



VILLAGE REACH[®]

Annual Report 2012

2900 Eastlake Ave. E., Suite 230
Seattle, Washington 98102

Executive Summary

I am pleased to present VillageReach's 2012 annual report. VillageReach continues to apply its expertise with the primary goal of saving lives and improving health by increasing access to quality healthcare for the most underserved communities. During the past year, we have partnered with a number of new organizations to help improve health for many communities. With our partners, we share a common goal to improve the capacity of health systems in order to help additional communities in need of better access to healthcare. We also continue to be recognized for our impact, cost effectiveness and transparency in our approach.

We will continue our focus on improving the state of global health by working in partnership with health systems and other organizations served by them. We thank you for your interest in our work and look forward to your future support.

Sincerely,



Allen Wilcox
President

Why the Last Mile?

VillageReach works to improve the capacity and efficiency of health systems in low-income countries.

These countries account for a disproportionate share of worldwide deaths, many from preventable diseases which continue to kill 2.4 million children annually. The lack of access to healthcare for both prevention and treatment affects peoples' ability to attain an education, acquire employment, and raise healthy families to improve their economic and social quality of life. Limited health system performance in remote communities can perpetuate poverty in the world's marginalized communities.

Improving the health and welfare of these communities requires more attention and resources be paid to strengthening the final segment or "last-mile" of health systems and the infrastructure that support them. Key last mile deficiencies result from a lack of support for frontline health workers,

inefficiency of supply chains and other systems upon which these workers depend, weak information systems that could otherwise illuminate system performance, and missing local infrastructure needed to connect the final segment of the health system with central facilities and national infrastructure. Focusing on these key deficiencies is essential if we are to bridge the gap between quality health medical commodities and services that are currently available, and the remote, underserved communities that need them most.

We're building partnerships with health systems of national and local governments and enabling other contributing organizations throughout sub Saharan Africa and Asia. There is still much to be done. We encourage you to join us as we enable systems that save lives.

The VillageReach Model – Scale and Sustainability

VillageReach partners with local governments, communities and other organizations to strengthen existing health systems for remote communities in developing countries. Our solutions support the supply of medical supplies and equipment - that originates at the national level - by starting at the Last Mile. We apply modern business management techniques and inventory tracking applications to generate accurate, updated information regarding the needs of individual health centers and the communities they serve.

This information enables the development of medical supply distribution systems that are significantly more effective in reducing disease and death rates among the world’s most underprivileged. Through ongoing fieldwork and independent evaluations, our model has proven to be easily scalable to provide sustainable medical services for regional and national rollouts.

We enable the development of more capable, dependable health systems that complement the goals of many of the international development community’s global health initiatives:

Increasing Health Worker *Productivity*. Low- income countries face significant challenges regarding the limited number of health workers. VillageReach helps increase the productivity and job satisfaction of health workers by improving the infrastructure and services required to provide quality health services.

Improving the *Quality of Health Services*. Raising the quality of healthcare is a crucial component in building community confidence that the health system will benefit those who utilize it. VillageReach builds local capacity by improving the healthcare provider competencies and practices, the work environment and community engagement.

Improving *Access and Reach of Health Services*. A significant percentage of developing country populations live in rural areas with the least developed infrastructure. VillageReach focuses on strengthening the final segments – the Last Mile - from province to district to health center to communities. By focusing on rural and other remote health centers, VillageReach strengthens the channel for greater reach and reliability of primary health-care services.

Increasing *Trust and Use of Health Services*. Over time, communities receiving reliable services will come to trust and rely on the health system, thereby improving the overall health of the community. By improving productivity, quality and access, VillageReach simultaneously seeks to increase the use of health services by the community.

Ensuring *Sustainable Results*. By mobilizing local communities, supporting governments and enabling both non-profit and for-profit organizations to provide jobs and critical infrastructure, VillageReach creates a legacy of effective rural healthcare that continues beyond its direct involvement. We help fill infrastructure gaps by establishing and supporting sustainable social businesses to provide a variety of services. Because the customer base for these businesses will generally grow beyond the health system, the quality, stability and sustainability of the services is enhanced.

A Global Presence in Health System Strengthening

VillageReach provides critical last-mile support for health intervention programs through a complementary set of skills and approaches. We seek to achieve significant improvements in health system performance by addressing low-resource communities and lower layers of the health system. There are four key elements to our support.

Capacity and Efficiency Gains for Distribution

VillageReach provides standardized tools and practices to facilitate improvements in the distribution of medical commodities and other supplies to the last-mile level. VillageReach takes into consideration the available human and financial resources and infrastructure conditions to design more efficient and effective distribution practices.

Health Worker Training and Development

Applying technology solutions to improve health system performance can greatly improve the capacity and efficiency. However, technical assistance and systematizing supportive supervision for health personnel is also critical to improving health sector performance. VillageReach analyzes requirements, defines the approach, and builds systemic approaches to incorporating ICT into supportive supervision and health worker operations. These elements improve health worker capacity and efficiency, expose the facility management, stock management, data records, service provision, and adherence to national policies.

Information and Communications Technology Solutions

The design and deployment of high-capacity, low-cost distributions systems are dependent on the development and application of appropriate information and communications technologies (ICT) to ensure effective communications in the field and accurate capture and reporting of information. VillageReach defines requirements for and conducts evaluations of ICT systems, and develops personnel voice & data communications solutions and health information systems that help increase health worker capacity.

Enhancing Community Infrastructure via Social Enterprise

The VillageReach approach efficiently scales critical and sustainable infrastructure services, focusing on three key infrastructure sectors: transport and logistics, communications and information technology, and energy supply. VillageReach evaluates these gaps to assess opportunities for social businesses that develop a broad customer base beyond the health system.

VillageReach also provides low-cost access to capital, patient investment horizons and an ability to assume risk. With the health system serving as an anchor customer, social businesses can expand their base of customers. The goal is to leave behind a legacy of successfully developed, profitable businesses that are market competitive and socially beneficial.

Program Highlights

Ethiopia

mHealth Roadmap for Health-extension Program.

VillageReach partnered with Columbia University, Vital Wave Consulting, and PATH to support the Federal Ministry of Health in Ethiopia for the development of a roadmap and requirements for a new mHealth system to support maternal and child health services. The project explored linkages between the mHealth system and existing logistics management information systems.

Malawi

ICT to Improve Health Services for Mothers and Children.

VillageReach is working with the Ministry of Health to implement an Information and Communications Technology (ICT) program to increase access to the essential package of maternal, newborn and child health (MNCH) services. This program includes a toll-free 24-hour case management hotline for maternal and child health advice and referral, and uses mobile phones to send personalized voice and SMS health messages to women regarding their pregnancy and the health needs of their children. VillageReach is also working with the Ministry of Health to test a facility-based scheduling system for antenatal and postnatal care in order to reduce wait times, improve provider-client interactions, and improve health center readiness for maternal and neonatal health.

Kwitanda Community Health. Since 2008, VillageReach has led a program to strengthen the health system at the community and health center levels by building capacity of community health workers, implementing cost-effective interventions to reduce malaria and diarrheal diseases, and improving communication between community health workers and the health center through SMS communication systems.

VillageReach's program aims to reduce levels of malaria and diarrheal disease in the Kwitanda catchment area. To accomplish this goal, VillageReach facilitates distribution of existing cost-effective preventative measures, manages community health worker training, and provides infrastructure support for the health center and community.

Pharmacy Assistants Program. VillageReach is partnering with the Malawi Ministry of Health, the Malawi College of Health Sciences, and the University of Washington Global Medicines Program to implement a new approach to the training, deployment, and support of pharmacy assistants in Malawi. The three-year initiative was developed to address key barriers to medicines availability at the health facility and district level. The program is building the systems needed to support improved medicines management by training and deploying health facility-based pharmacy staff and by improving data management and reporting of logistics data across the country.

Mozambique

Dedicated Logistics System. Mozambique is home to VillageReach's first health program. As a result of that program's initial success in increasing immunization, VillageReach has expanded the program to cover a population of more than 13 million. The program, started in early 2010, is intended to achieve significant change in the performance of the Mozambique Ministry of Health (MISAU) through the use of dedicated distribution channels for various medical commodities to community health centers. The program also provides VillageReach with the opportunity to test and evaluate new innovations and system changes. Examples include: (i) a Rapid Diagnostic Test (RDT) consumption study aimed at estimating true demand and unmet need for RDTs throughout the country; (ii) a six-month pilot backed by USAID | DELIVER project to support community health workers (APE) through the use of *ODK Scan*, a mobile device application that scans images using computer vision, automating the capture and processing of paper data forms; and (iii) an assessment of the HIV logistics and supply chain systems in three provinces of Mozambique for CHASS SMT, a PEPFAR program.

Tanzania and Zambia

eLMIS Deployment. In Tanzania and Zambia, the ministry of health has plans to develop an accurate and real-time system for collecting and managing the data needed from the service delivery point to inform the procurement, management and distribution of medical commodities. VillageReach, in partnership with John Snow Inc. and PATH on the OpenLMIS initiative, is working with the MOH to deploy electronic logistics management information systems (eLMIS) for the countries.

New Capabilities in Information Management

VillageReach has increased its investment in information and communications technology (ICT). We define requirements for and conduct evaluations of ICT systems, and develop personnel voice & data communications solutions and health information systems that help increase health worker capacity and improve health system efficiency.

VillageReach's use of Internet and mobile application technologies provides health systems with critical support for personnel to ensure effective information capture and reporting. We're developing and deploying impactful and sustainable ICT solutions that are:

- Internet-enabled – to allow for data visibility and broad information share across frontline health personnel and health system management;
- Platform- and device-independent – to facilitate low-cost solutions by leveraging competitively priced phones and mobile computing devices; and
- Open-standards based – for greater interoperability, a critical feature for data exchange and effective visibility throughout health information systems.

VillageReach's expertise covers ICT support evaluation and response; applications development and device support for personnel voice and data communications; health information system evaluation and design; training for health system personnel, plus technical assistance and supportive supervision in support of program management.

In Mozambique, we have deployed a logistics management information system, vrMIS, to facilitate data capture and reporting of community health information and performance metrics of the health system itself. vrMIS incorporates a comprehensive feature set to enable efficient program monitoring and evidence-based decision-making for health systems.

OpenLMIS provides a repository of tools, product and project assessments, and other information to promote a collaborative approach for LMIS solutions and encourage the use of international standards in supply chain and health informatics. The initiative (www.openlmis.org) is aimed at the community of stakeholders – national governments, supply-chain/logistics specialists, global health delivery organizations, and software developers. OpenLMIS is a community-lead initiative dedicated to furthering understanding and development in LMIS to support improvements in health system supply chains in low-income countries around the world. In 2012, *OpenLMIS* gained broader interest and active membership with an expanded group of partners: the Bill and Melinda Gates Foundation, John Snow Inc. (JSI), PATH, Rockefeller Foundation, USAID, and VillageReach. OpenLMIS members collaborated on the development of the core platform, with expectation of initial deployments expected in Tanzania and Zambia in early 2014.

Engaging Private Enterprise to Support Health Systems

VillageReach’s pioneering model to improve health systems continues to rely on social enterprise solutions, where the focus is on improving community infrastructure. Its model efficiently scales critical and sustainable infrastructure services. Relieving public and private health systems of the burden of building and operating non-core activities.

In 2012, VillageReach’s social business, VidaGas, a propane distribution company operating throughout northern Mozambique, expanded its activities and established a third filling plant In Mocuba, Zambezia Province. The company has grown to become the largest independent energy supplier in northern Mozambique, providing fuel for 40% of the countries rural health centers.

Leadership

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 John Beale, Strategic Development Director, Group Lead,
 Social Business Group
 Mike Kinney, Finance and Operations Director
 Ron Pankiewicz, Technology Director, Group Lead,
 Information Systems Group

Mozambique Staff

Leah Hasselback, Country Director
 João Rodrigues, General Manager (VidaGas)

Malawi Staff

Jessica Crawford, Program Manager,
 Pharmacy Assistants Program
 Zachariah Jezman, Project Manager,
 ICT /To Improve Health Services for Mothers
 and Children Project
 Saiti Chikwapulo, Project Manager
 Kwitanda Community Health Project

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Financial Report

VillageReach provides its financial reporting online for convenient access. Copies of our *Articles of Incorporation, Bylaws, Proof of 501 (c)(3)*, and archived financial reports can be found [here](#).

The following financial reports are also available online:

- [2012 Audited Financial Report](#)
- [2011 tax filing – Form 990](#)

Partners

VillageReach partners with a number of organizations in conducting its health system strengthening programs, including:

Barr Foundation
 The Bill and Melinda Gates
 Foundation

John Snow Inc. (JSI)
 The Miami Foundation
 The Mulago Foundation

Seattle International Foundation
 USAID
 Vitol Foundation