

Access to Finance

Inadequate access to finance

has been identified by private health providers as a major barrier to the growth of the private sector. Financial institutions are often hesitant to lend to the private health sector as they lack familiarity, consider transaction costs to be high, and perceive it as a risky. Private health care businesses tend to be owned and operated by clinicians with limited business and financial management

capacity. As a result, many health care businesses lack business and financial records required by financial institutions to assess a loan request.



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Approach

Sustaining Health Outcomes through the Private Sector (SHOPS) Plus aims to increase lending to the private health sector by providing training and technical assistance to both financial institutions and private providers. The project also helps USAID identify financial institutions that could benefit from a Development Credit Authority guarantee aimed at mitigating risk.

Private Health Providers

SHOPS Plus helps private providers strengthen business management skills and obtain needed finance through:

Assessments – Determine a provider’s financial and business management needs and develop tailored technical assistance.

Counseling – Advise providers on their options to access finance, support them in developing business plans, and guide them through the loan process.

Networking – Organize trade fairs for private providers to meet representatives of health equipment suppliers, pharmaceutical companies, and IT companies.

Training – Provide instruction in improving credit-readiness and business and financial management.

Financial Institutions

SHOPS Plus helps financial institutions expand their private health sector business through:

Assessments – Evaluate a financial institution’s capacity to service the private health sector and design technical assistance to support activities in the sector.

Business development – Support sales activities to develop a strong pipeline of private health sector providers.

Lending methodology – Develop appropriate systems, policies, and procedures.

Loan guarantees – Support financial institutions in structuring, using, and monitoring a Development Credit Authority guarantee.

Product development – Adapt, develop, and test financial and non-financial products targeting private health sector providers.

Strategic planning – Develop and support implementation of a strategy aimed at developing a profitable portfolio of private health sector providers.

Training – Train bank personnel on sales and loan evaluation techniques.



Selected Activity

In Madagascar, local private providers struggle to obtain credit so that they can buy equipment for their clinics and meet the demand for health services in their community. SHOPS Plus is working with AccèsBanque and local health equipment suppliers to develop a financing product targeting private health providers, such as BlueStar franchisees. With backing from USAID’s Development Credit Authority, local clinics will be able to purchase ultrasound machines, CT scanners, x-ray machines, and other health equipment to improve the quality of their services. Banyan Global leads SHOPS Plus work in access to finance.

Find Us

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