



Summa and the Reproductive Health Association of Cambodia

Summary: A loan to a reproductive health NGO can improve institutional equity, reduce costs, and expand services.

Background

Cambodia has experienced years of political turmoil that have significantly impaired its development, including the growth of its health care system. Affected by the reign of the Khmer Rouge, civil war, and unrest that continued until recent years, Cambodia has some of the worst health indicators in Southeast Asia and suffers from a shortage of adequately trained medical staff. Health care quality in both the private and public sectors is uneven, and large portions of the population either use traditional medicine or do not seek health care at all. The private sector has an important role to play in rebuilding the country's health system and contributing to positive health outcomes. Despite the growth of private-sector participation, however, high-quality and sustainable health care options for the Cambodian population are limited.

Leading the advancement of private health care alternatives in the country is the Reproductive Health Association of Cambodia (RHAC), a private, non-profit health service provider. RHAC is Cambodia's largest private reproductive health provider, offering clinical reproductive health care, health outreach, adolescent and workplace-based programs, and training. RHAC is a leader in family planning, dual protection, HIV/AIDS counseling, sexually transmitted infection prevention,

and ante- and postnatal care. Known for high-quality care at affordable prices, RHAC operates six clinics throughout the country.

RHAC is also innovative in its approach to sustainability and requested that the Summa Foundation design an intervention to improve its long-term viability. The Summa Foundation responded by designing a package of financing and technical assistance that will increase RHAC's institutional equity, reduce operational costs, and expand services over time. Specifically, Summa provided a direct loan to RHAC to purchase its headquarters and main clinic in Phnom Penh. Summa also provided technical assistance to maximize the impact of the intervention.

Objective

After conducting an assessment of RHAC, Summa recommended the approval of a package of financing and technical assistance to improve RHAC's sustainability. RHAC used the loan to purchase its main clinic in Phnom Penh. The Summa loan increases RHAC's sustainability through

- improved institutional stability
- improved cost recovery
- expanded services

Prior to the loan, RHAC did not own any of its clinics and was subject to the demands of landlords. By owning its main clinic, RHAC is improving its institutional stability, ensuring that it will continue to serve its client base and the broader public health community. Furthermore, the Summa loan has enabled RHAC to improve cost recovery because it no longer has to pay rent. This savings can be redirected to support programs. Ownership of the clinic also has enabled RHAC to add three new examination rooms, allowing it to expand services and increase income from user fees. RHAC is now able to see 45 additional clients per day.

Loan Structure

The Summa Foundation approved a direct loan to RHAC to finance the purchase of the main clinic and to provide working capital directly related to property transfer expenses. RHAC also committed its own reserves as a down payment on the property.

Technical Assistance

As part of the loan package to RHAC, the Summa Foundation agreed to provide a limited amount of technical assistance to maximize the impact of the loan and improve RHAC's sustainability. The tech-

nical assistance included a review of RHAC's current operations and proposed strategic framework from both sustainability and health programmatic perspectives. Summa examined productivity and income-generating capacity within RHAC's current program and highlighted cost-recovery ratios for each of RHAC's clinics. Summa concluded the technical assistance by making concrete recommendations to improve operations and to increase sustainability and cost recovery.

Outcomes

Improving RHAC's sustainability is strengthening its ability to continue to provide valuable health products and services. During the first year and a half of the loan, RHAC had an increase in cost recovery of \$35,357 that is directly attributable to

the loan. Cost recovery will continue to increase over the loan term. Also as a result of the loan, RHAC's institutional equity through property ownership increased by \$67,900. This figure also will increase over the loan term.

Service provision also expanded during this period. At the end of the first 18 months of the loan, RHAC's total client visits had increased 42 percent compared to baseline. There was a 40 percent increase in voluntary family planning visits and a 19 percent increase in couple years of protection (CYPs; see Figures 1 and 2). Summa estimates that during the loan term, RHAC will have approximately 1,245,043 family planning client visits, generating 182,257 CYPs.

Figure 1. RHAC's service statistics over the loan term

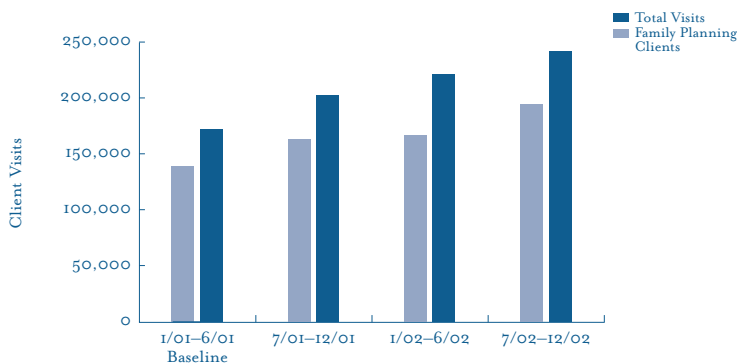
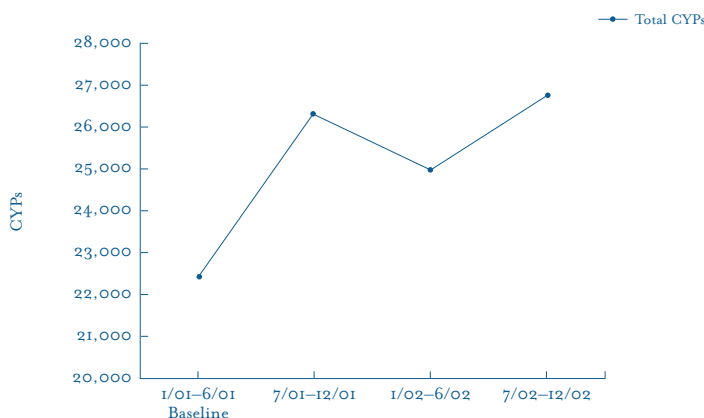


Figure 2. Changes in CYPs over the loan term



More Information

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



1001 G Street NW, Suite 400W
Washington, DC 20001

Telephone: (202) 220-2150
Fax: (202) 220-2189

www.summafund.com

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.



COMMERCIAL MARKET STRATEGIES
NEW DIRECTIONS IN REPRODUCTIVE HEALTH

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