Executive Summary: Digital Payments for Vaccine Campaigns

Findings in brief

Prompt, regular, and accurate payments promise big improvements in health campaigns, such as vaccines, that rely on a large workforce of last-mile health workers. Digital payments facilitate recruitment and continued motivation. Programs stand to save substantial amounts associated with cash due to errors, fraud, accounting controls, and security. The timeliness and accuracy of payments for a vaccine campaign are critical determinants of the morale of the vaccine workforce. Controlling errors, delays, and fraud holds the potential to improve the efficacy of a campaign and, by extension, deliver on the mission.

The unit cost of digital payments is 20% higher than that of cash payments for vaccine campaigns, unless fraud control and prompt payments are taken into account. Considering these factors too, the cost of digital payments is 67% lower than cash.

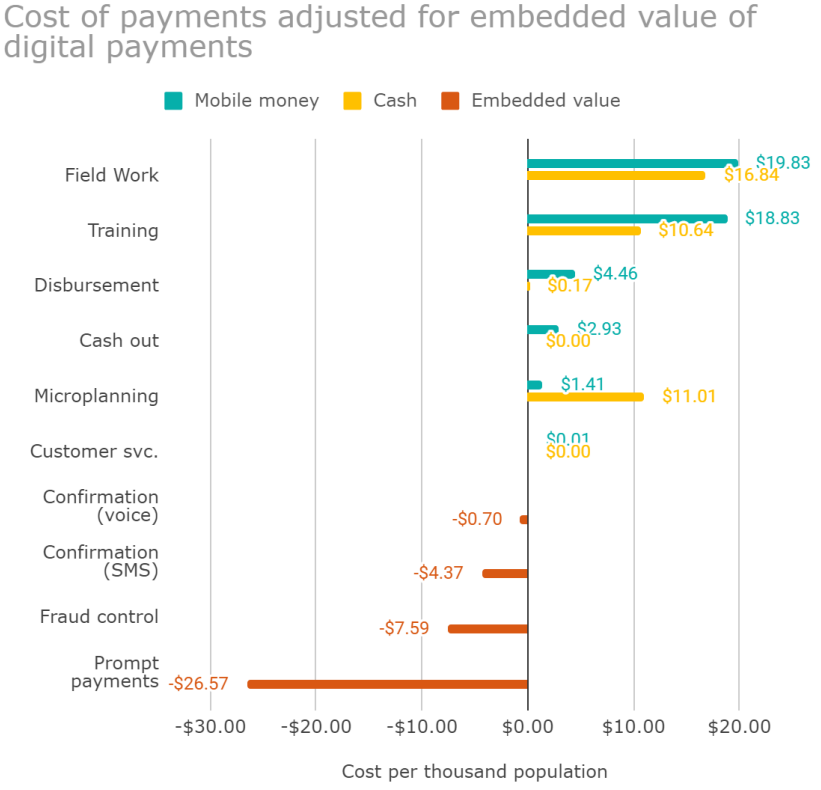
The aggregate value of the benefits of embedded digital services is sufficient to offset 74% of the cost of administering payments.

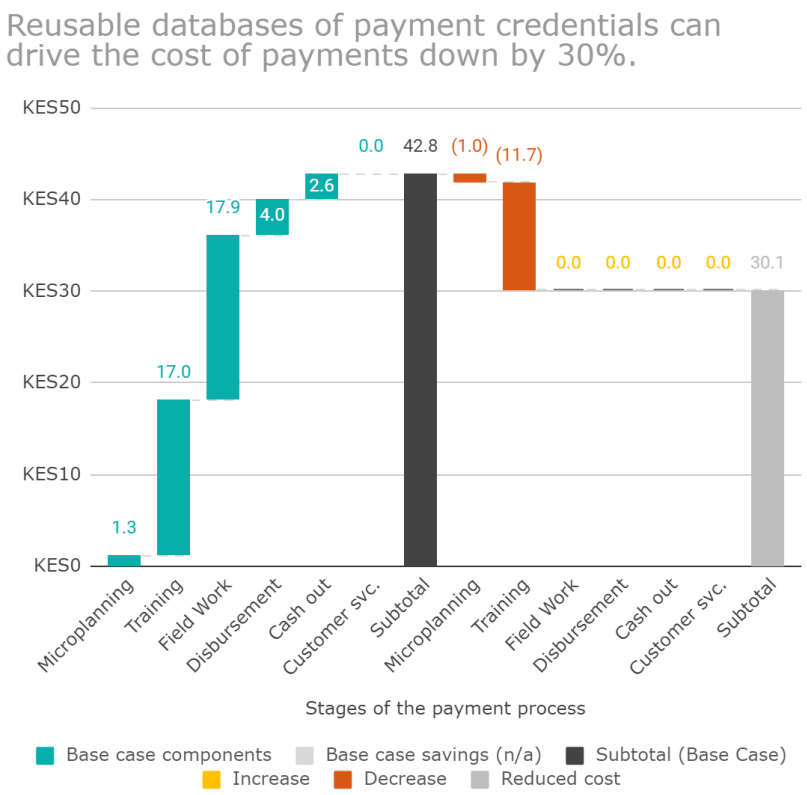
The largest component of this value is the promptness of the payment itself. Here, we have discounted that value by 80% relative to what research shows is the true value.

Fraud control is the second largest service embedded in digital payments.

Payment confirmations, while extremely important for accounting and customer service, are not particularly expensive to replicate by telephoning recipients of payments.

The likely direction of bias in this study is to understate the benefits of digital payments.





Our figures for the value of fraud control and prompt payments probably understate the extent of these issues.

Reusable databases of payment credentials can save 30% of the unit cost of payments, by reducing the burden of enrolling frontline staff during the hiring and training phase.

Payees are enthusiastic supporters of digital payments, whether through banks or mobile money. More than 80 percent of frontline staff reported preferring to receive their payments into accounts.

Methodology

BFA selected four countries with measles immunization campaigns conducted within the past five years: Burkina Faso, Ethiopia, Kenya, and Nigeria. We conducted four analyses using these recent vaccine campaigns, or supplemental immunization activities (SIAs).

Payment use case maps were the first component of the research. We mapped out all workflows related to payments for vaccine campaigns. A unit cost model of payments was the second component. This financial model is the result of original research that blended staff interviews with analysis of primary budget materials. This Excel file allows users to compare unit costs from various campaigns side-by-side and with sensitivity analyses.

The third component of research estimated the value of services embedded with digital payments. The proper comparison between digital and cash payments is not, "What is the relative cost of digital payments versus cash as it is today?" Instead, we should ask, "What is the relative cost of digital payments versus similarly prompt and verifiable cash payments?"

The final component of research synthesized the prior analyses into a scenario analysis. It applies the lessons from the preceding studies to a structured set of policy hypotheticals: such as when health ministries benefit from a reusable database of payment credentials; or with robust and mature access to cash-in and cash-out infrastructure.