



# The Uganda Private Providers Loan Fund

*A private sector intervention to improve women's health:  
Using microcredit to improve and expand private  
health practices that serve women and children*

**Deloitte  
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Tohmatsu**

IN PARTNERSHIP WITH  
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### **The Summa Foundation's Investment Profile Series**

The papers in the Summa Foundation's Investment Profile Series highlight selected investments made by the Summa Foundation. These papers are based on the research, analysis and due diligence conducted in structuring and approving an investment. The Summa Foundation uses financing and technical assistance to achieve health impact through the private sector. The Investment Profile Series was developed to disseminate information on this new model for achieving health impact and to highlight key elements of the investment design.

### **Cover Photographs:**

Upper left — Midwives attending training in basic business skills and credit management in Masaka, Uganda

Main cover image — Two Midwives in Kampala, Uganda

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## ACRONYMS

|           |  |
|-----------|--|
| ACDI/VOCA | Agricultural Cooperative Development International/Volunteers in Oversees Cooperative Assistance |
| AIDS      | Acquired Immune Deficiency Syndrome  |
| CMS       | Commercial Market Strategies Project   |
| GOU       | Government of Uganda   |
| HIV       | Human Immunodeficiency Virus   |
| NGO       | Non-governmental Organization  |
| PURSE     | Privatizing Uganda s Reproductive Services Efficiently Project                                   |
| SEATS     | Family Planning Service Expansion and Technical Support Project                                  |
| STI       | Sexually Transmitted Infection   |
| Summa     | Summa Foundation   |
| UMU       | Uganda Microfinance Union  |
| UPMA      | Uganda Private Midwives Association  |
| USAID     | United States Agency for International Development   |
| WHO       | World Health Organization  |

# **THE SUMMA FOUNDATION**

The Summa Foundation is a not-for-profit organization created in 1992 under the USAID funded PROFIT Project to provide financing and technical assistance to private and commercial organizations engaged in health activities in developing countries. Summa seeks to expand the role of the private sector in providing affordable health services and products, with particular emphasis on reproductive health and family planning.

The Summa Foundation is currently operating under the USAID funded Commercial Market Strategies Project. Summa is unique because of the variety of financing mechanisms at its disposal: direct loans and revolving loan funds. These different financing mechanisms enable Summa to reach a broad range of companies, organizations and individuals working in the private and commercial health sector.

## **Commercial Companies**

Summa makes direct loans and equity investments in commercial companies, such as private clinics, hospitals, HMOs, insurance companies and product distributors. The intent of these investments is to encourage the commercial delivery of quality reproductive health services and products and to stimulate private investment in lower income markets.

## **Non-Governmental Organizations (NGO)**

Summa also makes direct loans to non-governmental organizations that are involved in health product distribution or service provision. The intent of these loans is to expand the NGO s activities and increase its income generating ability in order to improve sustainability and impact.

## **Microcredit Program**

Summa also designs and finances revolving loan funds that provide small or micro loans to individual healthcare providers, such as midwives, nurses, doctors and pharmacists. Revolving loan funds are established in partnership with a local financial institution and providers association. By working with local institutions, the revolving loan funds provide a mechanism for Summa to reach multiple borrowers with smaller loans. The intent of the revolving loan funds is to assist private providers to improve and expand their services.

## **Technical Assistance**

Each of these financing mechanisms is complemented by technical assistance. The package of technical assistance that Summa can provide sets it apart from other investment funds. Technical assistance is provided in the areas of financial and institutional management and in health service delivery and family planning. Summa provides technical assistance to its borrowers and partners in order to maximize impact and ensure the success of its investments.

## EXECUTIVE SUMMARY

In Uganda health outcomes are low. In addition to the general level of poverty, the people of Uganda face an AIDS epidemic, high prevalence of malaria and a population growth rate that threatens to obliterate any development gains that have been made in the past years. Compared to many countries, the Government of Uganda (GOU) has taken a proactive stance in dealing with these problems. One of its strategies has been to recognize the limited resources of the public sector and promote the growth of the private health sector. Where there is a willingness and an ability to pay, the private sector can help fill the resource gap and contribute to public health goals.

In Uganda many private providers, such as midwives, provide important maternal, child and reproductive health services, such as family planning, ante and post natal care, deliveries, immunizations, malaria treatment, HIV/AIDS and STI counseling and treatment. Many of these private providers are serving lower income population groups and are located throughout the country, not just in urban areas. Private providers are often trusted and respected members of their community.

There are, however, a number of constraints to the development of the private health sector in Uganda. Many private providers are constrained by a lack of financing and basic business skills, which has implications both for quality of services and the ability of the private sector to scale-up in order to have a significant health impact.

In recognizing the importance of the private sector, USAID/Uganda has asked the Commercial Market Strategies Project and the Summa Foundation to address these constraints through the PURSE Project. As part of this project, the Summa Foundation designed the Uganda Private Providers Loan Fund to provide financing and technical assistance to private providers. The objective of the loan fund project is to increase the viability of provider s practices and improve and expand their services. In September 2000, USAID approved the Uganda Private Providers Loan Fund for implementation.

The loan fund will provide loans of \$30 to \$5,000 to private providers. This financing will be complimented by training in basic business skills and credit management. The program plans to reach at least 280 private providers in Uganda. Initially, the project will target midwives and then expand to other private providers, including nurses, doctors and pharmacists.

The project is being implemented in partnership with the Uganda Private Midwives Association, the Uganda Microfinance Union, ACDI/VOCA and the Commercial Market Strategies Project. The Uganda Private Midwives Association, which is the professional association for private midwives in Uganda, is responsible for marketing the loan fund to its members in order to identify high quality borrowers that are contributing to positive public health outcomes. The Uganda Microfinance Union, which is a microfinance institution, is administering the loan fund for Summa. ACDI/VOCA, an international development organization, is providing training in basic business skills and credit management to borrowers. The Commercial Market Strategies Project is assisting in supervising the implementation of the project and in monitoring and evaluation.

This Investment Profile will outline the background behind the project; discuss the project design in detail; and examine the expected health impact as a result of this intervention.

## COUNTRY BACKGROUND

### Health in Uganda

The Republic of Uganda is situated in East Africa and has a population of 22 million. Health outcomes in Uganda are relatively low due to its tumultuous past and general level of poverty. Life expectancy, 44 years for the total population, is one of the lowest in the world and has been greatly impacted by the AIDS epidemic. Approximately 8.3% of adults are estimated to be infected with human immunodeficiency virus (HIV). Sexually transmitted infections (STIs) are also prevalent in Uganda, accounting for approximately 20 percent of adult outpatient visits.<sup>1</sup> At sentinel clinics, 25 percent of pregnant women have an active syphilis infection.<sup>2</sup>

The health of children in Uganda is a major issue affecting the future of the country. According to the World Health Organization, infant mortality is estimated at 107 deaths per 1000 live births. Child mortality is also high and is affected by malaria, diarrhea, pneumonia, measles, AIDS and malnutrition. Approximately 38 percent of Ugandan children are stunted.<sup>3</sup>

Closely related is the health of women in Uganda. Estimated at 1200 deaths per 100,000 live births (1990), maternal mortality accounts for 17 percent of all deaths among women between the ages of 15—49.<sup>4</sup> Women of reproductive age are approximately 22.6 percent of the population. Fertility is high at approximately 7.03 children born/woman and the contraceptive prevalence rate is only 7.8 percent for modern methods. At the current growth rate, the population in Uganda is expected to double in 24 years.

#### *Box 1: Health Statistics in Uganda<sup>5</sup>*

|                               |                                      |
|-------------------------------|--------------------------------------|
| Population (000)              | 21.963                               |
| Population growth rate        | 2.83%                                |
| Total fertility rate          | 7.03 children born/woman             |
| Birth rate                    | 48.54/1000                           |
| Contraceptive prevalence rate | 7.8% all women/modern methods        |
| Infant mortality rate         | 107 deaths/per 1000 live births 1998 |
| Death rate                    | 18.43 deaths/1000                    |
| Life expectancy               | 44 years total population            |

### The Ugandan Healthcare System

The Government of Uganda recognizes the danger of allowing the current health and growth trends to continue. Accordingly, the GOU began focusing on the health situation in Uganda as part of a larger strategy to implement economic reforms. The government's efforts to reform the health sector, however, are constrained by a lack of resources. Projected GOU/donor/household expenditures on health for 1996—1997 were about \$202 million or about \$10 per capita. Of this, about \$36 million represent GOU expenses, another \$36 million are donor expenses, and the remaining \$130 million (64 percent) are household expenditures. Recurrent GOU expenditures are about \$3.60 per capita (USAID, 1996). As a result of these resource constraints, public sector health facilities are generally considered inadequate. The public sector cannot fully meet the health needs of the population. Accordingly, the Government of Uganda has recognized that promoting private sector services is a health priority.

## **The Role of the Private Sector in the Delivery of Health**

Access to quality health care is a real issue for most Ugandans. According to the World Bank, in Uganda, one fifth of all sick people go to a government health facility; another fifth go to a facility run by a non-governmental organization; and almost half go to traditional healers. As it now stands, therefore, a good 60 percent of Ugandans do not receive adequate, modern health care. <sup>6</sup> This is particularly the case in rural Uganda where access to modern health care services is very limited.

The private sector in Uganda is composed of non-governmental organizations, traditional healers, and private providers, including midwives, nurses, doctors and pharmacists. While NGOs have an important role to play in the delivery of health services in Uganda, they tend to be limited by donor resources. Traditional healers are able to reach a wide population but do not have the education and training that are necessary to significantly improve health outcomes. Accordingly, the modern, commercial health sector has an important role to play in achieving a far-reaching and sustainable impact on health outcomes. In the past, however, this group has been limited by a lack of financing and business skills, which has implications regarding quality and ability to scale-up operations in order to achieve impact.

## **The Role of Private Midwives in Uganda**

Among private providers it is estimated that there are approximately 800 private midwives in Uganda. At least 250 of these midwives are active members of the Uganda Private Midwives Association (UPMA), which is the professional association for private midwives. Private midwives in Uganda provide antenatal and postnatal care, deliveries, family planning, immunizations and well baby care, syndromic management of STIs, HIV counseling, health education and minor curative services on a fee for service basis. Unlike private doctors that are primarily situated in urban areas, midwives are located in urban, peri-urban and rural areas. Frequently, midwives are considered trusted members of the community and are motivated to provide quality services in order to sustain their livelihood and local reputation. <sup>7</sup>

The Commercial Market Strategies Project recently conducted a baseline survey of 22 private midwifery clinics in four districts of Uganda, including 1218 client exit interviews.<sup>8</sup> The preliminary findings from this survey reveal that the majority of clients at these midwifery clinics are women between the ages of 15-29 who are either low or lower-middle income. Thirty-three percent of the clients surveyed are currently using family planning. Clients cited the following reasons for their visit to the clinic: malaria (37%), purchase drugs (10%), antenatal (8%), flu and cough (7.6%), family planning (7.1%), immunization (4.9%), and child nutrition and monitoring (4.1%). In terms of client satisfaction, the majority of clients interviewed reported that they were just satisfied with the overall service provided by the clinic and only 38% reported that they always use the same outlet. While it is evident that many midwives are providing important health services to a lower income population, there is significant room to improve quality, client satisfaction and client retention.



## **Rationale for the Private Providers Loan Fund Project**

The modern commercial health sector, including midwives, in Uganda is small and in need of improvement. In recent years, however, it has been growing and there are a number of reasons to support this trend. Public and donor resources are insufficient to meet all of the health needs of the population. By shifting consumers that can pay to the private sector, the public sector has more resources available for those that cannot afford to pay. An expanding private sector can provide more choice to consumers. The private sector is generally more responsive to consumer needs. Many consumers are willing and able to pay for health services and actually prefer the private sector. The private sector tends to be a more efficient provider of health services and products. Improving efficiency and rationalization of resources should be an important component in health sector reform.

In addition to supporting the private sector in general, there is a specific case to be made for supporting private midwives. Private midwives are located throughout the country not just in urban areas. Private midwives have an important community outreach and leadership ability. Midwives are frequently on the frontline for providing access to family planning services and safe maternal child health.

## PROJECT BACKGROUND

Recognizing the importance of the private sector, USAID/Uganda has funded a number of projects to work with private providers, including the SEATS I and II Projects and the Commercial Market Strategies Project. The SEATS II Project was charged with working with private midwives in the Uganda Private Midwives Association. In the course of its work, SEATS identified lack of access to credit and inadequate business skills as major constraints to the expansion of private midwifery practices. In 1999 SEATS contacted Summa through the CMS Project about a potential investment opportunity with private midwives in Uganda.

In 2000 the Summa Foundation conducted several appraisal trips to Uganda to assess the needs of private midwives and other private providers. During this assessment, the Summa Foundation conducted focus group discussions and individual interviews with private midwives. This research revealed that there was a significant demand for credit to expand and improve practices and there was a capacity to repay.

The research indicated that while there was a large range in the requested loan sizes, \$30—\$5,000, most midwives were interested in borrowing an average loan of \$822 to purchase drugs, commodities, furniture, equipment, and to conduct clinic repair and expansion. Almost all of the midwives were interested in using a portion of the loan to purchase drugs. Drugs actually offer a relatively high return and will generate revenue quickly in order to repay a loan. Summa noted that less experienced and less profitable midwives, were interested in using the majority of their loan proceeds to purchase drugs while more profitable midwives were interested in clinic expansion and improvement. The assessment also examined midwives' ability to repay by comparing self reported monthly revenue to future monthly loan repayments based on requested loan amounts. Summa determined that the majority of midwives had the ability to repay. The assessment also revealed that most midwives were interested in saving some of the revenue that they generated and would like a loan program that had a savings component.

During the assessment, Summa also examined midwives' business skills and knowledge of credit. Summa determined that most of the midwives were not keeping adequate service statistics and financial records and were not able to use these records as a management tool. Many of the midwives were not able to separate personal from business expenses or determine the month's profit. Most of the midwives expressed interest in receiving business skills training. Summa also determined that most of the midwives did not have experience in accessing credit or managing it and concluded that this should be included in a package of technical assistance.

Based on these findings the Summa Foundation proceeded to design the Uganda Private Providers Loan Fund.

## **PROJECT OBJECTIVE**

The objective of the Uganda Private Providers Loan Fund Project is to provide access to credit and technical assistance to private providers, thereby increasing the viability of their practices and improving and expanding their services. Loans can be used by private providers to expand their practices, increasing the availability of reproductive, maternal, and child health services. Loans can also be used to purchase new, more modern equipment and to improve facilities, thereby improving the quality of care. Loans, coupled with technical assistance, help improve the viability and profitability of private practices, ultimately enhancing the sustainability of reproductive, maternal, and child health services.

# PROJECT DESIGN

## Project Overview

The Uganda Private Providers Loan Fund has two main components, financing and technical assistance. This three-year project was designed to meet the needs of private midwives and other private providers in Uganda. The project will be implemented in two phases. During Phase One, Summa will establish a loan fund that will target private midwives that are members of the Uganda Private Midwives Association. The loan fund will provide loans of \$30—5,000 to midwives to expand or improve their practices. In Phase Two Summa plans to expand the loan fund to other private health providers and may adjust the loan terms accordingly. It is estimated that in Year One of the project, Summa will need a total fund size of \$100,000. During Year One, Summa will provide loans to 100 new borrowers and 56 repeat borrowers. By Year Three, Summa will need a total fund size of \$175,000 and will have provided loans to 280 new borrowers and to 314 repeat borrowers. Summa also plans to provide training to at least 280 private providers in basic business skills and credit management.

## Project Partners

In designing the Uganda Private Providers Loan Fund Project, Summa decided to work with local partners in order to maximize the impact and future sustainability of the project. Accordingly, the project is being implemented in conjunction with the Uganda Microfinance Union, the Uganda Private Midwives Association, ACIDI/VOCA and CMS Uganda. The role of each partner is described briefly below.

### **The Uganda Microfinance Union (UMU)**

After conducting a review of microfinance institutions in Uganda, Summa selected the Uganda Microfinance Union to administer the loan fund. The Uganda Microfinance Union began operations in August 1997. UMU is registered as a non-governmental organization in Uganda. UMU's mission is to provide financial services to low income people in rural areas of Uganda. UMU was selected as Summa's financial partner because it offers the best combination of flexible policies and prudent financial control. UMU is flexible and is willing to target its program to the needs of the midwives and other private providers. In addition, UMU's low delinquency rate of 1% indicates that they have an effective system of policies and procedures that promotes repayment and reduces delinquency while enabling them to reach low-income population groups. UMU's role and responsibilities in administering the loan fund are described below.

### *Loan Fund Administration*

UMU is responsible for all aspects of loan fund administration. Specifically, UMU's loan administration responsibilities include:

- Marketing loans to private providers
- Assisting private providers to fill out applications
- Processing the applications, including review and a site visit
- Approving or rejecting the loan requests
- Collecting repayments
- Monitoring outstanding loans
- Working out bad loans

### *Loan Fund Staffing*

In order to administer the Loan Fund, UMU will dedicate one loan officer to the program. During Phase One, this loan officer will attend the monthly UPMA branch meetings to give out applications, disburse loans, and collect repayments. The loan officer will also be responsible for monitoring and collecting problem loans.

### *Loan Fund Guarantee*

To ensure that UMU is accountable for its lending decisions, UMU has agreed to guarantee 95% of the loan portfolio.

### *Loan Fund Reporting*

UMU is responsible for submitting monthly portfolio reports to Summa that detail amount outstanding, number of loans, number and amount of new loans, loan usage and delinquency. Monitoring reports will also be submitted for delinquent loans.

### *Interest Income and Operational Expenses*

In return for UMU's work in administering the loan fund and its portfolio guarantee, Summa will share interest income with UMU and will cover some of UMU's operational expenses.

## **Role of Uganda Private Midwives Association**

The Uganda Private Midwives Association is a registered non-governmental organization, which was founded in 1948. The UPMA is the official, professional organization representing private midwives in Uganda. The UPMA's responsibilities toward the Uganda Private Providers Loan Fund are described below.

### *Promotional Role*

The primary role that the UPMA will play will be in marketing and promoting the loan program to its members. In this way, the loan fund will target high quality private providers.

### *Organizational Role*

The UPMA will have an important outreach function in helping to organize the midwives who are interested in attending training and in borrowing through its branch network. The branch leadership will also be responsible for liaising with the loan officer and providing members with program updates.

### *Family Planning and Health Impact Role*

The UPMA will also play an important role in ensuring that Summa's family planning objectives are met. By targeting UPMA members, Summa will be lending to midwives that have received family planning service delivery training. These midwives also have access to CMS commodities through the UPMA, which acts as a sub-distributor for CMS's socially marketed products.

### **Other Providers Groups**

In Phase Two of the project Summa plans to extend the program to other private providers and may collaborate with other providers' groups in order to market the program to their members.

### **ACDI/VOCA**

The Summa Foundation will partner with ACDI/VOCA, an international organization, to provide training to providers in how to apply for credit and in basic business skills. ACDI/VOCA is a US-based international development organization that provides a comprehensive range of technical assistance services to cooperatives, small and medium-scale enterprises and agri-businesses in developing countries. ACDI/VOCA has been working in Uganda since 1992. Since April 1996, ACDI/VOCA Uganda has operated a Business and Finance Training Unit, which has trained over 2,400 clients in business planning, business management, group management and rural finance. ACDI/VOCA's training materials have been translated into five indigenous Ugandan languages and the training is conducted by Ugandan nationals. Summa has sub-contracted ACDI/VOCA to design and conduct the training program for the private providers. This program will be described in more detail in the technical assistance section below.

### **CMS Uganda**

The USAID funded Commercial Market Strategies Project began operating in Uganda in October 1998. CMS Uganda has a multi-faced and comprehensive program aimed at bringing quality reproductive health and family planning services to the people of Uganda. CMS Uganda operates a large social marketing program, distributing *Protector* condoms, *Pilplan* oral contraceptives, *Injectaplan* injectables, *SmartNet* insecticide-treated bed nets (to combat malaria) and *ClearSeven* kits for the treatment of Urethritis (an STI) in men. In addition to social marketing, CMS Uganda operates a community based health financing program and works with the Uganda Private Midwives Association and other private providers through the USAID funded PURSE Project. The PURSE Project seeks to expand the role and viability of the private health sector in Uganda. Operational expenses for the Uganda Private Providers Loan Fund are being funded through the PURSE Project. CMS/Uganda is playing a critical role in implementing the Uganda Private Providers Loan Fund. CMS is responsible for overseeing the day-to-day coordination of the project partners, monitoring and evaluation and the expansion of the project to other providers.

## Financing Component

As mentioned above, the project has two main components: financing and training. The financing component of the project is a revolving loan fund that is administered by UMU. Below is a more detailed description of the design of the financing component.

### Borrowers

During Phase One of the project, the loan fund will target private midwives that are members of the Uganda Private Midwives Association. In a sense, these borrowers have been prescreened in terms of health impact and quality. Through their membership in the UPMA, most have received some additional training in service delivery and some have received training in basic business skills. All UPMA members provide family planning services. By providing loans to UPMA members, the project will be supporting private providers that have already taken initial steps to improve quality and increase family planning provision. By working with these providers, Summa hopes to scale-up their impact. At first the project will be implemented in four branches of the UPMA, Kampala, Masaka, Mukono and Mpigi. Geographically, these branches are close to Kampala, which will make start-up and program administration logistically easier. These branches were also selected because they have the highest concentration of active midwives.

After Phase One, the program will be expanded to other branches of the UPMA as well as other private providers. By expanding, Summa will begin working with private providers that have not had the same exposure to training and family planning that the UPMA members have received. Summa plans to work closely with the CMS PURSE Project to ensure that the private providers have access to training and support in providing family planning services. By working with these other providers, Summa sees a real opportunity to improve quality and increase family planning services.

### Loan Terms

#### *Loan Use*

Loans can be used for:

- working capital
- inventory (commodities, drugs and medical supplies)
- equipment
- clinic expansion and repair

#### *Loan Range and Size*

Based on discussions with the Uganda Microfinance Union and the findings from the Borrower Assessment, Summa will offer a loan range of between \$30—\$5,000. During the first loan cycle, providers will be encouraged to borrow smaller amounts. They can graduate to larger amounts, after proving that they can handle credit. During the first loan cycle, there will be a maximum loan amount of \$800. Over the course of the project, Summa hopes that providers will continue borrowing larger amounts. Summa will encourage providers to graduate from small working capital loans to purchase inventory to larger loans that can have more of an impact on quality and service expansion.

### *Loan Maturity*

Loan maturity will be six months to one year, depending on loan size. Loans under \$1,000 must be repaid in six months. Loans over \$1,000 will be repaid in one year. Within these fixed maximum terms, the providers will be able to negotiate the amount of time they need to repay the loan.

### *Savings*

There will be a mandatory savings requirement of 20% of the loan amount. The providers will be required to open a savings account and save 20% of the loan amount before the loan is disbursed. The savings policy, however, will be flexible. Providers will be allowed to withdraw savings during the loan term upon written request and approval by their loan officer. This policy will enable the providers to respond to emergencies without incurring repayment problems. Summa hopes to instill a savings culture among private providers so that monthly savings becomes part of their business plan.

### *Interest Rate*

Interest rates are set based on UMU's policies and are likely to change to respond to market conditions.

### *Security*

The loan fund is designed based on the group guarantee model. As security for the loans, UMU will require a group guarantee. The private providers will be asked to form a group. Each member will agree to guarantee the other members' loans. This means that each member of the group is responsible for paying each other's loans in case of default. UMU will also reserve the right to take savings in case of default.

## **Lending Criteria**

In order to receive a loan, potential borrowers must be able to demonstrate the following:

- In Phase One, they must be an active member of the UPMA
- They must operate their own private clinic
- They must provide family planning services
- They must be a certified health professional
- They can not be delinquent on a loan from another financial institution
- They must demonstrate a willingness to provide written assurance and obtain co-signature by a peer group that they will repay in full and in a timely manner
- They must agree that the loan will be used for their private practice
- They must be willing to keep a constant supply of family planning products in stock
- They must be willing to accept the loan terms
- They must demonstrate credit worthiness and ability to repay
- They must be willing to provide quarterly health and financial information for monitoring
- They must be willing to accept unannounced visits by the loan officer or other CMS/Summa personnel and visitors



## **Training Component**

In addition to financing, the Summa Foundation and the Commercial Market Strategies Project plan to provide training to private providers through ACDI/VOCA. At least 280 providers will receive training during the project term. In order to design the training program, ACDI/VOCA conducted a Training Needs Assessment, determining that most of the midwives needed to improve basic business skills; did not keep complete financial records; and were unsure about how to access credit.

### **Objectives of the Training**

The overall objective of the training program is to impart basic business and credit management skills to private providers in order to strengthen the success of the revolving loan program and to support the on-going development and viability of their practices.

### **Training Curriculum**

ACDI/VOCA designed the training curriculum to meet the needs of the providers. The training curriculum is broken down into a number of modules that can be highlighted or down played depending on the skill level and interests of the providers. Providers are trained in business planning and management, record keeping, financial management, marketing with a focus on services and family planning products, and credit management and microfinance. CMS staff participate in the training, conducting a session on social marketing of health services and products. UMU loan officers also participate, conducting the last session on microfinance. During this session, the terms of the Uganda Private Providers Loan Fund are explained and trainees are given an application and assistance in filling in the applications.

### **After-Training Support and Follow-up**

Experience has demonstrated that conducting training activities in isolation and without adequate follow-up and support diminishes the potential return on the investment in enhanced skills. Training clients need the opportunity to exercise their new skills on the ground and to discover where there may be gaps in understanding. Within three months of the initial training, ACDI/VOCA will follow-up with one-on-one training to determine whether the providers are using their new skills and to trouble shoot any problems that they are encountering. The follow-on training will be done in the provider s clinics. Specifically, the trainers will:

- Furnish on-site technical assistance;
- Monitor the impact of training;
- Evaluate the providers progress toward their business objectives;
- Evaluate the need for revisions in training; and
- Determine the need for and content of future training events.

## HEALTH IMPACT

Ultimately, the final objective of the Uganda Private Providers Loan Fund is to achieve a health impact through the private sector. In order to monitor and evaluate the effectiveness of this program in achieving health impact, the Summa Foundation and the Commercial Market Strategies Project have designed a rigorous monitoring and evaluation plan. Specifically, indicators have been developed to measure:

- Expansion of private practices
- Improvements in quality of private practices
- Improvements in the financial viability of private practices.

Data on these indicators will be collected from a number sources, including the loan application, service statistic forms, clinic visits and client exit interviews. This research will use a control group in order to measure changes.

Using past data, it is estimated that 280 private midwives, that were members of the UPMA, saw approximately 2,000 new family planning users and 5,000 returning family planning clients per quarter.<sup>9</sup> This is equivalent to approximately two new family planning users and six returning users per month per midwife. These are 1997 figures, however, and the Commercial Market Strategies Project will be conducting a baseline data survey before loan disbursement in order to get a more accurate baseline from which to measure impact.

In conclusion, the Uganda Private Providers Loan Fund Project will assist at least 280 private providers to increase the overall viability of their practices, improving the sustainable delivery of family planning and maternal and child health services in Uganda. In addition, the loans will expand service provision, increasing the number of people that are impacted over time. Summa also hopes to see an increase in improved service provision. By monitoring and evaluating the success of the project in achieving these goals, Summa will be able to derive lessons learned that can be used to expand or replicate this innovative financing model in the future. In addition, Summa is hoping to make a sustainable link between the private providers and local financial institution so that in time there will be a local source of capital available to expand and improve the private health sector in Uganda.

## **CONTACT**

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## ENDNOTES

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<sup>1</sup> Family Planning Service Expansion and Technical Support (SEATS) Project, Uganda Final Country Report, January 2000

<sup>2</sup> *Ibid*,

<sup>3</sup> *Ibid*,

<sup>4</sup> *Ibid*,

<sup>5</sup> Data Source:

Population 1996/(000): WHO Report 1997

Population Growth Rate: The World Factbook, 1999, Central Intelligence Agency

Total Fertility Rate: *Ibid*,

Birth Rate: *Ibid*,

Contraceptive Prevalence Rate: 1995 DHS

Infant Mortality Rate: WHO Report 1999

Death Rate: The World Factbook, 1999, Central Intelligence Agency

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<sup>6</sup> World Bank, Private and Public Initiatives: Working Together in Health and Education

<sup>7</sup> Family Planning Service Expansion and Technical Support (SEATS) Project, Uganda Final Country Report, January 2000

<sup>8</sup> Commercial Market Strategies Project, Draft-Summa Topline Report, March 2001

<sup>9</sup> Family Planning Service Expansion and Technical Support (SEATS) Project, Uganda Final Country Report, January 2000