for sale. They managed the transportation of the container to the eBox site. This process was important for the cooperatives to learn as they will be responsible for continuing to do this after the program ends. Unfortunately, MAHEFA was not able to establish direct links for the cooperatives with bicycle suppliers before the end of the program.

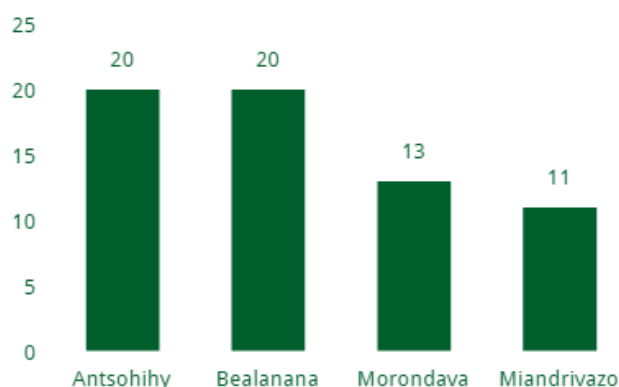
## Results

All the eBox cooperatives registered with the government and have an official cooperative license. Figure 1 shows the number of eBox committee members trained. The skills and functionality of these members are among the factors that contribute to the success and sustainability of the cooperatives. Furthermore, they were identifying additional income generating activities such as rice selling to implement in conjunction with the eBox activities and to further increase income generation among community actors including CHVs.

During the life of the program, the four eBox cooperatives that MAHEFA helped to create received containers with a total of 2,562 bicycles. The average number of bicycles per shipment was 420. As of February 2016, the eBox cooperatives had sold 2,095, which was 82% percent of the total bicycles received. The average income per cooperative was USD 16,000 and the average dividend paid to cooperative members was USD 28.

A review of all four eBox sites took place in February 2016. The review included focus group discussion and qualitative interviews with the management committee, the newly trained technicians, salespeople, other cooperative members, customers, and local authorities. The cooperatives' finances were also reviewed. The major findings are presented in Box 2 below.

Figure 1. Total number of eBox community members trained by district



### Box 1. Major findings of the 2015 eBox Qualitative Survey

- ◆ CHVs report that they are motivated to continue their work by the income that the eBox provides. eBox sites create job opportunities. Forty three people are currently employed across the four eBoxes, in bicycle sales or repair activities, 29 of these are CHVs and two are Youth Peer Educators. The remaining are members of management committees for ETS and *mutuelles*.
- ◆ Funds have been made available to support community health activities including *mutuelles* and ETS. Three of the four eBoxes have already made a contribution to the *mutuelle*, with a clear proportion specified for ETS support costs. In 2015, the annual eBox contribution to ETS has ranged from MGA320,000 to 640,000 (approximately USD100-200).
- ◆ EBoxes respond to community transport needs. Clients buying eBox bicycles include parents and farmers. Parents purchase bikes so their children can cycle to school. Farmers purchase bikes so they can transport products from the country side to the markets in different communities.
- ◆ The majority of those interviewed reported that the eBox is a source of great pride for a variety of people in the communities, including CHVs, the mayor, health personnel, and local businesses.
- ◆ As a result of the IGA of the eBox, some eBox cooperatives have diversified their businesses by selling rice. Other eBox cooperatives are also planning to expand their activities to sell fish or vegetables. The entrepreneurial business experience gained through bicycle sales, in addition to the start-up capital from bicycle sales and repairs, has provided members of cooperatives with skills required to expand activities under the eBox system and pursue new business endeavors.
- ◆ Quality bicycles are now in circulation. EBox bicycles are imported from countries that have import standards, so are of exceptionally high quality compared with other bicycles available in Madagascar. The eBox bicycles have an average resale value of MGA150,000 (approximately USD50), a cost similar to the cost of other bicycles at local markets.





## Challenges

**Cooperative structures were new concepts for certain communities and they were comprised of people who had never worked together before.** When two of the four sites changed their president in the first year, this caused some communication and trust issues.

**There was a stronger focus on the sale of bicycles instead of an equal focus on both the sale and repair of bicycles.** All four of the cooperatives had the same predicament in that members of the cooperative focused on selling bicycles rather than running a bicycle repair shop on an ongoing basis. This was due to the fact that in a shorter period of time, cooperatives could generate a higher profit from the sale of bicycles versus the repair of bicycles.

**There were many missed opportunities on the sale of spare parts and the use repair services.** Linked to the above challenge of initially focusing on sales over repairs and related to cooperative members lacking confidence in their skills to provide repairs, all four of the eBoxes had considerable stocks of spare parts. They were missing out on potential revenue from offering these repair services.

**Initially, cooperatives were not comfortable charging community members for their services.** Additionally, each cooperative decided its own payment structure. It would have been a better practice for all cooperatives to charge the same prices (as indicated in their guiding documents) for spare parts and repair services. Over time, cooperatives were encouraged to charge favorable rates for repair services. But, it took time for cooperative members to feel comfortable doing this.

## Lessons Learned and Recommendations

**Develop clear standard operating procedures for implementation of the eBox approach.** These should be developed between the implementing partner and the cooperatives and shared among members.

**Include a comprehensive planning process in the training curriculum** so that all members are able to review, identify, and address issues around financial controls, payments of disbursements, and dividends.

**Choose cooperative participants with prior experience of collaboration, potentially through already-established NGOs or other local organizations.** This can help to minimize turnover of leadership during the beginning of the program and establish a solid foundation for growth.

**Select appropriate sites for eBox.** Ideally sites should be clustered to help with resupply and support visit logistics. It is also important to choose sites where there are not already thriving bicycle sales and repair businesses. MAHEFA chose sites on main routes where there was a lack of quality bicycles and repair facilities. This ensured a high demand for eBox goods and services.

**Extend the supportive supervision period** provided for the management team, sales people, and technicians after training. If possible, a supervisor from the implementing partner (e.g., MAHEFA) should provide weekly follow-up site visits for the first six months.

**FOR MORE INFORMATION, PLEASE CONTACT:**

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