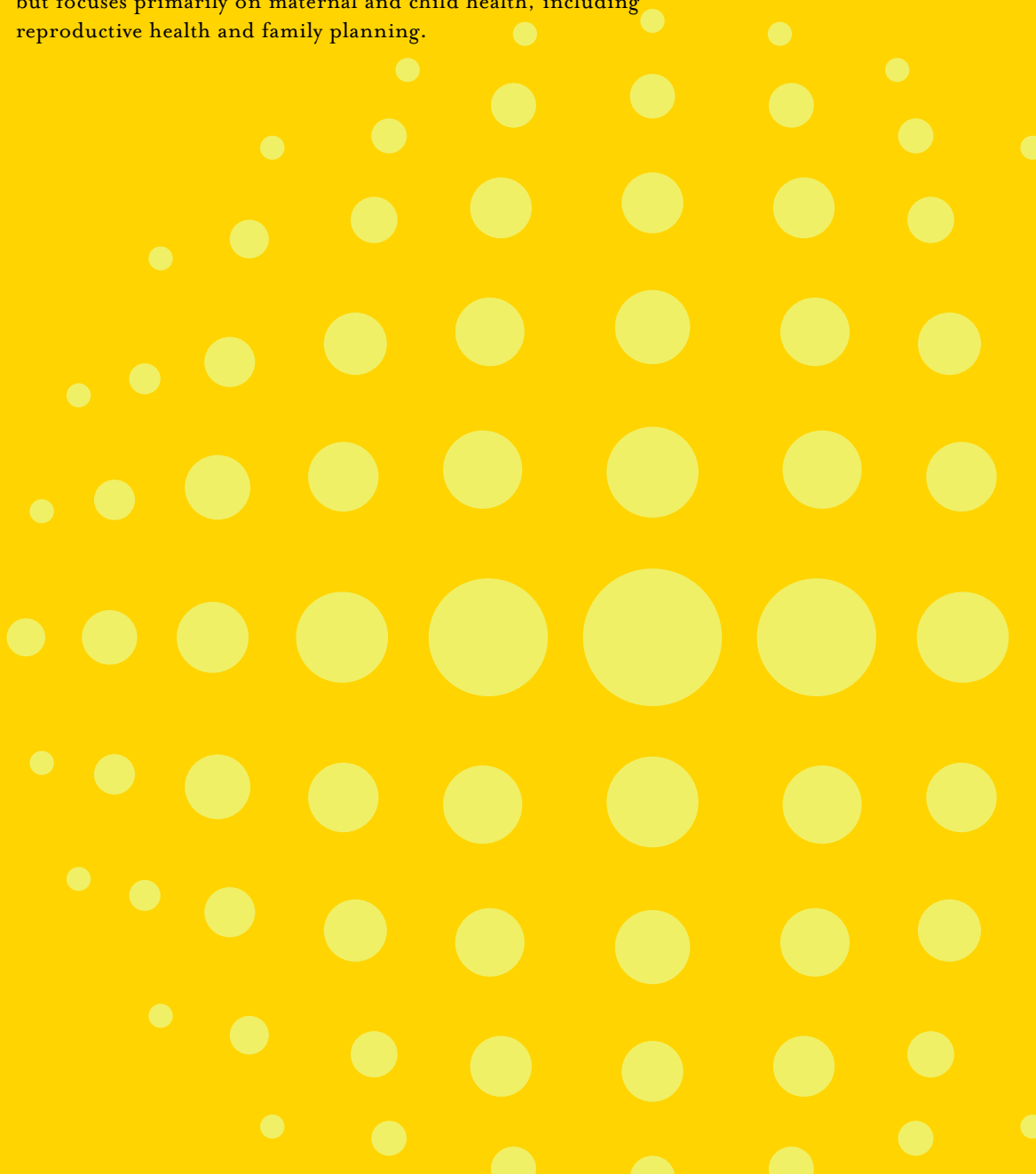


THE SUMMA FOUNDATION (Summa), a not-for-profit investment fund, provides financing and technical assistance to the private and commercial health sectors in developing countries. Summa's goal is to stimulate and expand the role of the private sector in the delivery of affordable health services and products. Summa considers proposals for a broad range of health projects but focuses primarily on maternal and child health, including reproductive health and family planning.



The Role of Summa

At Summa, we believe the private sector plays an important role in improving health care throughout the world. Historically, private sector investment in maternal and child health in the developing world has been constrained by a number of obstacles, including perceived risk and lack of financing. We work with the private sector to overcome these obstacles. By sharing financial risk, Summa enables health providers to enter new markets and to expand their businesses. Summa also targets organizations and companies that do not have access to commercial credit.

Types of Summa Financing

Summa financing can be used for equipment, property, working capital, inventory or to improve fixed assets. Summa provides flexible terms to ensure the success of its projects. We offer three main financial products:

- Loans to commercial companies
- Loans to nongovernmental organizations (NGOs)
- Microcredit for private providers

Loans to Commercial Companies

Our primary objective is to encourage companies to provide affordable and quality health products and services. Summa provides financing to commercial companies to expand their existing businesses or to initiate new business ventures. Summa loans to the for-profit sector range in size from \$100,000 to \$1,000,000, and repayment periods range from one to five years.

SUMMA COMMERCIAL BORROWERS INCLUDE:

- Health clinic networks and hospitals
- Managed Care Organizations and insurance companies
- Distributors of health products

Loans to Nongovernmental Organizations (NGOs)

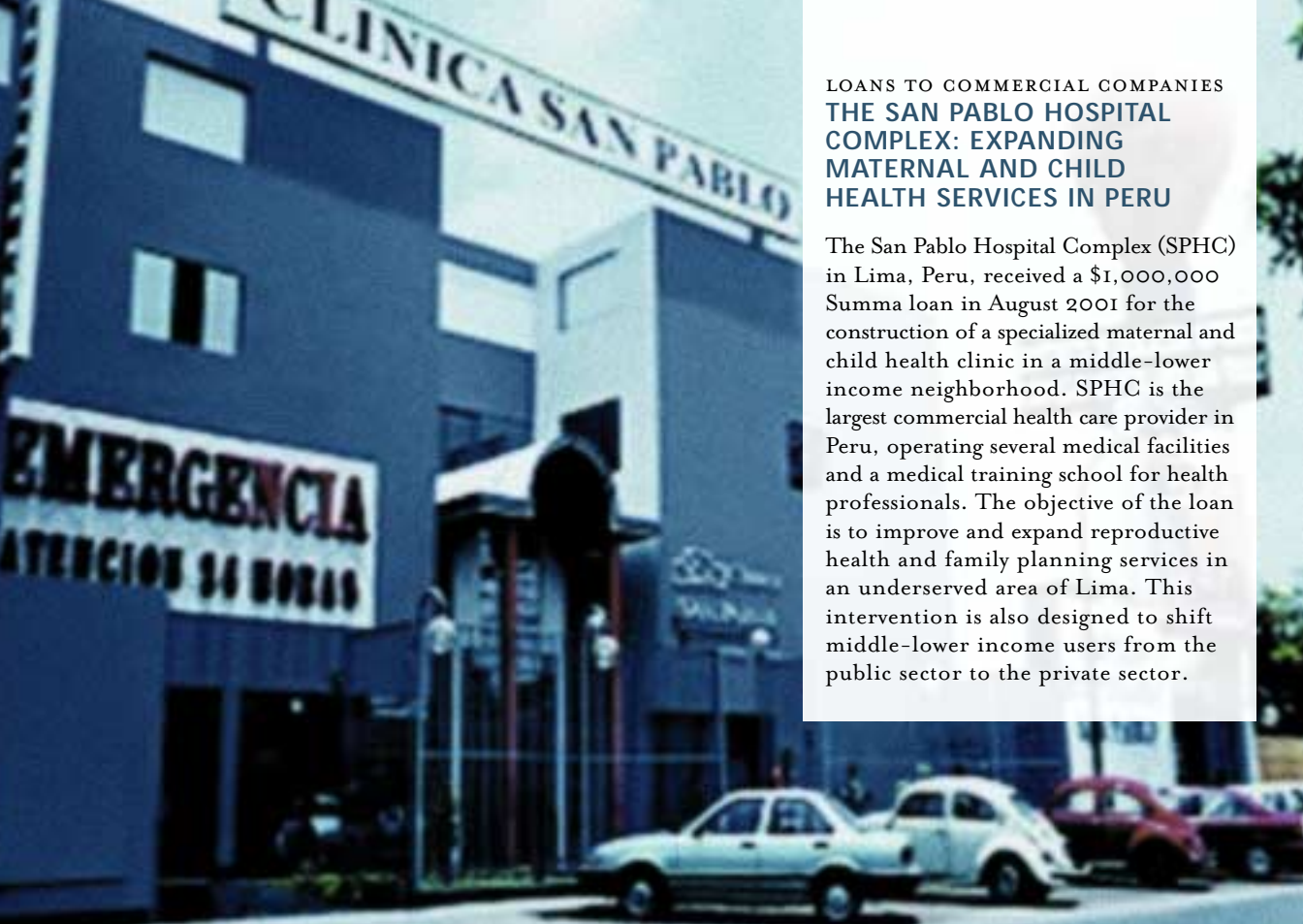
We provide loans to NGOs working in the health sector who have achieved a significant degree of financial and institutional sustainability. Summa loans help NGOs expand their existing activities or initiate new income-generating activities.

Summa will provide preferential interest rates and loan terms to NGOs who are seeking to make the transition from grant financing to loan financing. Loans to NGOs range in size from \$100,000 to \$500,000, and repayment periods range from one to five years.

SUMMA NGO BORROWERS INCLUDE:

- Service provision NGOs that operate health clinics
- Product distribution NGOs that social market contraceptives and other health care products





**LOANS TO COMMERCIAL COMPANIES
THE SAN PABLO HOSPITAL
COMPLEX: EXPANDING
MATERNAL AND CHILD
HEALTH SERVICES IN PERU**

The San Pablo Hospital Complex (SPHC) in Lima, Peru, received a \$1,000,000 Summa loan in August 2001 for the construction of a specialized maternal and child health clinic in a middle-lower income neighborhood. SPHC is the largest commercial health care provider in Peru, operating several medical facilities and a medical training school for health professionals. The objective of the loan is to improve and expand reproductive health and family planning services in an underserved area of Lima. This intervention is also designed to shift middle-lower income users from the public sector to the private sector.



**MICROCREDIT FOR PRIVATE PROVIDERS
UGANDA PRIVATE PROVIDERS
LOAN FUND: TRAINING AND
ACCESS TO CREDIT**

In January 2001, Summa created a \$175,000 revolving loan fund to provide microcredit to private providers (midwives, nurses and doctors) to expand or improve their practices. Summa is working with two local partners: the Uganda Private Midwives Association to identify potential borrowers, and the Uganda Microfinance Union, a local microfinance institution, to administer the fund. The program also includes a training component in basic business skills and credit management for private providers.

Microcredit for Private Providers

Our microcredit program provides small loans to private providers so they can expand and improve their practices.

In cooperation with a local financial institution, Summa establishes revolving loan funds ranging in size from \$100,000 to \$800,000. The local institution administers the fund and disburses individual micro-loans to providers. The repayment period for individual loans typically ranges from six months to one year, while the duration of the loan fund can be up to five years.

In addition, we work with local private provider associations to promote our microcredit program and provide technical assistance. These associations may also assist individual providers throughout the borrowing process. Examples of potential microcredit borrowers include private providers such as midwives, nurses, doctors and pharmacists.

The Investment Process

The Summa Foundation follows a systematic process for identifying, appraising, approving, and monitoring investments. The investment process has four phases and is designed to ensure the success of each project.

Identification ↓	Prospective borrowers submit a brief project summary
Appraisal ↓	Summa conducts an appraisal and site visit to determine if the investment meets Summa's criteria
Approval ↓	Summa writes a proposal and submits it to USAID for approval
Monitoring	After disbursement of funds, Summa monitors and evaluates the project for financial viability and health impact

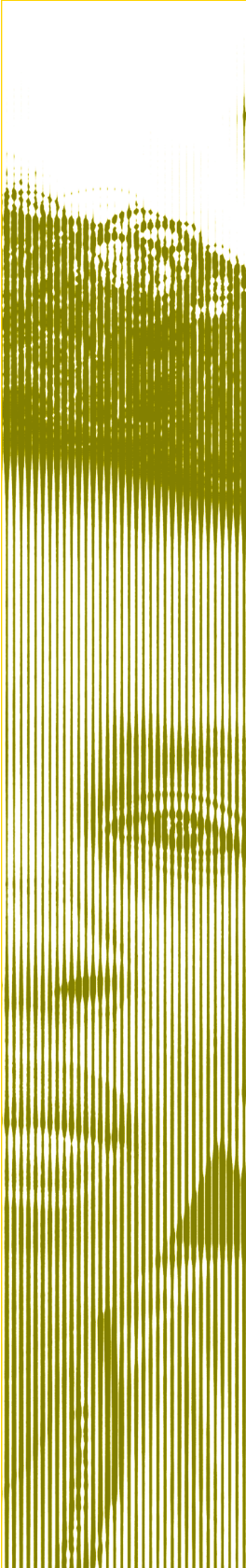
Investment Criteria

Borrower Contribution & Commitment – The borrower should demonstrate a personal investment in the business, a willingness to repay, and a commitment to Summa’s health impact goals.

Financial Viability – The project and business should be financially viable and the borrower should demonstrate an ability to repay the loan.

Health Impact – The project should have a positive health impact.

USAID Requirements – All investments are subject to certain USAID guidelines.





Technical Assistance

Summa conducts workshops and one-on-one training sessions to transfer skills to the private health sector and ensure the success of its investments. Summa can also assist potential borrowers to develop projects and apply for financing.

TECHNICAL ASSISTANCE TAKES VARIOUS FORMS:

- Help preparing loan requests
- Business planning and financial projections
- Business skills training and credit management
- NGO sustainability
- Funds management
- Training for health workers in reproductive health and family planning
- Assistance in improving managed care services
- Support in monitoring projects

Background

The Summa Foundation was established in 1992 with funding from USAID under the PROFIT Project. Summa was designed to stimulate private sector involvement in the delivery of affordable health care products and services in developing countries.

In addition to investment activities, the Summa Foundation provides technical assistance to USAID missions and borrowers. Summa also undertakes research on alternative financing sources and periodically publishes case studies highlighting lessons learned.

Summa now operates as part of the Commercial Market Strategies (CMS) project. CMS is a USAID-funded project that aims to increase access to and demand for reproductive health and family planning in developing countries through the private sector.

The CMS project is implemented by Deloitte Touche Tohmatsu in partnership with Abt Associates Inc., Meridian Group International, Inc., and Population Services International. CMS has worked in over 25 countries worldwide.

To learn more about the CMS project visit www.cmsproject.com.



LOANS TO NGOS

GHANA SOCIAL MARKETING FOUNDATION: DELUXE COMMERCIAL CONDOMS

Summa provided a loan and technical assistance to the Ghana Social Marketing Foundation (GSMF), an NGO based in the capital, Accra. According to the 1998 Demographic and Health Survey, one out of every two condoms used in Ghana is sold by GSMF.

GSMF used its Summa loan for the procurement and promotion of high quality condoms. The Aganzi brand condom was launched in the fall of 2001. This is one of the first cases in Africa of a traditional social marketing NGO launching a fully commercial product.

The primary objective of the loan is to increase GSMF's financial sustainability. Another objective is to increase condom use, which will provide dual protection from HIV/AIDS and pregnancy.



LOANS TO NGOS

CAMBODIA: SUMMA LOAN USED TO PURCHASE MAIN CLINIC

The Reproductive Health Association of Cambodia (RHAC) is the largest private reproductive health care provider in Cambodia, operating five clinics throughout the country. RHAC clinics provide family planning, diagnosis and treatment of sexually transmitted diseases, ante and postnatal care, counseling on HIV/AIDS, and basic laboratory tests. RHAC used a Summa loan in 2001 to purchase its headquarters and main clinic. The loan will allow RHAC to expand and develop its facility, thereby strengthening its ability to provide quality health services.



If you would like to learn more about the Summa Foundation, please contact:

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Currently working under the
Commercial Market Strategies Project



COMMERCIAL
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