



Summa and the Uganda Private Providers Loan Fund

Summary: A microfinance program that provides business skills training and revolving loans to small-scale private providers can increase the viability of private practices, expand services, and improve the quality of care.

Background

Small-scale private providers, such as midwives, are on the front line of providing voluntary family planning, safe deliveries, and other maternal and child health (MCH) services in the developing world. Small providers are located in urban, peri-urban, and rural areas. They are more likely than larger private providers to serve lower-income groups. As trained health professionals, they tend to be trusted members of their communities and have outreach and leadership abilities. They are motivated to provide quality services to sustain their livelihoods and local reputations. Their ability to expand and improve service delivery, however, is limited by many factors. Small providers typically lack access to medical updates and are not always adequately supervised and regulated. They also have difficulty accessing capital to improve quality or increase services and often lack business skills to make their practices more viable.

International donors and governments are interested in working with small private providers because of their potential to have a positive effect on health outcomes in the developing world. It can be difficult, however, to identify and organize large numbers of small providers. It is also difficult to retain their interest if they must spend time away from their busy practices. Typical strategies, such as

working through provider associations, have had limited success, and alternative approaches are needed. In Uganda, the Summa Foundation designed an innovative microfinance and business skills training program.

Objective

The Uganda Private Providers Loan Fund provides financing and business skills training to increase the viability of private practices, expand services, and improve the quality of care. The fund targets small private providers, such as midwives, nurses, doctors, clinical officers, and drug shops.

Loan Structure

The Summa Foundation approved a loan fund of \$300,000 to be administered by the Uganda Microfinance Union. Loan recipients are identified through professional associations and direct marketing to private practices. The loans vary from \$30 to \$5,000 and are extended for 6- to 12-month periods. Providers use the funds to buy drugs and equipment and to renovate and expand their clinics. Providers who successfully repay their first loan can take additional loans for larger amounts. A total of 373 private providers have received loans over two years. Some providers are on their third or fourth loan. There is a

99 percent repayment rate, which is excellent by microfinance standards.

Technical Assistance

In collaboration with the Commercial Market Strategies (CMS) project, Summa offers training in basic business skills, including business planning and management, record keeping, financial reporting, credit management, and marketing. The marketing session features strategies to improve quality of care, such as client-provider interactions, availability of drugs and supplies, hygiene and sanitation, patient confidentiality, and the affordability and accessibility of services. To date, 319 private providers have received training.

Outcomes

The Summa Foundation conducted a monitoring and evaluation plan to profile loan recipients and to track changes in practice viability, service expansion, and quality resulting from the loans.

PROVIDER PROFILE: SUMMARY OF MONITORING DATA

The majority of borrowers are midwives (44 percent), followed by nurses (30.5 percent), clinical officers (15.4 percent),

and doctors (8.9 percent). Most providers are in peri-urban areas (53 percent), followed by urban (30 percent) and rural (17 percent). Half describe the majority of their clients as lower middle income, followed by middle income (38 percent) and poor (10 percent). All provide voluntary family planning services, including injectables, pills, and condoms. Before receiving their first loans, providers reported an average of 344 visits per month per clinic; an average of 49 were family planning visits. About 26 of these visits were new clients. In total, borrowers were seeing about 18,277 family planning clients per month before they received the loans.

VIABILITY OF PRIVATE PRACTICES: SUMMARY OF MONITORING DATA

Summa compared net income and savings reported on the first and second loan applications. The program has had no significant impact on net income to date, but there has been an increase in savings, which can be an important safety net. At the time of the first application, only 33 percent of the borrowers reported savings of \$168.50 or more. By the second application, 58 percent reported savings of \$168.50 or more.

SERVICE EXPANSION: EVALUATION FINDINGS

The CMS project evaluated the intervention's impact on service expansion and quality. The methodology consisted of interviewing clinic clients before and after the intervention and using a comparison group to assess the net impact of the intervention.¹ About 1,200 respondents were interviewed in each survey at 15 intervention and seven control group clinics. At intervention clinics, there was a significant increase in the proportion of clients who obtained preventive MCH services (see Figure 1). Clients at intervention clinics were 1.6 times more likely to report MCH services as the reason for their visit

over baseline; there was no trend in this indicator at control clinics. The trend, however, was not significantly stronger at the intervention clinics compared to the control clinics.

IMPROVING QUALITY: EVALUATION FINDINGS

The Agha study suggested that a microfinance program can increase client perceptions of service quality and client loyalty. There were statistically significant changes at intervention clinics in perceived quality indicators, including drug availability, fair charges, privacy, accessibility, appearance, and range of services offered (see Figure 2). There were no comparable increases at control clinics in perceived quality of services other than a significant improvement in the range of services. Clients at intervention clinics were 1.8 times more likely to say that they always visited the same clinic compared to baseline.

Figure 1. Percent of clients reporting MCH visits

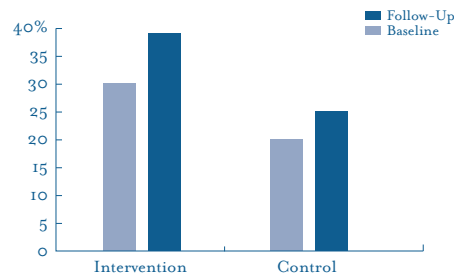
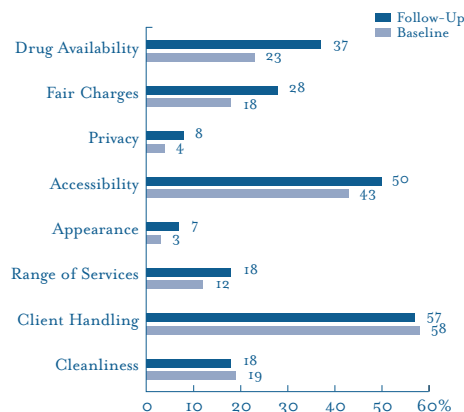


Figure 2. Changes in perceived quality of services



¹ Agha S, A Balal, F Ogojo-Okello. 2002. The Impact of a Microfinance Program on Client Perceptions of the Quality of Care Provided by Private-Sector Midwives in Uganda. Washington DC: USAID/Commercial Market Strategies Project.

More Information

For more information or to download a copy of this *Investment Brief*, please visit the Summa Foundation website at www.summafund.com.



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The Summa Foundation, 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.



Summa currently operates under the United States Agency for International Development's Commercial Market Strategies (CMS) project. Implemented by Deloitte Touche Tohmatsu (Contract No. HRN-C-00-98-00039-00 and subcontractors (Abt Associates, Inc. and Population Services International), CMS works throughout the developing world to expand the role of the private sector in the delivery of quality reproductive health care.



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