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THE BANKING ON HEALTH PROJECT
END OF PROJECT REPORT

November 2009

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Banking on Health

The Banking on Health project prepared *The End of Project Report*. It presents activities and results achieved by country during the five-year project, 2004 to 2009.

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LIST OF ACRONYMS

ABC	African Banking Corporation
ART	Antiretroviral therapy
AYEG	Association of Young Economists of Georgia
BDS	Business development services
CA	Cooperative agencies
CIES	Centro de Investigaciones y Estudios de la Salud
CMS	Commercial Market Strategies
CoReform	Cooperation in Health Systems Transformations
DCA	Development Credit Authority
EMP	Empresas Médicas Previsionales
HMO	Health maintenance organization
HPI	Health Policy Initiative
IMAP	Integrated Midwives Association of the Philippines
IMfB	Integrated Microfinance Bank
IR	Intermediate results
IRS	Internal Revenue Service
IUD	Intrauterine device
MAPPP-E	Medical Association of Private Practice Physicians of Ethiopia
MFI	Microfinance institution
NGO	Nongovernmental organizations
NHIH	National Health Insurance House
NHIS	National Health Insurance Scheme
OMB	Opportunity Microfinance Bank
OMRO	Opportunity Microcredit Romania
PEPFAR	President's Emergency Plan for AIDS Relief
PHC	Primary health care
PMTCT	Prevention of mother-to-child transmission
PMV	Patent medicine vendor
PRAES	Promoting Alliances and Strategies
PRISM	Private Sector Mobilization for Family Health
PSP	Private Sector Program

PSP-*One*	Private Sector Partnerships-*One*
RFHI	Romanian Family Health Initiative
SECS	Society for Education in Contraception and Sexuality
SME	Small and medium enterprise
ToT	Training of trainers
TO 2	Task Order Two
UHMG	Uganda Health Marketing Group
UNFPA	United Nations Population Fund
UPMO	Uganda Private Midwives Organization
USAID	United States Agency for International Development
WPFI	Well Family Midwife Clinic Partnership Foundation, Inc.
ZANACO	Zambia National Commercial Bank

EXECUTIVE SUMMARY

Donors and governments increasingly are recognizing the importance of strengthening the private sector to achieve reproductive health and voluntary family planning outcomes. A major constraint to the development of the private health sector has been limited access to financing, an essential input that helps that sector expand its range and types of services, enter underserved areas, and make quality improvements. To address this problem, the United States Agency for International Development (USAID) designed the Banking on Health project, Task Order Two under the Private Sector Program indefinite quantity contract. The Banking on Health project took a two-pronged approach to increasing access to financing by working with local financial institutions to promote health-sector lending and improving credit-readiness among private providers. In addition, the project managed the Summa Foundation, a nonprofit investment fund that had an outstanding portfolio of loans to private health providers in developing countries. The Banking on Health project was awarded on September 30, 2004 to Abt Associates in consortium with Banyan Global, which was the technical lead for the project, ACDI/VOCA, IntraHealth, and Bitran and Associates.

Banking on Health represented a new type of programming when it was launched in 2004. While the Summa Foundation had pioneered the concept of investing in the private health sector in developing countries, Banking on Health restructured the model to focus on building local capacity to lend to the health sector. Over the past five years, Banking on Health transformed the field, achieving a number of technical firsts, including

- training financial institutions in lending to the health sector
- advancing business training to respond to the needs of private health providers
- introducing trade fairs to break the isolation of the private sector
- using market research to expand health-sector lending and as a policy tool to advocate for change

Through these innovations Banking on Health created unique public-private alliances, involving multiple actors, including financial institutions, private health providers, provider associations, and public-sector payers and regulators. These alliances have addressed a number of constraints facing the private health sector, leveraging almost $206 million in commercial financing[1], improving market linkages, expanding the sustainable delivery of reproductive health and family planning services, and contributing to important policy changes that improve the environment for the private health sector. In all seven

[1] In this report the term "leveraging" is used to describe the increase in health-sector lending following Banking on Health's intervention. The $206 million represents data from financial institutions in Nicaragua, Peru, Uganda, Zambia, Nigeria and Romania. Banking on Health required all financial institutions that it partnered with to provide health-sector loan portfolio information prior to the intervention to serve as a baseline and then report semi-annually on increases in health-sector lending. Not all partner financial institutions were able to provide this data due to inadequate management information systems. In some cases Banking on Health substituted information reported by financial institutions with data from other sources. In the case of Zambia data was obtained directly from interviews with private providers that participated in Banking on Health's training. In Nicaragua and the Philippines some of the data was obtained from monitoring reports provided by USAID's Office of Development Credit. Banking on Health did not have the resources to evaluate its programming and therefore cannot establish a causal link between its assistance and changes in lending. Interviews with partner banks, however, indicated that Banking on Health's assistance was an important factor in expanding into the health sector.

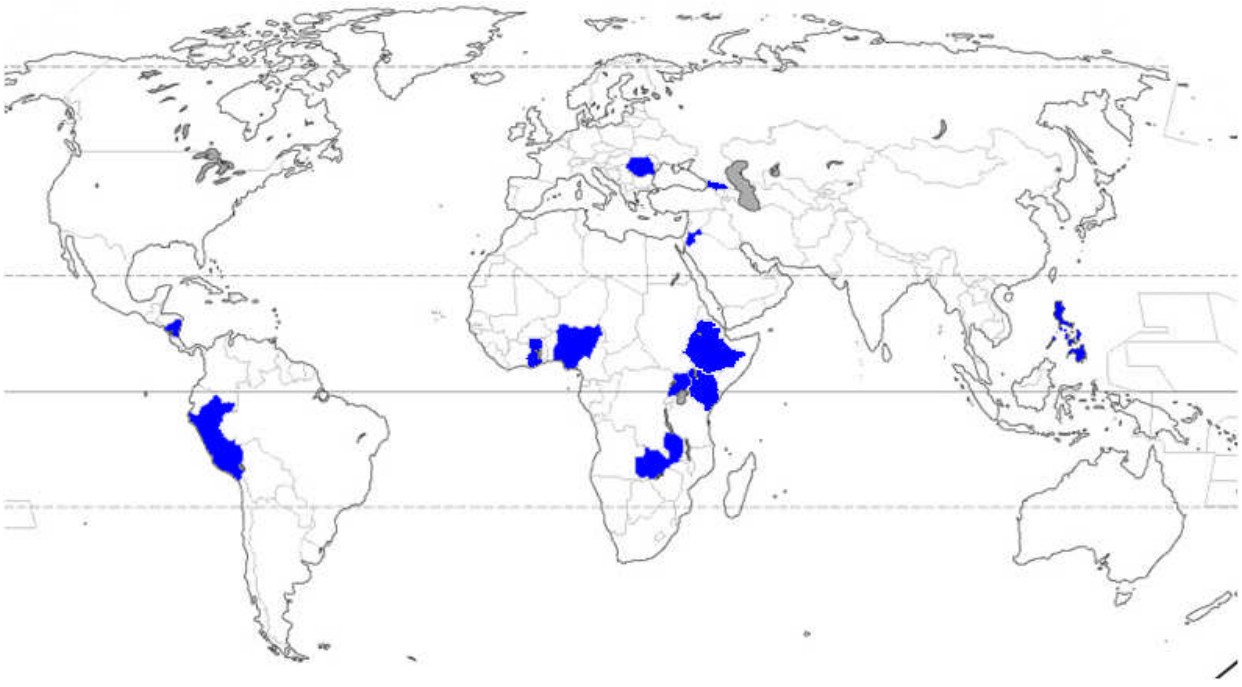
countries where the project has monitoring data, reproductive health and family planning services have expanded following Banking on Health's intervention.[2]

The Banking on Health project worked in 12 countries in five regions: the Philippines, Nicaragua, Peru, Romania, Georgia, Jordan, Uganda, Zambia, Nigeria, Ethiopia, Kenya, and Ghana. In Kenya and Ghana, Banking on Health conducted assessments, while its work in the other countries consisted of full country programming. This scope exceeded the five countries that originally were envisioned in the contract. Over the course of the project, Banking on Health met—or in most cases significantly exceeded—all of its targets and planned results. Please refer to Appendix Three for more details.

Banking on Health was designed as a core-funded vehicle, but because of demand from USAID missions, the project was allowed to take $1,614,041 in field-support funds from five countries, including the Philippines, Nicaragua, Peru, Ethiopia, and Zambia. This field support was received as incremental funding, causing the project to burn through its ceiling at the beginning of year five. Banking on Health requested and received a $2 million ceiling increase in September 2008, raising it to $8,605,917.

The 12 countries where Banking on Health worked represent a broad array of developing country contexts, from ones that are graduating from population funds and U.S. development assistance to low-resource nations with significant development challenges. The private health sectors in these countries vary considerably, from a struggling one in Zambia that faces major policy constraints to a vibrant but fragmented private sector in the Philippines. This report demonstrates that access to finance is a constraint in all of these countries and that Banking on Health tailored its approach to expand access to finance and assist the private sector to expand and improve reproductive health and family planning services.

WHERE WE WORK



[2] This monitoring data will be presented in the Country Case Studies section of this report.

This report begins with a summary of results and the project's technical approach to expand access to financing. This is followed by a review of Banking on Health's ability to achieve planned targets by the end of the project. A series of case studies on each of the 12 countries highlights the results achieved as well as lessons learned. The report then discusses the project's role in global leadership, summarizes project funding and concludes with some thoughts on future programming to expand access to financing.

1. SUMMARY OF RESULTS

The Banking on Health project's objective was to improve the ability of private health care businesses to access credit, thereby enhancing their capacity to deliver high-quality reproductive health and family planning services. Banking on Health was designed to contribute to the United States Agency for International Development's (USAID) Private Sector Program's (PSP) strategic objective of "sustainable provision and use of quality private-sector reproductive health and family planning and other health information, products, and services increased." Banking on Health contributes to PSP's strategic objectives by achieving the four major outcomes listed in the sidebar.

By achieving each of these outcomes, the Banking on Health project directly contributed to PSP's intermediate results (IR) 2 and IR3 by increasing the supply of high-quality reproductive health and family planning products and services available through the private sector and improving conditions for private-sector involvement in reproductive health, family planning, and other health products and services delivery.

Banking on Health Outcomes

Outcome 1: Improved financial viability of private health service providers

Outcome 2: Expansion of the range of services offered by private providers to include reproductive health and family planning services

Outcome 3: Extension of private services to underserved and hard-to-reach communities

Outcome 4: Increased quality of care provided through improvements in facility, capacity, or commodity supply

Banking on Health had many successes that enabled it to meet or exceed its yearly work plan objectives and contribute to the project's four outcomes. These successes include the following:

- **Assisted in leveraging almost $206 million in commercial funds for the private health sector.** Banking on Health assisted in leveraging $205,626,812 in loans from financial institutions for private providers of reproductive health and family planning and other health services in the Philippines, Romania, Nicaragua, Peru, Uganda, Zambia, and Nigeria. This amount was almost 24 times the value of the project's ceiling and an important step in developing sustainable, long-term sources of funding for the health sectors of these countries.
- **Provided technical assistance to financial institutions to promote health-sector lending.** Banking on Health developed and conducted training for 484 loan officers and bank managers from 49 financial institutions in nine countries. Of those tested, there was an average increase in knowledge of 22 percent as a result of the Banking on Health's training. In addition Banking on Health conducted market research on the private health sector in six countries to share with financial institutions, resulting in financial institutions in four countries developing specialized health-sector loan products and marketing materials. Banking on Health supported the utilization of health-sector Development Credit Authority (DCA) guarantees in two countries and proposed structuring DCA guarantees in seven more. During the project three new DCAs that cover health-sector borrowers were approved (two in Zambia and one in Ethiopia), one was in the process of being approved (Nigeria) and another was under review (Georgia) at the time of this report.

- **Developed and rolled out business training and support services for private health providers.** Banking on Health built the capacity of 14 local organizations in nine countries and trained 3,055 private providers in business and financial management and access to financing. Of those tested, there was an average increase in knowledge of 23 percent.
- **Innovated by developing and rolling out trade fairs as a strategy to break the isolation of the private health sector.** Banking on Health hosted 17 trade fairs in four countries that were attended by 3,355 private providers and 214 commercial exhibitors, of which 45 were financial institutions. The trade fairs broke through the isolation and fragmentation that characterizes the health sector by creating a marketplace where providers accessed the inputs necessary to grow and improve their businesses.
- **Contributed to policy changes that improved the environment for the private health sector.** In three countries Banking on Health leveraged its understanding of the needs and constraints private providers face to contribute to a policy dialogue to improve the environment for the private health sector. In Nicaragua and Romania, Banking on Health contributed to an increase in the capitated rate paid to providers in health financing systems. In Georgia, Banking on Health provided feedback to the government, which led to a currently ongoing review of registration requirements for newly privatized providers.
- **Collaborated with USAID missions and other cooperative agencies (CAs) to support reproductive health and family planning programming.** Banking on Health had a unique area of expertise. To be successful the project worked closely with USAID missions and other CAs to complement a broader reproductive health and family planning strategy. Banking on Health collaborated with 12 missions to develop and strengthen private-sector programming, leveraging direct field support funds from five missions and indirect support from three others through bilateral projects and other PSP task orders.
- **Managed and closed the Summa Foundation, gifting more than $2.6 million back to USAID to fund family planning activities.** The Banking on Health project ensured the strong financial performance of the Summa Foundation by providing sound governance, meeting Internal Revenue Service (IRS) and other government reporting requirements, collecting outstanding loans, monitoring and providing technical assistance to borrowers, and investing liquid funds. During the project, all loans were repaid, assets under management grew by 11 percent, and $2,611,703 was gifted back to USAID to finance family planning activities implemented through the Office of Population and Reproductive Health. In February 2009 the Summa Foundation was dissolved as planned.

These successes led to important results in each of the four outcome areas[3]. A few key results by outcome include the following:

[3] The Banking on Health project did not have the resources to conduct evaluations of its programs. The project collected baseline and follow-up monitoring data in most countries. Monitoring findings are reported here.

Outcome 1: Improved financial viability of private health service providers

Banking on Health has been successful in improving the financial viability of private health care businesses. By assisting in leveraging almost $206 million in financing, private providers have gained access to capital, an important driver of growth and improved viability in the private sector. By hosting trade fairs in the Philippines, Uganda, Zambia, and Ethiopia, Banking on Health has improved market linkages with 64 percent of surveyed trade fair participants in Uganda contacting a new supplier and 33 percent receiving a loan after the trade fair. Banking on Health's business-skills training in Romania, Peru, the Philippines, Jordan, and Nigeria got providers to change how they manage their businesses by using tools (such as an income statement, balance sheet, and cash flow) to improve the viability of their practices. Follow-up surveys showed that 73 percent of surveyed training participants in Romania and 90 percent of them in Peru were using all of the tools that they learned in the training. Subsequent to Banking on Health's advocacy, the national insurance system in Romania increased the capitated rate that it pays private family doctors, improving revenue and the future viability of these practices. In the five countries where data exists, providers saw a significant increase in total clients following Banking on Health's intervention, which is associated with increased revenue and improved viability. In Zambia 79 percent of providers cited increases in client visits, followed by Peru (55 percent), Uganda (52 percent), and Jordan (34 percent), and in Nicaragua the number of insured affiliated with surveyed providers increased by 30 percent. In addition, in Jordan 42 percent of trained doctors who reported their monthly revenue cited an increase following the training.

Outcome 2: Expansion of the range of services offered by private providers to include reproductive health and family planning services

In all seven countries where Banking on Health has data (Uganda, Zambia, Romania, the Philippines, Jordan, Peru, and Nicaragua), reproductive health and family planning services have expanded following Banking on Health's intervention. In three countries, the providers who say they offer family planning services increased: Zambia (13 percent), Uganda (5 percent),and Peru (1.6 percent). In five countries providers reported an increase in provision of some or all family planning methods and counseling, including Uganda (with an increase in four family planning services and methods), Romania (seven services and methods), the Philippines (5 services and methods), Peru (five services and methods), and Nicaragua (five services and methods). There also were increases in the provision of long-term methods, primarily intrauterine devices (IUDs), which increased by 25 percent in Peru and 12 percent in Nicaragua. Sterilization also grew by 4 percent in Nicaragua. In the six countries where there is data, there also was an increase in the number of family planning visits. In Uganda 45 percent of providers reported an increase in family planning visits, there was a 42 percent increase in Peru, a 32 percent increase in Jordan, a 23 percent increase in Zambia, a 13 percent increase in the Philippines, and in Nicaragua family planning visits increased threefold. Furthermore, as a result of Banking on Health's advocacy, providers contracted by Nicaragua's Social Security Institute expanded their coverage of family planning services to the spouses of insured, increasing access by approximately 100,000 people.

Outcome 3: Extension of private services to underserved and hard-to-reach communities

Banking on Health also has succeeded in expanding and improving private-sector services in underserved and hard-to-reach communities. In Uganda, the project designed a program to roll out trade fairs at the district level, targeting towns and villages within a 50 to 75 km radius of the district center. Eight out of the nine trade fairs in Uganda have been held outside of Kampala with 88 percent of providers coming from areas beyond the capital. In the Philippines four of the five

trade fairs were held outside of Manila, including ones in Davao, Cebu, and Iloilo, with 48 percent of

providers coming from areas beyond the capital. In Romania, Banking on Health targeted its program to family doctors who have been trained in family planning services, approximately 70 percent of whom operate in rural areas, where 70 percent of Romania's poor live. Urban family doctors also target the underserved, including Roma and low-income clientele.

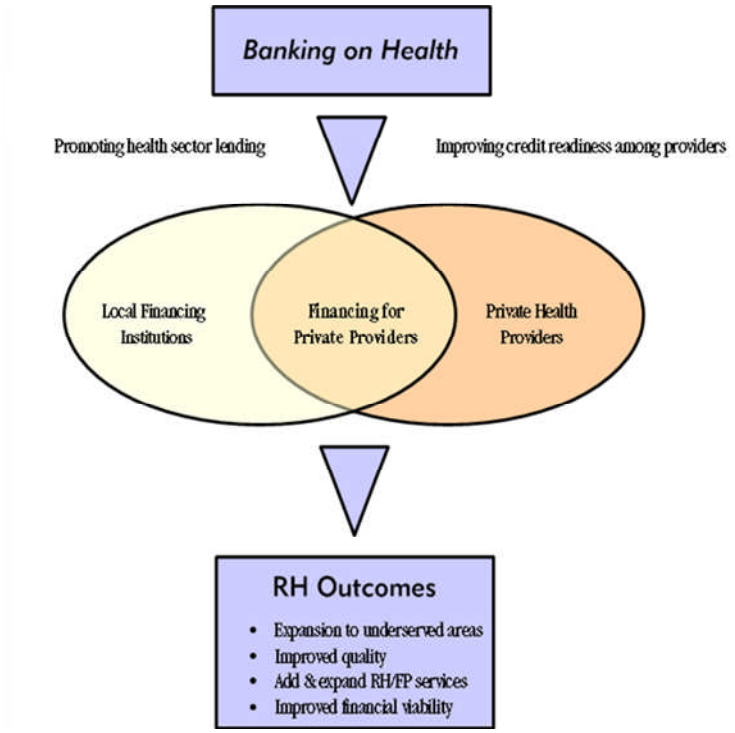
Outcome 4: Increased quality of care provided through improvements in facility, capacity, or commodity supply

In addition to the aforementioned increases in method choice, there were significant improvements in quality as a result of Banking on Health's work. In the countries where data exists, loan uses can be tied directly to quality improvements. In Uganda, surveyed providers that received financing after the Banking on Health trade fair cited the following uses of loans: purchasing medical supplies, including drugs (96 percent); clinic expansion (20 percent); and buying equipment (15 percent). In Romania surveyed family doctors who received financing after the Banking on Health business training used loans for clinic expansion and renovation (30 percent), purchasing equipment (20 percent), and purchasing products (17 percent). In Peru surveyed midwives and ob/gyns who received financing after the business-skills training used loans for equipment (85 percent), improvements to their clinics (46 percent), and inventory (39 percent). In Zambia surveyed providers who received financing after a basic business training used loans for renovating and constructing medical facilities (87 percent), drugs and medical supplies (11 percent), and medical equipment (2 percent). All of these uses directly contribute to facility, capacity, and commodity supply. In addition, monitoring in the Philippines showed that among midwives who attended a Banking on Health training, there was a 44 percent increase in inpatient clinic ownership. In the Philippines inpatient clinics are considered the safest type of facility, particularly when compared to home-based practices. These facilities, if certified by the Department of Health, also may be used for IUD insertions and vasectomies.

2. TECHNICAL APPROACH

The Banking on Health project took a two-pronged approach to increasing access to financing by working with local financial institutions to promote health-sector lending and improving the credit-readiness of private providers. Please refer to the following figure for a visual depiction of this approach. In addition to implementing those two strategies, Banking on Health also managed the Summa Foundation.

THE BANKING ON HEALTH APPROACH



2.1 PROMOTING HEALTH-SECTOR LENDING

In working with financial institutions to promote health-sector lending, Banking on Health would conduct an initial assessment to identify the level of and constraints to health-sector lending. The project worked with a variety of financial institutions, including commercial banks and microfinance institutions (MFI), depending on the financing needs of the cadre of private providers that Banking on Health was targeting. In many countries financial institutions believe that the health sector is a risky investment. Many bankers think that health is a public good and do not understand the for-profit business model of a private health provider. Financial institutions cite a lack of market information as a major constraint. Others complain about the poor quality of loan applications they receive from health care businesses or stress collateral concerns. Many bankers identify significant political risks in taking a health facility as collateral and cite the lack of a secondary market for medical equipment as a concern. Typically financial institutions in developing countries do not have well-developed small and medium enterprise (SME) loan

products and lending skills. As most private health care businesses are SMEs, this shortcoming is an additional constraint.

After Banking on Health identified the constraints to health-sector lending, it developed a package of technical assistance to work with financial institutions to address these constraints. Each package of technical assistance was based on that country's context and tailored to the unique needs of the financial institution. The package could include a number of activities, such as market research, training, technical assistance in loan-product development and marketing to the sector, and a DCA guarantee.

2.1.1 MARKET RESEARCH

Many financial institutions cite a lack of market information as a major constraint to lending to the sector. Banking on Health conducted market research in six countries (the Philippines, Romania, Uganda, Peru, Zambia, and Nigeria) examining private health care providers' financing and business-development needs, ability to repay, and the level of service provision with a focus on reproductive health and family planning services. The market research also identified constraints and opportunities for growth in the private health sector. The market research provided information to financial institutions interested in lending to the sector that could be used for loan-product development and designing marketing strategies. Banking on Health disseminated market research to financial institutions through short information sessions or as part of a broader training in loan-product development and market strategies. Often Banking on Health's market research was the only information of its kind in the country on the private health sector. Banking on Health also used its market research to design business development services for health providers and shared its findings with policy makers interested in engaging the private health sector.

2.1.2 TRAINING

Another important strategy that Banking on Health used to promote health-sector lending was developing and conducting training for loan officers and bank managers. Training topics included health-sector loan-product development, market segmentation, marketing to the health sector, lending to health care providers, and general SME lending skills. Please refer to Appendix One for a complete list of training topics the project developed. Banking on Health created 11 training courses for financial institutions. Over the life of the project, Banking on Health trained 484 loan officers and bank managers from 49 local financial institutions in nine countries. Those tested increased their knowledge by 22 percent as a result of the training.

2.1.3 TECHNICAL ASSISTANCE IN LOAN-PRODUCT DEVELOPMENT AND MARKETING

In addition to providing group training, Banking on Health also furnished targeted technical assistance to specific financial institutions in health-sector loan-product development and creating health-sector marketing materials. In four countries financial institutions developed specialized health-sector loan products and marketing materials following Banking on Health's assistance. In Peru, Banking on Health helped a microfinance institution develop a health-sector loan product and provided input for marketing materials and the design of a marketing strategy. Banking on Health worked with several financial institutions in Uganda to develop financing relationships with medical-equipment suppliers and to support the development of health-sector leasing products. In Uganda, Banking on Health assisted Equity Bank to develop a nursing student loan product by conducting market research and providing advice on loan terms. In Romania financial institutions innovated by using Banking on Health market research to develop a wide variety of new products, including health-provider credit cards, medical-student loan products, and start-up loans. In Nigeria a commercial bank developed a loan product for community

pharmacists that included an association guarantee and an MFI developed a loan product for nurses and midwives.

2.1.4 THE DEVELOPMENT CREDIT AUTHORITY GUARANTEE

By sharing 50 percent of the loss on a loan or portfolio of loans, USAID's DCA guarantee is an important tool to encourage banks to enter the health sector. The guarantee reduces some of the risk that financial institutions identify with the sector and can mitigate collateral concerns. Banking on Health supported existing health-sector DCA guarantees as well as recommended and structured new ones. In the Philippines and Nicaragua, Banking on Health provided training, technical assistance, and monitoring to three financial institutions that have health-sector DCAs to initiate and promote their utilization. This work was most successful in Nicaragua, where 81 percent of the guarantee has been used since Banking on Health's assistance. In the Philippines, utilization was disappointing because the DCA was structured with a financial institution that had some management issues. After Banking on Health was awarded, the project talked to the mission about expanding the DCA to other financial institutions but this action was not approved. The problems in the Philippines were structural and should not be construed as a limitation of the DCA as a tool to expand health-sector lending. In addition to supporting existing health-sector DCAs, Banking on Health conducted assessments and proposed structuring health-sector DCA guarantees in seven countries. Three new DCAs that cover health providers were approved in Zambia (two guarantees with two banks) and Ethiopia (one guarantee with two banks). A DCA also was approved in Nigeria, but USAID/Nigeria has delayed signing it until the financial sector there stabilizes. An additional DCA guarantee is under review in Georgia.

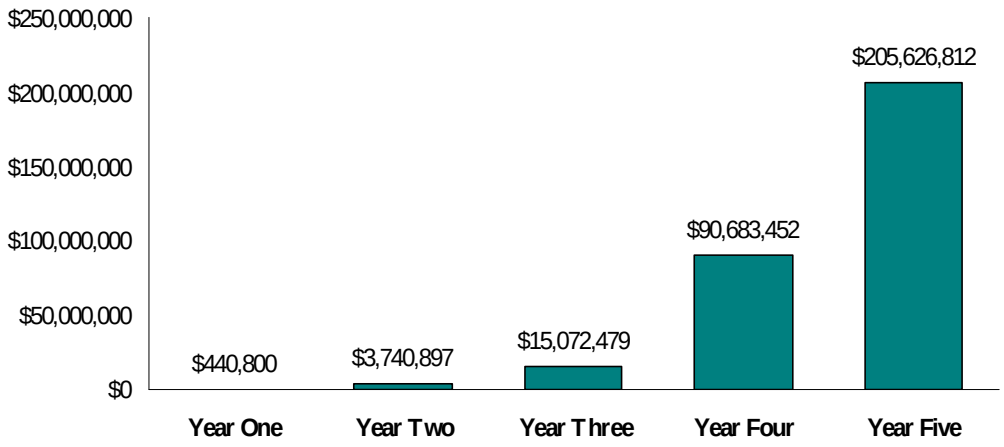
2.1.5 NETWORKING

Banking on Health developed market linkages between financial institutions and providers as an important strategy to expand health-sector lending. Banking on Health improved linkages by building relationships between financial institutions and provider associations and networks, inviting financial institutions to speak at provider training sessions, and hosting tradeshows, which will be discussed later.

2.1.6 SUMMARY OF FINANCIAL SECTOR RESULTS

Following Banking on Health's assistance, financial institutions lent almost $206 million to private providers of reproductive health, family planning, and other health services. Unfortunately, Banking on Health did not have the resources to conduct research to establish a causal link between the project's assistance and the increase in lending. While there were a number of factors that impacted financial institutions' decisions to expand lending to the sector, Banking on Health believes that its assistance was a contributing factor. This is supported by interviews with banks, such as Banca Transilvania in Romania and Equity Bank in Uganda. The amount of financing lent by partner financial institutions to the health sector significantly exceeded expectations, validating Banking on Health's approach to building local capacity to lend to the health care market. An important lesson learned is that a limited amount of technical assistance can leverage significant changes in the financial sector as long as the project can demonstrate a market opportunity.

CUMULATIVE CHANGE IN HEALTH-SECTOR LENDING FOLLOWING BANKING ON HEALTH ASSISTANCE



2.2 IMPROVING CREDIT-READINESS AMONG PROVIDERS

In addition to its technical assistance to financial institutions, Banking on Health also worked with private health providers to improve their viability and credit-readiness. Most private health facilities are managed and owned by clinicians, who typically do not have formal business training. Many smaller private health facilities do not employ accountants or financial managers. A lack of business skills can impact the viability of a private practice and limit its access to finance. At times there also are opportunities to work with private health providers to improve the business rationale for the delivery of reproductive health and family planning services. Furthermore, in many countries private health providers are isolated and the sector is fragmented. Without access to information and contact with peers, suppliers, financial institutions, and regulatory authorities, providers struggle to improve and grow their businesses. Banking on Health worked with private health providers to improve access to financing, strengthen the viability of practices, and expand market linkages and networking by facilitating access to business support services, training in business skills, and by hosting health-sector trade fairs.

When Banking on Health conducted an initial country assessment, it tried to identify which cadre or cadres of private providers have the most impact on reproductive health and family planning service delivery. As Banking on Health typically did not work directly on clinical issues, it often partnered with other USAID-funded projects as part of a broader reproductive health and family planning strategy. As a result, Banking on Health worked with a wide array of private providers, including small-scale, micro-providers (such as midwives, nurses, clinical officers, physicians, drug shops, and pharmacies) to medium-sized clinics and larger hospitals. Banking on Health tailored its training and technical assistance to the business-development needs of each type of provider.

2.2.1 BUSINESS TRAINING

Most of the providers that Banking on Health worked with never had attended business training and many were unaware of local business development service (BDS) providers. Likewise, most BDS providers never had worked with health providers, and, therefore, did not have the training materials and expertise to service this sector. Accordingly, Banking on Health took a training-of-trainers (ToT) approach to build the capacity of local organizations to offer training and advisory services to private health providers. Banking on Health worked with different types of local organizations, including accounting firms (the Philippines), local universities (Nicaragua and Peru), BDS and training consulting firms (Uganda, Jordan, and Georgia), consultants (Nigeria and Zambia), and health-sector nongovernmental organizations (NGOs) (Romania and the Philippines). Banking on Health also collaborated with provider associations and networks in all of its countries. National and regional associations helped to identify providers, market training, and facilitate relationships with financial institutions. In many countries, Banking on Health developed the capacity of associations to provide services to their members as a strategy to build local ownership and sustainability for the project's activities.

Examples of Private Providers Banking on Health Trained

Midwives

Nurses

Clinical officers

Doctors

Family doctors

General practitioners

Ob/Gyns

Pharmacists

Drug shops

Patent medicine vendors

Hospitals

Primary health care clinics

Community contraceptive product distributors

Reproductive health NGOs

Typically Banking on Health conducted a training-needs assessment of private health providers and examined the technical capacity of local training organizations. Based on this assessment, Banking on Health identified one or more local training partners to work with and developed training curriculum and tools to address the needs of private health providers. Banking on Health created 17 training courses, developing new material and adapting courses designed by the project for other countries. It trained 14 local organizations in nine countries, which trained 3,055 providers, including midwives in the Philippines; ob/gyns and midwives in Peru; providers that contract with the Social Security Institute, community contraceptive product distributors, and other small-scale family planning providers in Nicaragua; family doctors in Romania; recently privatized primary health care centers in Georgia; physicians and midwives in Uganda; pharmacists, nurses, clinical officers, and doctors in Zambia; doctors, clinical officers, midwives, nurses, and pharmacists in Nigeria; hospitals and clinics that offer an integrated package of HIV/AIDS and family planning services in Ethiopia; and female doctors in Jordan. While the business training was country and provider specific, common topics included setting goals, record-keeping, stock control, marketing, developing financial statements, business planning, break-even analysis, identifying financing needs, and accessing financing. Please refer to Appendix Two for a complete list of training topics the project developed. On average 32 percent of surveyed providers that attended a Banking on Health training applied for financing and 25 percent received financing.

In addition to developing curriculum, Banking on Health also created or adapted tools to use as part of the training or independently by providers. These instruments include a business simulation game used as part of the training in Zambia, Nigeria, Ethiopia and Georgia; an action plan for developing next steps for business planning and accessing financing; and a simple accounting worksheet for providers to use on a daily basis.

In almost all countries, the demand for training exceeded Banking on Health's resources. In the first few years of the project, Banking on Health focused on developing and rolling out training. Over time Banking on Health concentrated more on improving sustainability. Some sustainability strategies included charging participant fees; obtaining continuing education credit for curriculum; and developing partnerships with provider associations, corporate sponsors, and local BDS providers.

2.2.2 HEALTH-SECTOR TRADE FAIRS

Trade fairs were not included in the initial design of Banking on Health. They were an innovation that the project developed to break through the isolation and fragmentation that characterizes the health sector. The trade fairs create a marketplace where providers can access the inputs necessary to grow and improve their businesses. This concept evolved during the project. Initially Banking on Health invited financial institutions to set up booths on the last day of provider business training in Nicaragua and Peru to facilitate linkages. Providers responded so positively that Banking on Health recognized an opportunity to create a forum for providers to network with many types of service providers. The trade fairs provided a forum where different cadres of providers met financial institutions; medical equipment and pharmaceutical suppliers; business-support service providers; and representatives of the ministry of health, USAID projects, and provider associations. During the project, Banking on Health held 17 trade fairs in four countries: the Philippines, Uganda, Zambia, and Ethiopia. The trade fairs were attended by 3,355 providers and 214 commercial exhibitors, of which 45 were financial institutions. The trade fairs were held at the district level and were one-day events. They included panel presentations and an exhibition hall. The presentations covered topics such as entrepreneurship, access to financing, and public-private partnerships. In the Philippines the Department of Health was invited to discuss registration requirements for private midwives to open accredited nursing homes. In Uganda the Ministry of Health discussed recent developments in a proposed plan to launch a social insurance program. The governor of the Bank of Zambia discussed favorable changes in the investment environment for the private health sector.

As this innovation never had been tried in public-health programming, the Banking on Health team had limited expectations about impact. Monitoring results from Uganda and the Philippines show that the trade fairs not only expand access to financing and increase contacts with suppliers, but they also may lead to an increase in family planning service provision. On average 48 percent of providers that attended a Banking on Health trade fair applied for financing and 31 percent received financing. While this model needs more rigorous research, Banking on Health was happy with the preliminary results. Trade fairs are a new and cost-effective form of programming to achieve public health impact in the private sector. Trade fairs may offer some of the benefits of networks (improving market linkages and service provision) without some of the problems (limited examples of sustainability and significant financial investments by donors).

2.2.3 IMPROVED MARKET AWARENESS AND ORIENTATION

Through business training and trade fairs, Banking on Health improved the market awareness and orientation of private health providers in the countries where it worked. In Peru and Romania, private health providers that received Banking on Health training improved the business management of their practices by incorporating tools that enable them to better market and price their services to meet the

needs of their clients. In Nicaragua, following Banking on Health training and technical assistance in mergers and acquisition, there has been consolidation of private providers that contract with the Social Security Institute. Many providers were too small to be viable and consolidation was necessary to improve profitability and the quality of services. In Nicaragua research showed that during Banking on Health's intervention, providers that contract with the Social Security Institute increased their market share for oral contraceptives and IUDs, demonstrating an increased awareness of client demand for reproductive health and family planning services. Trade fairs in the Philippines, Uganda, Zambia, and Ethiopia introduced providers to new suppliers, financial institutions, other providers, and provider associations and informed them of regulatory requirements or policy changes. In the countries where Banking on Health received data, it appears that private providers that participated in Banking on Health training or trade fairs increased their provision of family planning services, increased their number of family planning clients, and increased their total number of clients. This expansion in service delivery reflects a greater responsiveness to the market.

2.3 MANAGING THE SUMMA FOUNDATION

2.3.1 BACKGROUND

In addition to providing technical assistance to increase access to financing in developing countries, Banking on Health managed the Summa Foundation, a not-for-profit investment fund with a portfolio of loans to private health providers in developing countries. USAID initially capitalized the Summa Foundation in 1992 with approximately $6,275,000. The Summa Foundation was managed by a series of USAID-funded projects, including the PROFIT Project, Commercial Markets Strategies (CMS) and Banking on Health. From 1992 to 2004 the Summa Foundation invested $9,983,032 in 24 deals in 14 countries. The Summa Foundation provided debt, equity, and quasi-equity financing to a variety of health care businesses, including clinics, hospitals, health maintenance organizations (HMOs), insurance companies, distributors, contraceptive manufacturers, and reproductive health and family planning NGOs. In addition, five loan funds were established with MFIs to target small-scale, micro health borrowers, such as midwives and drug shops. In 2004 USAID decided that Summa should stop lending as the agency shifted its focus to building local capacity to lend. When Banking on Health was awarded, it was tasked with managing the outstanding loan portfolio, collecting repayments, gifting funds back to USAID, and dissolving the Summa Foundation. During the Banking on Health project, all loans were repaid; assets under management increased by 11 percent; and $2,611,703 was gifted to USAID. In February 2009 the Summa Foundation was dissolved. Over the life of the Summa Foundation, $9,647,619 in gifts were made, of which $6,562,619 went to USAID. Assets grew by a total of $3,372,619 or 54 percent between 1992 and 2009.

FINANCIAL SUMMARY OF THE SUMMA FOUNDATION (1992–2009)

Capitalization from USAID	$6,275,000
Total equity and debt financing made by Summa	$9,983,032
Gifts and technical assistance made under PROFIT	$3,085,000
Gifts made under CMS	$3,950,916
Gifts made under Banking on Health	$2,611,703
Total gifts made by Summa	$9,647,619
Total gifts made to USAID	$6,562,619
Total growth in assets	$3,372,619
Percentage growth in assets	54%

2.3.2 MANAGEMENT OF SUMMA FOUNDATION ASSETS

In managing the Summa Foundation's assets, Banking on Health monitored outstanding loans, managed delinquencies, and ensured timely repayment. When necessary Banking on Health also provided technical assistance to Summa's borrowers to ensure that the financial and health objectives of the loans were met. Technical assistance was provided to five borrowers during the project.

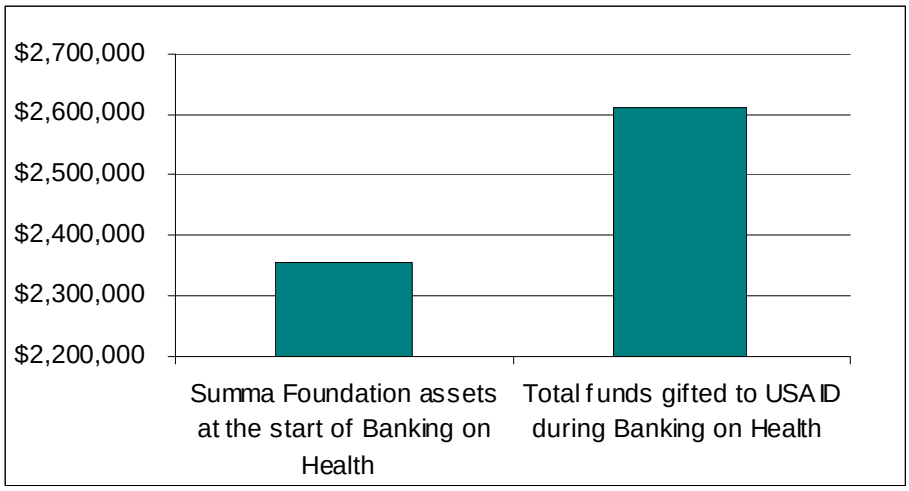
SUMMA FOUNDATION LOAN PORTFOLIO UNDER THE BANKING ON HEALTH PROJECT

Borrower	Status of the loan	Amount approved	Amount disbursed	Amount outstanding at beginning of Banking on Health	Amount outstanding as of Sept. 30, 2009
Uganda Private Providers Loan Fund	Repaid	$300,000	$275,000	$275,000	$0
Clinica Materno Infantil San Angel in Nicaragua	Repaid	$165,000	$120,000	$60,848.24	$0
GSMF International *(GSMF)*	Repaid	$76,800	$76,800	$0	$0
Reproductive Health Association of Cambodia *(RHAC)*	Repaid	$150,000	$150,000	$12,704.33	$0
Bushenyi Medical Center *(BMC)* in Uganda	Repaid	$25,000	$25,000	$5,015.78	$0
San Pablo Hospital Complex *(SPHC)* in Peru	Repaid	$1,000,000	$1,000,000	$531,267.88	$0
Instituto Centroamericano de la Salud *(ICAS)* in Nicaragua	Repaid	$100,000	$100,000	$36,683.70	$0
Mujeres en Desarrollo Dominicana *(Mude)* in Dominican Republic	Repaid	$300,000	$300,000	$144,723.70	$0
C&J Medicare in Ghana	Repaid	$200,000	$200,000	$179,660.53	$0
Hospital Salud Integral in Nicaragua	Repaid	$250,000	$250,000	$188,652.86	$0
SuMedico in Nicaragua	Repaid	$225,000	$225,000	$168,702.19	$0
Benba Enterprises in Uganda	Repaid	$250,000	$250,000	$248,068.75	$0
Prime Cure in South Africa	N/A	$800,000	$0	$0	$0
The ADDO Drug Shop Loan Fund in Tanzania	Repaid	$300,000	$51,232.31	$51,232.51	$0
Total		$4,141,800	$3,023,032.31	$1,902,559.27	$0

Banking on Health was very successful in managing the Summa Foundation's assets. When Banking on Health was awarded, $2,355,966 was under management with 12 loans outstanding, totaling $1,902,559. During the project, all loans were repaid and the value of assets under management increased by 11 percent. Over the life of the project, $2,611,703 was gifted to USAID. When the last gift was made in

December 2008, Banking on Health closed the Summa Foundation's bank accounts. The Summa Foundation was dissolved in February 2009.

CHANGE IN SUMMA ASSETS DURING THE BANKING ON HEALTH PROJECT



2.3.3 GOVERNANCE

Throughout the project, Banking on Health provided sound governance for the Summa Foundation. Banking on Health worked with the Summa Foundation's board of directors, keeping it apprised of major changes in the portfolio and seeking approval for changes in investment strategy. Board members reviewed and approved tax filings, year-end and audited financial statements. The project also organized an annual meeting to discuss financial statements and provide board members with an opportunity to talk with the outside accounting and audit firms. The board of directors was actively involved in gifting funds back to USAID and dissolving the Summa Foundation.

2.3.4 FINANCIAL REPORTING AND ACCOUNTABILITY

Banking on Health outsourced Summa's accounting function to Gelman Rosenberg and Freedman, an external accounting firm. Each month Banking on Health provided Gelman with a loan-repayment report. Gelman then prepared monthly financial statements, including a balance sheet, profit and loss statement, journal, and a general ledger based on generally accepted accounting principles. Gelman also prepared year-end statements. Banking on Health hired Goodman & Company to conduct an annual audit. Audited financials were submitted to USAID annually. In addition Banking on Health submitted a federal tax return for the Summa Foundation, worked with the IRS to maintain Summa's 501(c)(3) status, and maintained the Summa Foundation's registration in the Commonwealth of Virginia where it was incorporated.

2.3.5 LESSONS LEARNED

The Summa Foundation was a pioneering effort by USAID. Prior to its creation, no donors were expanding access to financing for the private health sector. In most countries financial institutions were not lending to this sector and donors and governments were unaware of the negative impact of lack of access to financing on private health providers' ability to grow and improve their businesses. The Summa Foundation demonstrated that financing can be linked to improving reproductive health and family planning outcomes and that expanding access to financing can improve the viability of a private healthcare business. The Summa Foundation also demonstrated that demand exists from private health

care businesses for financing in developing countries and that private health providers are a good credit risk. The Summa Foundation had an exceptional track record of repayments and the Banking on Health project was able to use this experience to demonstrate to financial institutions that health providers can be good borrowers.

3. SUCCESS IN ACHIEVING TARGETS

Banking on Health met or in most cases exceeded planned deliverables, targets, and results. The Banking on Health contract contained activity descriptions for three task areas:

- Task A—Working with local financial institutions to promote health-sector lending
- Task B—Improving credit-readiness among private health care providers
- Task C—Summa Foundation loans

Activities and outcomes were listed for each of the three tasks, with the desired outcomes presented as indicators of successful implementation of task activities. Please refer to Appendix Three for a summary of Banking on Health's success in meeting or exceeding the desired outcomes.

4. COUNTRY CASE STUDIES

Banking on Health has prepared case studies for each of the 12 countries where it worked. They show how Banking on Health's approach was adapted at the country level, report results, and discuss lessons learned.

4.1 UGANDA

4.1.1 BACKGROUND AND OBJECTIVE

In Uganda the private health sector has flourished due to a supportive government and demand from the local population. Its private health sector is composed of a variety of actors, including small-scale private providers (such as midwives, clinical officers, and drug shops) and larger health providers (such as larger clinics and pharmacies, hospitals and networks, HMOs, insurance schemes, health product distributors, laboratories, and medical-equipment suppliers). The private sector in Uganda has proven to be a key player in the delivery of priority health services, including reproductive health and family planning. According to the 2006 Demographic and Health Survey, 51.7 percent of married women of reproductive age use private-sector sources to obtain their method of contraception. The most common single source of contraceptives are private hospitals and clinics, supplying 43 percent of all users of modern methods. Despite their prominence, however, private providers have limited access to key resources to support their growth (such as financing and efficient product distribution), do not have the means or incentive to improve their service quality, and do not have channels for collective advocacy. These constraints are strongest for small- and medium-sized private providers that largely are based outside of urban centers and operate in isolation.

Banking on Health designed a program in Uganda to expand access to financing and address the isolation and fragmentation of the private sector to improve its sustainable delivery of reproductive health and family planning services. Programming focused on small-scale reproductive health and family planning providers, including midwives, nurses, clinical officers, doctors, drug shops, and pharmacists.

4.1.2 ACTIVITIES

Banking on Health conducted the following activities in Uganda:

- market research on the private health sector
- training financial institutions on lending to small-scale private providers and developing appropriate products
- coordinating and facilitating private-sector trade fairs
- offering basic financial-management training for providers after every trade fair

4.1.3 KEY RESULTS

Financial Institutions

In June 2006 Banking on Health piloted the Strategies for Entering the Private Health Care Market training course with 47 loan officers and managers from three financial institutions, including Uganda

Microfinance Limited (now Equity Bank), FINCA Uganda, and Post Bank. The curriculum for this training was designed to assist MFIs to train their loan officers and branch managers in lending to small-scale private health care providers. Topics included training techniques, market research findings on the Ugandan health sector, lending to private providers, and market research and segmentation methods. Participants showed an average increase of knowledge of 23 percent as measured in pre- and post-training tests.

Following this support Banking on Health designed the health-sector trade fairs as a marketing platform for financial institutions to reach health providers and create business relationships with other players in the sector, such as equipment suppliers and professional associations. Banking on Health organized nine trade fairs in the regions that were attended regularly by six financial institutions (see the following table). These institutions also benefited from a short orientation session prior to the trade fair on the typical characteristics of health-sector borrowers. Overall they viewed the fairs as an excellent marketing platform and an opportunity to liaise with health providers and learn about their financing needs.

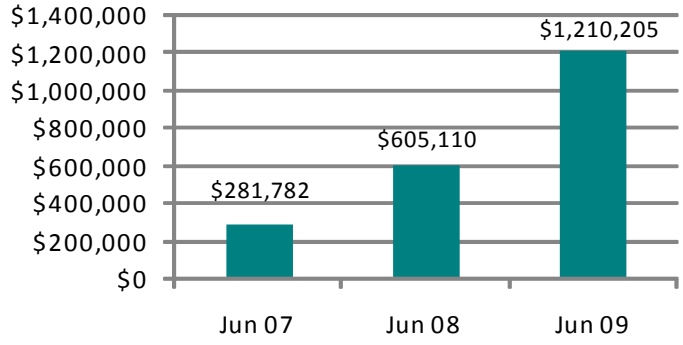
> "The trade fairs help institutions to deliver first hand information. It is an eye-opener to would-be customers. Some people want to access credit but would have otherwise taken a long time. It gives us an opportunity to get to new customers."
>
> *Equity Bank, Mbale*

FINANCIAL INSTITUTIONS PARTICIPATING IN THE HEALTH-SECTOR TRADE FAIRS

Financial Institution	Kampala Dec. 2006	Jinja Feb. 2007	Mbale May 2007	Mbarara Aug. 2007	Arua Mar. 2008	Lira May 2008	Mbale Dec. 2008	Mbarara Feb. 2009	Arua Jun. 2009
FINCA Uganda	X	X			X	X		X	X
Equity Bank	X	X	X				X	X	
Post Bank	X		X	X				X	X
DFCU Ltd.		X	X	X	X	X	X	X	X
Centenary Bank		X	X	X	X	X	X	X	
Stanbic Bank	X	X	X	X	X	X			X
Kenya Commercial Bank								X	

The three financial institutions that Banking on Health trained in 2006 (Equity Bank, FINCA Uganda, and Post Bank Uganda) regularly shared data on their health-sector loan portfolios, which demonstrated significant increases. These institutions participated in the trade fairs and discussed their strategies for lending to the sector with Banking on Health. Combined data from these three institutions in June 2009 indicated a cumulative disbursement of approximately $1.21 million to the private health sector—a four-fold increase from $281,782 in 2007 (please refer to the following graph). As of May 2009 Post Bank had 160 loans in the health sector and an outstanding balance of $125,270. These figures were increases from 59 loans and $54,455 in January 2008, when it first submitted data. In June 2009 FINCA Uganda reported a health portfolio of 728 loans and an outstanding balance of $218,387; this portfolio was an increase from 69 loans and $150,191 in April 2007. Equity Bank's total health portfolio to retail and

CUMULATIVE GROWTH IN HEALTH-SECTOR LENDING FOLLOWING BANKING ON HEALTH TRAINING IN UGANDA



service providers grew more than six-fold since 2006: from 176 loans ($131,591) in December 2006 to 737 loans ($866,549) in July 2009.

Of these partner institutions, Equity Bank has shown the greatest commitment to instituting a sector-wide strategy for health professionals and developing products to address their needs. For instance, with assistance from Banking on Health, in April 2009 the bank pilot-tested an education loan product for nursing students in partnership with the Mayanja Memorial Training Institute in Western Uganda. This product complements the business loans and asset financing facilities available for health professionals. The education loan will help to bridge a financing gap for students by spreading the payment of fees into smaller installments over six months. Students currently are required to secure fees for the entire semester (approximately $650) upfront. Besides assisting students, the loan also will ensure that the institute receives a steady inflow of cash and can avoid having to organize make-up exams for students who are late in completing their payments. The institute has offered several guarantees to the bank, including withholding certificates of students who do not complete their payments and trying to arrange job placements at rural health centers upon graduation. Equity Bank has reduced its interest rate on this product and adjusted the term of the loan so it fits the semester schedule at the institute. Unlike other education loans that are reserved for the guardians of students, the bank also is considering applications directly from students who are enrolled at the institute.

Other financial institutions that participated in the trade fairs also benefited from Banking on Health's technical assistance and brokering role in forming new partnerships. For instance, Centenary Bank entered into an agreement with SINO Africa, a supplier of medical supplies and equipment, to scale up its lease-financing product for health professionals.

Trade Fairs for Private Providers

To complement its work with financial institutions, Banking on Health conceived the trade fairs as marketplaces for different cadres of private providers to access the inputs necessary to grow their businesses. Recognizing that private providers lack continuous or easy access to the full range of business inputs to meet their growth objectives, the trade fairs extended beyond financial services to include pharmaceutical and medical-equipment suppliers, business-management specialists, and training institutes. In addition to connecting providers with tangible service inputs, the trade fairs enabled providers to network with their peers and different cadres of health professionals, learn about the latest technological and clinical updates, and interact with public-sector officials.

> "I have had the chance to interact with banks and pharmaceuticals and I have been able to access two loans so far. There has been so much change in my practice. I have added another room and bought a digital blood pressure machine."
>
> *Private midwife, Mbale*

Given that private providers are dispersed across the country and face greater constraints to access business services in rural and peri-urban areas, the trade fairs were held in different districts of the country and target towns and villages within 50 to 75 km of the district center. For example, the fair in Mbale drew providers from Tirinyi, Torono, and Soroti districts. Many of these providers are isolated in their practices and lack access to services, new information, and new technology. Since December 2006, Banking on Health hosted nine trade fairs for more than 1,700 private providers (see the following table). The strategy to work in outlying rural districts directly supported Banking on Health's Outcome 3: *Extension of private services to underserved and hard-to-reach communities*.

ATTENDANCE AT UGANDA TRADE FAIRS

City	Date	Number of private providers
Kampala	December 6, 2006	200
Jinja	February 24, 2007	93
Mbale	May 18, 2007	120
Mbarara	August 17, 2007	267
Arua	March 8, 2008	263
Lira	May 3, 2008	329
Mbale	December 4, 2008	120
Mbarara	February 27, 2009	167
Arua	June 19, 2009	154
Total		1,713

The trade fairs attracted a cross-section of private health providers, including midwives and nurses (53 percent of all attendees), drug-shop owners (13 percent), clinical officers (11 percent), doctors (8 percent), pharmacists (2 percent), and other health providers (12 percent). The format of the fairs remained consistent and included panel presentations covering topics such as access to financing, entrepreneurship, public-private partnerships, and testimonies from successful health entrepreneurs. A day-long exhibition formed a core part of the event, in which 15 to 20 exhibitors met with providers. Exhibitors included financial institutions, pharmaceutical and medical-equipment suppliers, and clinical-training institutes. Exhibitors paid a fee to participate, which helped defray the cost of the fair.

Banking on Health formed a voluntary steering committee to provide strategic direction, local ownership, advocacy, and support in mobilizing stakeholders for the trade fairs. This committee included the Ministry of Health and these private professional associations:

- Uganda Private Midwives Organization (UPMO)
- Uganda Private Medical Practitioners Association
- Uganda National Association of Nurses and Midwives
- Pharmaceutical Society of Uganda
- Uganda Allied Health Professionals Private Practitioners Association
- Uganda Health Units Association
- Public-Private Partnership for Health office at the Ministry of Health

To institutionalize the trade fairs and build sustainability, Banking on Health invited the USAID-funded Uganda Health Marketing Group (UHMG), a local social-marketing NGO, to co-lead and take significant ownership of the trade fairs. In this capacity UHMG played an important facilitative role on the steering committee and plans to continue organizing the fairs in the future.

Overall the response to the trade fairs from health providers was encouraging. More than 75 percent of providers at the baseline (completed by 1,024 respondents) found the event "extremely useful" and 90 percent were interested in attending a future one. Where the trade fairs were held for a second time (Mbale, Mbarara, and Arua), 44 percent of providers were repeat-attendees. Providers valued the opportunity to meet new business suppliers and have been inspired by the success stories of their peers. Exhibitors enjoyed access to new clients and learning about new technologies and trends in the field. Banking on Health also facilitated partnerships between stakeholders, such as equipment suppliers, banks, and professional associations. For example, members from UPMO started to purchase supplies from Sino Africa, an equipment supplier, at a negotiated rate. At a group visit to the company's showroom in November 2007, 12 midwives purchased more than UGX 20 million worth of equipment, including an ultrasound machine, microscopes, and delivery beds.

Banking on Health monitored the success of the fairs by following up with individual, randomly selected participants four months after each event. An initial survey was administered to all attendees at each trade fair that served as a baseline. Follow-up surveys were conducted with a fifth of participants (223 respondents) to assess changes in their business relationships and service statistics. Key findings included

- 64 percent of providers already had contacted a supplier they met at the trade fair
- the greatest number of providers contacted a financial institution (84 percent) followed by equipment suppliers (38 percent) and pharmaceutical companies (26 percent)
- 74 providers (33 percent) received new loans after attending a trade fair (the average loan value was $611); loans were used for purchasing medical supplies (96 percent), clinic expansion (20 percent), and buying equipment (15 percent)

The trade fairs successfully helped providers to access financing by increasing contacts with financial institutions and providing private providers with information on how financing can grow and improve their businesses; they also successfully linked providers to new suppliers that are willing to negotiate better terms. Participants said the main benefits of attending the fairs were learning tips on business growth (77 percent), learning where to access financing (66 percent), finding new suppliers (55 percent), making new professional contacts (51 percent), and learning about public-sector initiatives (47 percent). By improving market linkages and access to financing, the trade fairs significantly contributed to Outcome 1: *Improved financial viability of private health service providers*.

In 2008 Banking on Health introduced a one-day business training course on access to financing and cash-flow management that immediately followed every trade fair. A total of 201 providers attended these sessions, represented by nurses or midwives (71 percent), clinical officers (12 percent), nursing aides (7 percent), medical doctors (6 percent), and laboratory technicians (4 percent). The sessions were well received by providers and considered an "eye-opener" for many who had little or no prior exposure to business training. Representatives from financial institutions also were invited to answer questions at these sessions, thus building the confidence of health providers to approach financial institutions in the future. Based on results from pre- and post-tests administered to 73 providers, on average there was an 11percent increase in the number of correct responses before and after the

training.[4] All providers paid UGX 15,000 ($7.50) to participate in the course and often traveled from far distances. By improving providers' capacity to manage their facilities, the training sessions supported Outcome 1: *Improved financial viability of private health service providers*.

Reproductive Health and Family Planning Results

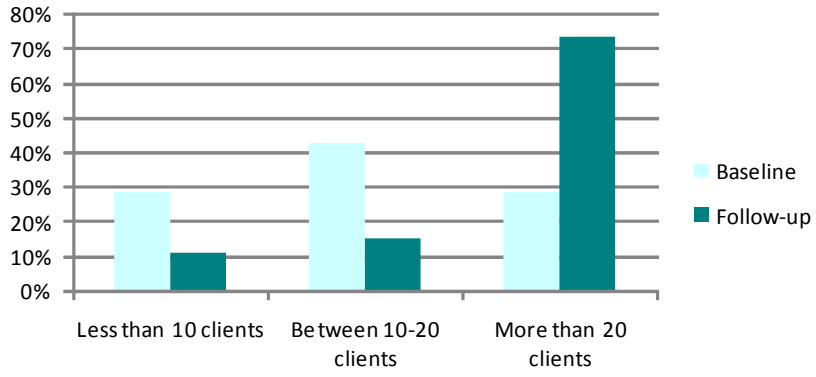
Interestingly the trade fairs also appeared to have a positive impact on family planning service delivery. There was a rise in the number of providers who said they offer family planning services. In the initial survey, 80 percent of providers offered some type of family planning service, compared with 85 percent at the follow-up. These results contribute to Outcome 2: *Expansion of the range of services offered by private providers to include reproductive health and family planning services*. There also was evidence of increased provision of most family planning services with the largest increases in condoms (44 percent), counseling (42 percent), oral contraceptives (41 percent), and injectables (20 percent).

CHANGE IN FAMILY PLANNING SERVICE PROVISION (BEFORE AND AFTER TRADE FAIRS)

	Condoms	Reproductive health and family planning counseling	Oral contraceptives	Injectables	IUDs
Baseline	54.9%	54.5%	55.8%	57.9%	4.3%
Follow-up	98.5%	96.5%	97.0%	78.3%	4.0%
Change	43.5%	42.0%	41.2%	20.3%	-0.3%

Service delivery also appeared to have expanded. Providers were asked about the number of family planning visits they have each month: at the baseline only 29 percent of providers saw more than 20 clients each month; at the follow-up 74 percent responded that they have more than 20 family planning visits per month, an increase of 45 percentage points.

CHANGE IN NUMBER OF FAMILY PLANNING CLIENTS SEEN PER MONTH BY PROVIDERS IN UGANDA



[4] The pre- and post-test was administered only after the Kampala training in October 2008 when the session was extended from a four-hour one to a full-day course. Because it was a one-day course, participants who arrived more than two hours late generally did not complete the test.

In addition to an increase in family planning visits, survey participants also cited a rise in total client visits per month. Seventy-one percent of respondents (159 out of 223) experienced more total client visits, moving upward among the categories listed in the following table. An increase in clients is directly linked to an increase in revenue and improved viability.

NUMBER OF CLIENTS SEEN IN THE PREVIOUS MONTH

	Less than 10	11-20	21-50	51-100	More than 101	Providers who increased total client visits since attending trade fair
Baseline	3.4%	15.2%	21.3%	28.1%	32.0%	
Follow-up	1.8%	7.9%	21.5%	29.4%	39.5%	
Change	-1.6%	-7.3%	0.2%	1.3%	7.5%	159 out of 223

4.1.4 LESSONS LEARNED

Banking on Health's work in Uganda to support access to financing for small-scale health providers and facilitate business linkages to break the isolation of the private sector was successful and contributed to lessons that were applied to other Banking on Health country programs. The project's work with financial institutions accelerated health-sector lending and the trade fairs were an important strategy in expanding access to financing. In the case of Uganda, the training of financial institutions alone probably would not have stimulated significant health-sector lending. The trained financial institutions were slow in transferring knowledge to the branch level. In Uganda it appears that the primary constraint to health-sector lending was not just a lack of market information but also a lack of concrete market linkages and a forum for networking with private providers. According to the financial institutions, the trade fairs resulted in increased requests from providers for loans, demonstrating demand and energizing financial institutions to respond to the needs of the sector by developing appropriate products. As a tool to expand access to financing, the trade fairs exceeded the project's expectations with 84 percent of survey participants following up with a financial institution after the trade fair and 33 percent of respondents receiving financing.

The trade fairs created other beneficial market linkages by connecting providers to suppliers, other providers, and representatives of the Ministry of Health. Through these forums Banking on Health facilitated win-win partnerships between different stakeholders, such as equipment suppliers and financial institutions that are developing leasing products, or between professional associations and various suppliers. As ongoing forums the trade fairs raised the profile of private health providers with the public-health sector and among non-health businesses (such as financial institutions). The fairs also underscored private providers' critical role in Uganda's health system. Different cadres of private providers also recognized their common needs and challenges and started to use the forums to advocate for better business relationships and public-sector support. In organizing the fairs, Banking on Health realized that local ownership and involvement by public and private stakeholders was imperative to ensure that these forums offered responsive services to different cadres of private-health providers in a sustainable manner. Banking on Health's sharing of the responsibility for organizing these events with UHMG should help ensure they continue.

It also appears there may have been a positive link between the trade fairs and family planning outcomes. While more-rigorous evaluation is needed to directly attribute these outcomes to the trade fairs, it is likely that by restocking their supplies through financing, providers were able to offer a broader method mix and serve more clients. In addition, by facilitating linkages, Banking on Health assisted in strengthening the scale, mix, and quality of services private health providers offer.

Outcomes	Project contribution to outcome
Outcome 1: Improved financial viability of private health service providers	√√
Outcome 2: Expansion of the range of services offered by private providers to include reproductive health and family planning services	√√
Outcome 3: Extension of private services to underserved and hard-to-reach communities	√√
Outcome 4: Increased quality of care provided through improvements in facility, capacity, or commodity supply	√√

√√: Project significantly contributed to outcome, √: Project contributed to outcome

4.2 ZAMBIA

4.2.1 BACKGROUND AND OBJECTIVE

With a population of 13 million people and a per capita gross domestic product of $450, Zambia is among sub-Saharan Africa's poorest countries. Recent estimates place 56 percent of Zambians below a basic poverty line. Zambia also faces a great disease burden. Malaria is the leading cause of morbidity and is responsible for 44.4 percent of all public-sector outpatient cases among children under 5 years of age. The adult HIV prevalence rate is 16.5 percent in Zambia and 22.1 percent for pregnant women ages 15 to 24 in Lusaka. More than a quarter of married women of reproductive age are at risk for an unwanted pregnancy, and the maternal mortality rate, estimated at 730 deaths per 100,000 live births, is one of the highest in the world. In addition Zambia faces a critical shortage of health personnel, particularly physicians. Poor working conditions and low wages in many public health facilities, coupled with increasing staff demands due to the HIV/AIDS epidemic, have contributed to an exodus of health workers out of the country.

In light of this human-resource crisis, USAID/Zambia invited Banking on Health and the Private Sector Partnerships-*One* (PSP-*One*) project to conduct an assessment in Zambia and explore options to grow the private health sector as a retention strategy to mitigate the brain drain. The assessment revealed that although the private sector is small and fragmented with 46 percent of medical practices owned by individuals, great potential exists to expand its participation and strengthen its ability to provide quality care. Banking on Health market research revealed that the private sector is a key player in the delivery of priority health services with 73 percent of providers offering family planning services. Despite most HIV-related services being free of charge in the public sector, 59 percent of private providers offer testing for HIV and almost 40 percent offer prevention of mother-to-child transmission (PMTCT) and 35 percent antiretroviral therapy (ART) services.

The Banking on Health project also identified access to financing and lack of business skills as major constraints to the private health sector's growth in Zambia. Banking on Health's market research indicated that almost 64 percent of private providers believe that a lack of finance was the greatest constraint to operating a profitable business. To address the limitations to the growth of the private health sector, Banking on Health designed a program to increase access to financing and improve business and financial-management skills to expand the private sector's delivery of priority health services, including reproductive health, family planning, and maternal and child health. Banking on Health's program also was timely in responding to the Ministry of Health's interest in strengthening its partnerships with the private health sector. Banking on Health began working in Zambia with core funds, and in 2009 it received $300,041 in field-support funds.

4.2.2 ACTIVITIES

To address the constraints to the growth of the private health sector and to increase access to financing, Banking on Health focused on the following activities in Zambia:

- conducting market research on the private health sector
- training financing institutions on findings from the market research and lending to private providers
- training private providers in business management, business planning, and access to financing
- improving market linkages through trade fairs and improved business development services

4.2.3 KEY RESULTS

Market Research

During Banking on Health's assessment in Zambia, most financial institutions cited a lack of information as a constraint to lending to the health sector. Banking on Health conducted market research on the private sector to guide the development of the training program for providers, supply market data to assist banks and MFIs to develop loan products and marketing strategies for the private health sector, and to inform government policies on working with the private health sector. The survey focused on identifying the segmentation of private healthcare providers (including numbers of providers), distributors and retail outlets, regional distributions, ranges of income levels, typical business models, financing needs, borrowing patterns, unmet demand for financing, policy or economic trends affecting the sector, and business and financial-management training needs. The major findings included the following:

Business Characteristics

- Almost 97 percent of private providers operate in urban areas, primarily Lusaka and Copperbelt provinces.
- Just more than 23 percent of private medical facilities began operations between 2003 and 2006, demonstrating recent growth in the sector.
- The plurality of medical practices (46 percent) are owned by individuals.
- Private medical providers offer a variety of health services, including family planning, maternity care, malaria treatment, curative care, and child health care.
- Seventy-three percent of providers offer family planning services with oral contraceptives being the most common method (71.6 percent), followed by injectables (62.7 percent), condoms (62.7 percent), and IUDs (20.4 percent).
- Despite most HIV-related services being free of charge in the public sector, a large number of private providers offer them, including testing (58.7 percent), PMTCT (39.8 percent), and ART (34.8 percent).
- Two-thirds of private medical providers are profitable with doctors the most profitable and midwives the least.
- The major constraint to profitability is access to finance (63.7 percent) followed by patients' inability to pay (54.2 percent).

Credit History of Private Medical Providers

- The private health sector in Zambia is under banked. Just 10 percent of private medical providers

applied for a business loan in the last three years, and only 5 percent of private medical providers actually received one.

- Twenty-five percent of private medical providers received a personal loan in the last three years.
- High interest rates is the major reason private providers cited for not applying for a business loan.
- Insufficient collateral was the major reason why medical providers that applied for a business loan did not receive one.
- Despite their limited credit history, a significant number of private providers are interested in applying for a loan. Forty-six percent of private providers are interested in applying for a loan next year.
- Use of a future loan would be primarily for purchasing equipment, offering new services, or expanding a clinic.

Training Needs

- Private providers are interested in participating in training that focuses on clinical and business-management training.
- Ninety-one percent of private providers belong to a medical association.

Financial Institutions

A key component of Banking on Health's programming in Zambia included work with financial institutions to promote health-sector lending. These efforts included training in the market research findings and lending to the health sector, collaborating with financial institutions to develop loan products, improving linkages to private providers, and assistance in structuring a DCA guarantee. This work led to a significant increase in health-sector lending.

In November 2007 Banking on Health conducted training for 34 bankers from seven financial institutions in lending to the health sector. Two financial institutions, Cavmont Bank and CETZAM, participated in an in-depth six-hour session that covered the market research findings and loan-product development. Five financial institutions (Stanbic, Standard Chartered, Barclays Bank, Investrust Bank, and FINCA) participated in a shorter three-hour briefing on the market research findings. Training results from Cavmont Bank and CETZAM indicated a 20 percent increase in knowledge about private medical providers in Zambia.

Following the training Banking on Health reached out to several other financial institutions, including the Zambia National Commercial Bank (ZANACO). Banking on Health invited interested financial institutions to participate in its provider business training program to make contacts in the sector and have a forum to discuss loan products and application procedures. Three financial institutions (Cavmont Bank, Stanbic Bank, and ZANACO) are developing new health-sector loan products based on one designed for pharmacists in Nigeria.

During its assessment Banking on Health recommended that USAID support a health-sector loan-portfolio guarantee to mitigate risk and collateral concerns that banks identified as constraints to lending. Banking on Health worked with USAID/Zambia and USAID's Office of Development Credit to structure a guarantee. The short-listed banks that Banking on Health recommended for the guarantee, however, were not selected initially. In September 2008 a DCA guarantee was approved for the African Banking Corporation (ABC) that covered up to $1 million in lending to health providers. Unfortunately ABC postponed plans to launch retail-lending operations as a result of the financial crisis. Until ABC begins doing so, this guarantee most likely will be underutilized. At the time of this report, no health-

sector loans had been approved under the guarantee. Fortunately, a DCA guarantee was approved in September 2009 for ZANACO, the largest commercial bank in Zambia. Banking on Health had initially recommended ZANACO and this DCA will include some health-sector lending.

Despite the setbacks with the financial crisis and ABC, Banking on Health's work in Zambia resulted in a significant increase in health-sector lending. Banking on Health developed a loan tracker that provides information on private providers that applied for a loan after participating in the project's training. As of September 30, 2009 Banking on Health followed up with 199 of the 440 providers (45 percent) that attended its basic business training. Out of those 199 providers, 34 percent applied for loans, of which 81 percent obtained them (or 28 percent of trained providers) totaling approximately $1.5 million. The most common uses of loans were for renovating and constructing medical facilities (87 percent), buying drugs and medical supplies (11 percent), and purchasing medical equipment (2 percent). These loan uses directly contributed to Banking on Health Outcome 4: *Increased quality of care provided through improvements in facility, capacity, and commodity supply*. The percentage of providers receiving loans was slightly higher than the average (25 percent) in other countries where Banking on Health has data, most likely due to the more intensive business training and support services that the project gave to health providers. This finding is significant as many financial institutions in Zambia sharply curtailed lending to SMEs because of the financial crisis. Banking on Health had difficulty obtaining health-sector loan portfolio information directly from financial institutions. After some advocacy with the Bank of Zambia (the central bank), it is likely that in 2010 commercial banks will report their health-sector lending to the Bank of Zambia.

Private Provider Training and Business Development Services

Banking on Health's work with private providers in Zambia was more intensive than in other countries given the low level of development of the sector. Provider programming included delivering a basic and advanced business training program, developing the capacity of provider associations to train members, linking providers to business development services and improving market linkages through trade fairs. Each of these activities will be discussed briefly.

A Banking on Health master trainer works with providers on a business simulation game.

In September 2007 Banking on Health launched a three-day basic business management course that included a business simulation game and covered recordkeeping, income statements, balance sheets, cash flow, and break-even analysis. On the third day of training, access to finance was discussed and two financial institutions spoke about their financial products and loan application process. By September 30, 2009, 440 providers were trained in the basic business management course, including 214 nurses, 96 clinical officers, 83 pharmacists, and 47 doctors. The average increase in knowledge, measured by the difference in pre- and post-training assessment scores, was 25 percent.

In February 2009 Banking on Health used field-support funds to develop and deliver an additional business training course that focused on financial statements and business planning. This session was developed as an advanced course for providers that already participated in the basic management course and provided an increased emphasis on financial management and access to finance. This course was

designed in recognition that health-sector lending had been slower in Zambia than in other countries and more intensive work was needed to assist providers in applying for financing. Given the larger number of loan applications and approvals, this strategy appears to have succeeded. By the end of September 2009, 112 providers participated in the advanced training with an increase in knowledge of 18 percent.

Banking on Health worked with provider associations in Zambia to organize and support the sustainability of the training. Banking on Health's efforts with associations entailed two strategies: training trainers affiliated with the associations and obtaining continuing education accreditation for Banking on Health courses through the associations. Banking on Health collaborated with the Zambia Medical Association, the Pharmaceutical Society of Zambia, the Zambia Union of Nurses, and the Clinical Officers of Zambia. The project's training curriculum was submitted to the Pharmaceutical Society of Zambia and the Medical Council of Zambia for consideration for continuing education credit.

Training trainers from these associations was an ongoing effort of the Banking on Health project, and it is expected that in November 2009 as many as eight trainers will graduate from the trainer program and be certified to offer the basic business-management training. In addition one of the clinical officers that Banking on Health trained organized a new association called the Alliance of Private Health Providers, an advocacy group for small private providers to address regulatory issues impacting the health sector.

Banking on Health also linked providers to BDS firms that can assist them to develop financial statements, business plans, and loan applications. Banking on Health identified five BDS firms and worked with them to determine appropriate services and prices for health providers. All of the firms indicated that if providers paid for services in groups, prices would be reduced by 20 to 30 percent. Banking on Health developed a brochure for providers detailing BDS contacts and their offerings. Fifteen health providers contacted BDS firms for development of financial statements and business plans to support loan applications. In addition Banking on Health counseled more than 44 providers on financial management issues related to their health businesses and loan applications.

Trade Fairs

To build on its work linking private providers to business development services, Banking on Health sponsored two private-sector trade fairs in Lusaka in 2008 and 2009 that 310 participants attended. The trade fairs functioned as a marketplace where vendors offered inputs that are necessary for private providers to expand their health businesses as well as offer new services. Financial service firms, pharmaceutical and medical-equipment suppliers, business-management firms, and regulatory agencies participated in the trade fairs. The theme of the trade fair in 2009 was "quality and sustainability of health services through private practice." The governor of the Bank of Zambia was the guest of honor at the 2009 trade fair, and he spoke about how health-sector investments now receive the same favorable tax treatment (such as no value-added taxes) as other sectors.

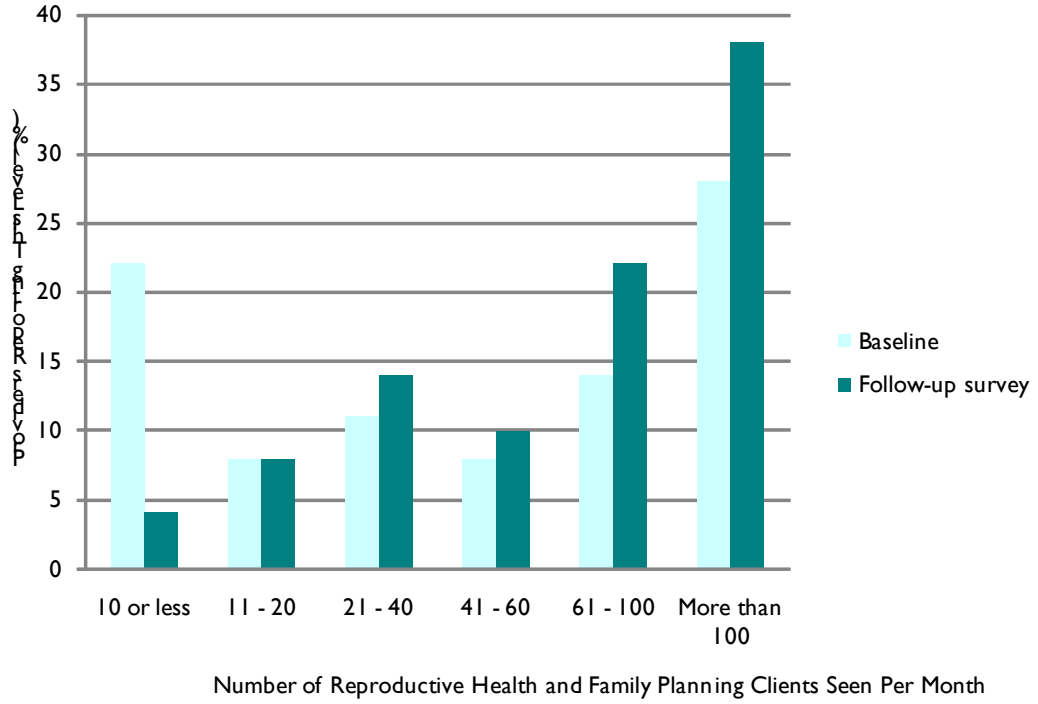
Trade fair exit surveys for 2009 indicated that 79 percent of the attendees planned on contacting a financial institution about financing (approximately 92 percent of them were interested in financing) and 61 percent of attendees would follow up with an exhibitor. Benefits of the trade fair included finding new suppliers (54 percent), learning where to access financing (39 percent), obtaining tips on business growth (46 percent), finding out about public-sector initiatives and making new professional connections (32 percent), and discovering training opportunities (25 percent).

Reproductive Health and Family Planning Results

To monitor its work in Zambia, Banking on Health conducted a baseline and follow-on survey with trained providers. The follow-on survey was conducted with 218 out of 440 trained providers (50 percent). Sixty-two percent of providers that participated in the baseline survey offered family planning and reproductive health services compared to 75 percent at the follow-on, an increase of 13 percentage points. This finding supports Banking on Health's Outcome 2: *Expansion of the range of services offered by private providers to include reproductive health and family planning services*.

There also appears to have been an increase in service delivery. Providers were asked about the number of family planning visits they have each month: at baseline 61 percent of providers saw more than 20 clients per month; at the follow-up 84 percent saw more than 20 clients per month, an increase of 23 percentage points.

CHANGE IN NUMBER OF REPRODUCTIVE HEALTH AND FAMILY PLANNING CLIENTS SEEN PER MONTH BY PROVIDERS IN ZAMBIA



In addition to an increase in family planning visits, surveyed providers also cited an increase in the number of total client visits per month. One hundred and seventy-two out of 218 (79 percent) increased total client visits. Increasing the number of clients is directly linked to increased revenue and improved viability.

NUMBER OF CLIENTS SEEN IN THE PREVIOUS MONTH

	Less than 10	11-20	21-50	51-100	101-200	201-300	More than 300	Providers who increased total client visits since attending training
Baseline	2%	5%	15%	16%	10%	15%	35%	
Follow-up	2%	2%	9%	11%	15%	17%	47%	
Change	0%	16%	-6%	-5%	5%	2%	12%	173 out of 218

4.2.4 LESSONS LEARNED

Banking on Health's work in Zambia achieved the objectives of increasing access to financing and improving business-management skills in the private health sector. Family planning services also appear to have expanded. During the programming period, the project faced a number of obstacles, including the relatively low level of development of the private health sector, a lack of interest among Zambian financial institutions due to the relatively small size of the market and the lack of competition for financial services, and the onset of the global financial crisis and subsequent erosion of the Zambian economy. Banking on Health adapted its programming to adjust to this environment and as a result achieved a number of successes. Some of these lessons learned may be applicable to other countries:

- Because of the many impediments to accessing financing, Banking on Health determined early on that intensive work with providers was necessary. These efforts included offering a basic and advanced business training course, linking providers to additional business development services and financial institutions, and one-on-one counseling and technical assistance to providers.
- When there are structural impediments in the financial system to lending to SMEs, such as limited competition in the banking sector, it can be difficult to motivate commercial banks to lend to health care providers, especially if they are perceived to be riskier than other businesses.
- It is wise to cast a wide net when considering which financial institutions with which to work. Several institutions that initially showed promise, such as FINCA and Standard Chartered, were dropped from the Banking on Health program due to their lack of participation.
- Likewise it also is important to structure DCA guarantees with multiple banks to ensure that if there is a change of management or strategy, as in the case of ABC, a partner still exists that is willing to lend.
- Although Zambia's private health sector is growing, it is small. Market research can help make the case for investing in the health sector but in the end the market's size will be an important determinant of interest and willingness to develop sector-specific strategies.
- Working with provider associations makes it easier to organize training, but associations vary in terms of resources and capacity.
- Policy and regulatory work is often as important as working with banks and private providers in removing impediments to the growth of the private health sector. PSP-*One*'s work to clarify and expand the scope of work for private nurses and midwives and clinical officers was critical to the further expansion of the sector.

Outcomes	Project contribution to outcome
Outcome 1: Improved financial viability of private health service providers	√√
Outcome 2: Expansion of the range of services offered by private providers to include reproductive health and family planning services	√√
Outcome 3: Extension of private services to underserved and hard-to-reach communities	No data available
Outcome 4: Increased quality of care provided through improvements in facility, capacity, or commodity supply	√√

√√: Project significantly contributed to outcome, √: Project contributed to outcome

4.3 NIGERIA

4.3.1 BACKGROUND AND OBJECTIVE

With more than 130 million people, Nigeria is by far the most populous country in Africa. Despite its oil resources and solid agricultural base, Nigeria has poor health indictors, including a modern contraceptive prevalence rate of only 8 percent and maternal mortality at 800 per 100,000 live births.

Although the public health system has a wide reach throughout the country, most Nigerians depend on private providers at various levels for much of their healthcare. Sixty-seven percent of total health expenditures come from out-of-pocket payments and 36 percent of those expenses are made in the private commercial sector. Many of the expenditures are for products and services from unskilled or under-skilled providers. These providers are the first stop for approximately 70 percent of Nigerians seeking treatment. When consumers cannot afford even these providers, they have few options left and often forego treatment. The private sector also has highly skilled providers and some of the best-equipped and well-run facilities in the country, but they serve a small share of the population.

In June 2006 USAID/Nigeria requested that PSP-*One* conduct an assessment of the private sector in Nigeria for the provision of reproductive health and family planning products and services. The primary purpose of the assessment was to identify ways for USAID and other stakeholders to engage the private sector to achieve Nigeria's reproductive health goals. Providers included those contracting with HMOs as part of the National Health Insurance Scheme (NHIS), private midwives, nurses and doctors, as well as pharmacists and patent medicine vendors (PMVs), a type of retail drug outlet. One of the key findings of this assessment was that lack of access to financing constrains the ability of the private sector to expand and improve quality, reproductive health, and other priority health services.

4.3.2 ACTIVITIES

To address the constraints facing the private health sector, the PSP-*One* project designed a program to engage the private sector to achieve Nigeria's reproductive health goals. Included in this program was an access-to-finance component that PSP-*One* and Banking on Health cofunded. Key activities included

- market research of private providers' business characteristics, financing, and training needs
- training of private providers to improve their financial-management skills and understanding of bank loans
- working with a group of Nigerian commercial and MFI lenders to increase lending to the health sector
- assisting USAID in structuring a health-sector DCA guarantee

- improving market linkages

4.3.3 KEY RESULTS

The PSP-*One* project monitored program activities and not all of Banking on Health's standard indictors, particularly changes in reproductive health and family planning services, were tracked.

Market Research

During the assessment most financial institutions cited the lack of market information and perceptions of risk as key constraints to lending to the health sector. Banking on Health worked with PSP-*One* to conduct market research on the private sector to guide the development of the training program for providers, supply market data to help banks and MFIs to develop loan products and marketing strategies for the private health sector, and inform government policies on working with the private health sector. The survey questionnaires (one for doctors, nurses, and midwives and a second for pharmacists and PMVs) focused on identifying the number and segmentation of private health care providers, distributors and retail outlets, regional distributions, ranges of income levels, typical business models, demand and need for financing, borrowing patterns, policy and regulatory trends affecting the sector, and business training needs. Additional market-related questions were addressed to pharmacists and PMVs.

There were a number of interesting findings from the market research. Many private providers in Nigeria have profitable practices, have been operating for a number of years, and there appears to be some growth in the sector. Despite this track record, many practices remain small, run by sole proprietors who have not expanded into more organizationally complex operations that can take advantage of scale and improve efficiencies.

The market research also revealed that in Nigeria the private health sector is under banked. Most providers (85 percent) have never applied for financing and only 7.5 percent have received a business loan in the last three years. The surveys indicate that there are structural issues within the financial sector that constrain financing for the private health sector. For providers that are able to obtain financing, the majority have short-term loans that make it difficult to invest in significant expansion and improvements. Most providers that tried to obtain financing and were rejected cited collateral and credit history as factors. Taken together these findings imply that the financial sector views the health sector as risky and may not have adequate cash-flow lending skills or loan products to meet this sector's needs.

Furthermore, the survey revealed that the private health sector has an important role in offering priority public health services, including family planning; HIV/AIDS counseling, testing, and treatment; maternal child health; and malaria treatment. The following table shows the percentage of surveyed providers offering family planning by method with oral contraceptives and injectables being the most common.

PERCENTAGE OF SURVEYED PRIVATE PROVIDERS OFFERING FAMILY PLANNING SERVICES, BY METHOD

Services	Physicians (of 388)	Nurses and midwives (of 408)
Contraceptive pills	91%	89%
IUDs	70%	47%
Injectable contraceptives	87%	91%
Condoms	79%	78%
Tubal ligation	34%	17%
Vasectomy	20%	11%
Other	1%	1%

The government and donors can build on this foundation to improve health outcomes in Nigeria. With a few important exceptions that are noted below, private providers did not identify regulatory requirements of the Nigerian government as a constraint to running a profitable private practice. A majority of nurses and midwives did cite concerns about the requirement that a physician be listed on the license to operate their medical facility, however, and almost 50 percent of PMVs expressed apprehension about obtaining a license and the general regulatory environment. The survey also indicated some private providers have difficulty understanding government regulations and there may be opportunities to better disseminate information on regulations regarding medical business operations.

Financial Institutions

A core component of the access-to-finance program was working with commercial banks and MFIs to increase their understanding of the health sector and their lending to it. Key activities included inviting seven financial institutions to the February 2008 conference Empowering Private Providers for Better Health in Nigeria, held in Abuja, and delivering training to 95 loan officers from seven financial institutions in Abuja and Lagos.[5] The training workshops presented key findings of the market research survey and helped financial institutions to develop loan products and marketing strategies to enter the private health sector. The project then followed up with five of the financial institutions to develop action workplans, which identified specific steps to expand lending to the health sector.

Following this work three financial institutions developed loan products specifically for health providers: Fidelity Bank designed a loan product for pharmacists, Integrated Microfinance developed a loan product for nurses, and Skye Bank designed a package of loan products marketed to the health sector. In addition these financial institutions approved 253 health-sector loans, totaling almost $900,000.

In addition to training and providing technical assistance to financial institutions, Banking on Health recommended a DCA portfolio guarantee that could address market imperfections. USAID/Nigeria agreed with this assessment and worked with PSP-*One* and Banking on Health to develop a DCA portfolio guarantee with Integrated Microfinance Bank (IMfB). This major MFI in Nigeria participated in the access-to-finance program by increasing health-sector lending as well as joined in the ToT for financial-management training and developed a health lending product specifically for nurses. Although

[5] United Bank of Africa, Oceanic Bank, Afribank, Fidelity Bank, Skye Bank, Diamond Bank, and Integrated Microfinance Bank

the Office of Development Credit approved a guarantee, USAID/Nigeria decided to reassess the financial condition of IMfB later in 2010 due to capitalization issues.

Overall the financial crisis has had a major impact in Nigeria, with financial institutions cutting—and in many cases halting—lending, especially for SMEs. Health providers increasingly will have difficulty obtaining financing despite the inroads the project made in improving financial institutions' interest in the sector. Future programming will need to adjust to these new market conditions and work with financial institutions to explain how lending to the health sector can be a risk-mitigation strategy.

These providers are participating in a business simulation game in Nigeria.

Business Training for Private Providers

Business training for private providers was a key component of the access-to-finance program in Nigeria. Banking on Health developed the business-skills training course and PSP-*One* rolled out the training with some technical oversight from Banking on Health. The training was initially structured as a three-day course focusing on improving business management through participation in a business simulation game. The training covered a number of topics, including recordkeeping, financial statements, cash flow, break-even analysis, and access to financing. The project invited financial institutions to attend the final day of the training to speak about their financial products and meet providers.

In August 2007 Banking on Health initiated the training by delivering a ToT and piloting the course with two groups of providers. PSP-*One* then rolled out the training to providers in Lagos, Abuja, and Kano. The training was delivered to providers through four HMOs (Total Health Trust, Clearline, United Healthcare International, and Mediplan) as well as several private-provider associations (the Nigeria Private Nurses and Midwives Association, the Association of General and Private Medical Practitioners of Nigeria, and the Association of Community Pharmacists of Nigeria). As of September 30, 2009, approximately 1,453 providers were trained with an average knowledge increase of 23 percent, as measured by the pre- and post-test.

Based on focus group discussions conducted in June 2008, providers had made changes in managing their businesses after participating in the access-to-finance training, such as keeping records, using cash flow and income statements, and separating their medical business from their personal finances.

To increase the sustainability of the training, ToT sessions were held in Lagos and Abuja to educate HMOs and providers from key medical associations to deliver the access-to-finance curriculum. By August 2009, nine trainers completed this training, which included an accounting exam and a training demonstration, and have been certified by PSP-*One* as competent to deliver the financial-management training.

One problem with the access-to-finance training was the difficulty in getting doctors to attend it. The project met with HMOs to address this concern and adjusted the curriculum schedule and strengthened the marketing effort.

Market Linkages

As a follow-on to the business training, the project also identified BDS firms that can assist providers with business needs, such as developing financial statements, business plans, and loan applications. Business-development firms can help health providers to access credit as well as other inputs necessary to grow their businesses. The project worked with 20 BDS firms located in areas where trained providers operate. The project developed a BDS brochure, used SMS messaging to communicate with providers about BDS firms, and inform providers at meetings about BDS firms operating in their areas. While approximately 30 providers negotiated contracts with BDS firms as of September 2009, many of them were reluctant to spend money on BDS.

The project also hosted a private health-sector trade fair in Lagos in August 2008 to improve market linkages. Approximately 500 providers and 50 exhibitors attended it. Exhibitors included pharmaceutical companies; distributors; medical-equipment suppliers; financial institutions; and provider associations, such as the Health and Managed Care Association of Nigeria (HMCAN), the Nigeria Private Nurses and Midwives Association, the Association of Community Pharmacists of Nigeria, and the Guild of Medical Directors of Nigeria.

Participants interacted with exhibitors and learned how to access products and services that would benefit their businesses. An exit survey of attendees indicated that 97 percent of them plan on following up with an exhibitor. Approximately 43 percent of the attendees were nurses or midwives, 16 percent pharmacists, and 5 percent medical doctors, and approximately 77 percent of attendees offer family planning services. Approximately 58 percent of attendees previously had received a loan and, of those who had done so, the largest sources of financing were from family or friends (45 percent) and a bank or MFI (43 percent). More than 97 percent of attendees who completed the survey indicated that they would be following up with trade fair exhibitors.

Lessons Learned

Banking on Health's work in Nigeria succeeded in achieving the objective of improving provider financial-management skills and expanding access to financing. Most provider associations and HMOs did not offer financial-management training, so Banking on Health created the first opportunity for many providers to improve their business- and financial-management skills. Three financial institutions developed new health loan products and have lent to private providers. Many providers, however, still indicate that they cannot access loans. This lack of access to financing, though, is due to a large extent to the financial crisis that has left most banks with little liquidity and capacity to lend. The banking sector is competitive, so once the banking system is stabilized, lending should resume; although it will take longer for SME lending, which includes most private health care providers.

A number of lessons can be drawn from Banking on Health and PSP-*One's* work in Nigeria that have applications for other African countries:

- When collaborating with a range of small-scale and larger health providers, work with both commercial banks and MFIs so different financing needs can be met. In the case of Nigeria, IMfB was the most active in lending to nurses and midwives. Loan products developed by Fidelity Bank and Skye Bank would not have met the financing needs of these smaller-scale providers.
- Private-provider associations and other provider entities involved in training delivery, such as HMOs, often require a substantial amount of technical assistance to develop their training capacity. This case was especially true with HMOs in Nigeria as the training function was not part of their corporate capacity.

- Despite well-designed programming, macroeconomic conditions outside of a project's control can impact the financial sector's willingness and ability to lend to health providers.

Outcomes	Project contribution to outcome
Outcome 1: Improved financial viability of private health service providers	√√
Outcome 2: Expansion of the range of services offered by private providers to include reproductive health and family planning services	Data not available
Outcome 3: Extension of private services to underserved and hard-to-reach communities	Data not available
Outcome 4: Increased quality of care provided through improvements in facility, capacity, or commodity supply	Data not available

√√: Project significantly contributed to outcome, √: Project contributed to outcome

4.4 ETHIOPIA

4.4.1 BACKGROUND AND OBJECTIVE

In recent years the government of Ethiopia and donors have moved to partner with the private health sector to expand access to HIV/AIDS and tuberculosis services by providing supplies and technical support to private clinics and hospitals. USAID's PSP-Ethiopia played a key role in supporting this initiative until September 2009 when the project ended. As the Ethiopian government and USAID look to partner with the private health sector in meeting public health priorities, they are developing new strategies for engaging the sector.

After conducting an assessment of the private health sector in Ethiopia in June 2007, the Banking on Health project recommended a program to help build the country's private sector by expanding access to financing and improving business-management skills. This program included three components:

- providing business training to private providers
- working with financial institutions to expand health-sector lending, including structuring a DCA loan portfolio guarantee and providing technical assistance to banks
- promoting mult-sectoral linkages

PSP-Ethiopia implemented the first component of assistance, business training and follow-up one-on-one business support to private providers.

Banking on Health received $100,000 in field-support funding from USAID/Ethiopia in September 2008 to develop a health-sector loan-portfolio guarantee for two commercial banks and to design and provide initial technical assistance to these banks and two others to increase their capacity to lend to the sector. Banking on Health supplemented these funds and activities with a core-funded private health sector trade fair in 2009 designed to increase linkages among financial institutions, private medical providers, suppliers, and government bodies.

These Banking on Health activities were initiated in year five with limited funds in order to begin to provide support that may be continued via a future project in Ethiopia. Although results were achieved by introducing banks to the market, structuring the DCA guarantee with U.S. President's Emergency Plan for AIDS Relief (PEPFAR) funds, and the successful piloting of a private health sector trade fair, these results are preliminary given that the activities occurred at the end of the project.

4.4.2 ACTIVITIES

In addition to the initial sector assessment in 2007, Banking on Health conducted three activities in Ethiopia in 2008 and 2009:

- developed the first PEPFAR-funded health-sector DCA for two commercial banks
- trained bank managers and lenders on lending to the private health sector
- organized the first private health sector trade fair in Ethiopia

> "Lending to the health care sector is not only an opportunity for the customer, but also it is an opportunity to the bank to fulfill its corporate citizenship and support the overall economy in general."
>
> *Quote from management workshop evaluation form, Nib International Bank*

4.4.3 KEY RESULTS

PEPFAR-Funded DCA Health-Sector Loan Portfolio Guarantee

Banking on Health supported USAID/Ethiopia and the Office of Development Credit to implement a health-sector DCA of $10.88 million to assist banks to enter the health care market by reducing risk and addressing collateral constraints. The subsidy that supports the guarantee will be paid out of PEPFAR funds—the first time PEPFAR funding has been used in this way.

Banking on Health recommended two banks to receive the DCA: Nib International Bank and Bank of Abyssinia. They were chosen on the basis of their interest and capacity to lend to the health sector and their combined ability to reach priority regions of the country with their branch networks. The DCA loan-portfolio guarantee will provide the banks with a 50 percent guarantee on any loan amount that is not repaid. There are incentives built into the definition of qualifying borrowers under the guarantee to encourage the banks to lend to small-scale health care providers (as opposed to large equipment importers, for example) and to ensure that some loans are disbursed to businesses outside of Addis Ababa, where access to credit is a particular challenge to health care businesses.

The DCA was approved in September 2009, however, the agreements with the two commercial banks have yet to be signed at the time of this report.

Financial Institutions

In May and June 2009, Banking on Health conducted management workshops titled Lending to the Private Health Care Sector for four banks: the two slated to receive the DCA guarantee and two others with the interest and capacity to expand lending to the sector, potentially without a guarantee (Commercial Bank of Ethiopia and Awash International Bank). The workshops were conducted to introduce upper management to the sector and facilitate strategies and techniques to expand lending. One half-day workshop per bank was conducted for upper management from operations, credit, and marketing, which included an overview of the sector in Ethiopia, its financing needs, understanding the risks and opportunities, and marketing to the sector. In total 64 bankers participated in the workshops. At their conclusion, participants were asked to complete a workshop evaluation. Of the participants, 42 (66 percent) described it as "very useful." Sixty (94 percent) rated the overall quality as "excellent" or "good." Participants found the most useful aspects of the training were "data on the private health sector" (70 percent) and "market research techniques" (52 percent).

As a follow-up, in July 2009 Banking on Health conducted two-day trainings for 86 lenders of the Nib International Bank and Bank of Abyssinia, the two banks participating in the health-sector DCA guarantee. Four trainings were held for 46 loan officers from Nib International Bank and 40 loan officers from the Bank of Abyssinia, with a focus on basic SME lending and analyzing a health-sector loan. Their knowledge increased by 23 percent, with participants scoring an average of 93 percent on a post-training assessment. The greatest learning pertained to the five Cs of credit, a common framework for analyzing the creditworthiness of a potential borrower. The end-of-course evaluations showed that 97 percent of attendees felt their ability to evaluate a loan request from a private medical business had increased as a result of the training, and 99 percent reported they now had a positive attitude about lending to the private health care sector. These workshops, together with the previous management workshops and the DCA loan-portfolio guarantee, should ease banks' entry into health-sector lending and help address the collateral barrier that many providers face when seeking financing.

Given that the bank training was conducted at the end of year five and the beginning of year six, and the DCA agreement was not yet in place, it is too early to report results related to health-sector lending.

Trade Fair

Banking on Health hosted a national private-medical-sector exhibition for the benefit of higher and medium clinics and hospitals to foster linkages with suppliers, financial institutions, government bodies, provider associations, and other sources of business and technical support. This exhibition was a unique and valued event with the potential to be replicated and improved with other initiatives to develop linkages. The exhibition generated interest from private providers, exhibitors, and stakeholders. Representatives of 75 clinics and hospitals attended it and viewed exhibits from 40 equipment and pharmaceutical suppliers, associations, banks, insurance companies, and medical colleges. Participants owned and managed medium and higher clinics and hospitals in Addis Ababa, Jimma, Adama, and Bahir Dar. A morning plenary with speakers from the Ethiopian government, USAID, the Medical Association of Private Practice Physicians of Ethiopia (MAPPP-E), Banking on Health, PSP-Ethiopia, banks, and insurance companies was held which afforded providers an opportunity for questions and discussion.

Representatives of an Ethiopian laboratory-equipment manufacturer display their wares at the Banking on Health Private Medical Sector Exhibition in June 2009.

Participants and exhibitors who were clinic and hospital managers completed exit surveys. Of the providers questioned, 74 percent offered family planning services and 98 percent were interested in attending another trade fair. The exhibition was a unique experience that participants valued, with 90 percent of them describing the event as "extremely valuable." Of survey respondents, 98 percent intended to follow up with an exhibitor after the event and 65 percent learned where to access financial services. The following table provides more details on the benefits of the trade fair to clinic and hospital managers.

IMMEDIATE BENEFITS OF TRADE FAIR TO CLINIC AND HOSPITAL MANAGERS

As a results of the exhibition, I was able to…	Percentage
Find new medical or pharmaceutical suppliers	91
Learn where to access financial services	65
Learn new tips on how to grow my business	65
Find new products I can offer my clients	69
Make new professional connections	80
Learn about government policies that impact my business	67
Learn how the government and private sector can work together	6

MAPPP-E's leadership is interested in building on this exhibition to facilitate communication among public- and private-sector stakeholders on the needs, challenges, and opportunities in the private sector. The exhibitors found the exhibition to be a good marketing opportunity—so much so that in exit surveys 100 percent indicated that they would be willing to pay to participate in a future event.

4.4.4 LESSONS LEARNED

Banking on Health's recent and limited work in Ethiopia indicates that there are potential benefits for greater Banking on Health-type programming in that country. Business-support activities are needed, particularly those that foster multi sectoral linkages among providers, financial institutions, suppliers, provider associations, and the government. The health-sector trade fair was a ground-breaking activity in the Ethiopian market context. Participants asked that it be repeated and scaled-up. Financial institutions will need more training and one-on-one support to reach out to the health sector, and the DCA guarantee will be a key ingredient to making that expansion a reality.

Outcomes	Project contribution to outcome
Outcome 1: Improved financial viability of private health service providers	√
Outcome 2: Expansion of the range of services offered by private providers to include reproductive health and family planning services	√
Outcome 3: Extension of private services to underserved and hard-to-reach communities	√
Outcome 4: Increased quality of care provided through improvements in facility, capacity, or commodity supply	√

√√: Project significantly contributed to outcome, √: Project contributed to outcome

4.5 GHANA

4.5.1 BACKGROUND AND OBJECTIVE

Over the past decade Ghana has made tremendous strides in economic growth; some important health and social indicators, however, have not improved as would be expected. Of particular concern is a decline in maternal health indicators, including an increase in the maternal mortality rate, that threaten to derail the achievement of some of the Millennium Development Goals. The increase in maternal mortality probably is linked in part to a high total fertility rate, which stagnated at 4.4 children per

woman between 1998 and 2003 despite a rise in the contraceptive prevalence rate from 13 to 19 percent during that period (Demographic and Health Survey, 2003).

At a health summit in April 2008, the Ministry of Health and its development partners discussed shortfalls in funding and the performance of national reproductive health and family planning programs. Among other shortfalls the cost of family planning commodities far exceeded the allocated budget, leaving a funding gap of more than $7 million for family planning commodities. Through USAID/Ghana, the Ministry of Health invited Banking on Health to provide an analysis of the costs and benefits to the National Health Insurance Scheme (NHIS) in adding family planning products and services to the coverage packaged for use in policy and benefit-package deliberations. As part of its analysis, Banking on Health also was asked to examine the potential role of private facilities in offering expanded access to family planning and their access to external financial support (such as commercial loans) for adding these services or products. Banking on Health's work was conducted in collaboration with a separate but related consultancy by the Health Policy Initiative (HPI), Task Order One Project. HPI was invited by the Ministry of Health through USAID/Ghana to provide an advocacy brief for the ministry and other partners to use in raising the Ministry of Finance and Economic Planning and the national parliament's awareness and support for reproductive health and family planning. The Banking on Health and HPI consultancies were conducted in July 2008.

4.5.2 ACTIVITIES

Banking on Health conducted the following activities in Ghana:

- cost-benefit analysis of adding family planning products and services to the benefits package offered by Ghana's National Health Insurance Scheme
- assessment of private facilities' roles within the NHIS and constraints to expanding the delivery of family planning, including access to finance

4.5.3 KEY RESULTS

Cost-Benefit Analysis

The assessment revealed that reproductive health and family planning has slipped as a public health priority in Ghana and that these services increasingly are underfunded. Currently family planning services are not covered by the NHIS, which excluded them from the benefits package when it was launched in 2003. Family planning was determined to be an "essential public good," such as immunization, and should be offered for free through the Ghana Health Service. Because constrained budgets fail to cover all basic operational costs at the facility level, in practice almost every public facility and all private facilities charge fees for family planning products.

While family planning is not covered, the NHIS made all expectant mothers eligible for coverage. And as of September 2008 all children under 18 years old are eligible for coverage regardless of whether their parents are enrolled. Thus a woman who registers for health insurance has free antenatal and delivery care and will receive free care for her baby, but she must pay to obtain family planning services at the same clinic. Financial incentives now favor more rather than fewer births. Expanded NHIS coverage for pregnant women makes the medical care costs of additional births zero for women, providing a marginally positive incentive to have more children. The lack of NHIS coverage for family planning commodities maintains a positive price for delaying or limiting births, providing a marginally negative incentive to do so.

Banking on Health conducted a cost-benefit analysis of adding coverage for long-term and permanent family planning methods as well as injectable contraceptives to the NHIS benefits package. The analysis revealed that including family planning would decrease fertility and avert births that would otherwise have cost the NHIS considerable expenditures. Adding this benefit would lead to an annual net savings to the NHIS that would increase over time. The size of the net savings depends on a number of variables, which may change over time. According to Banking on Health's assumptions, if family planning is covered in 2009, by 2011 the NHIS will realize almost C11 million ($11 million) in net savings in that year alone. This amount increases to more than C18 million ($18 million) in 2017. Based on this analysis, Banking on Health recommended that the NHIS add coverage of the proposed package of family planning services.

Banking on Health presented its findings and then disseminated a final report to USAID, the Ministry of Health, the Ghana Health Service, the NHIS, the United Nations Population Fund (UNFPA), and other development partners in Ghana. According to USAID/Ghana, this report "is considered a vital document by these stakeholders in making the case for reimbursement of family planning services under the National Health Insurance Scheme." At the time of this report, the topic is under discussion but the NHIS has not expanded the benefits package to include family planning. The NHIS system is under financial stress and there is concern about expanding the benefits, despite the cost savings that Banking on Health identified.

Assessment of the Role of Private Facilities within the NHIS

During the assessment the team also examined the role of the private sector within the NHIS. This review was a preliminary one, and additional research is needed if future private-sector programming is considered. The assessment revealed that private providers play a significant role within the NHIS and will continue to grow in importance. As of July 2008, approximately 1,277 accredited private providers supply one-third of all services that the National Health Insurance Authority reimburses. Many of the private providers that were interviewed believed that adding family planning to the package of covered services would increase its use. Due to varying levels of capacity within the private sector to offer family planning services, a number of private facilities will need training and support in offering these services if they are added.

Across the board interviewed private providers, particularly clinical ones, noted an increase in clients as a result of accreditation. The financial impact of accreditation, however, appears to be mixed, and it should be examined more closely by interviewing a larger number of providers. For the midwives who were interviewed, it appears that accreditation resulted in significant increases in revenue as well as profit because of the increases in clients. For some larger, higher-end providers, profitability may have dropped following NHIS accreditation due to the tariff structure and increased costs in administering claims and patient flow under the scheme. They also saw a drop in corporate clients that were no longer contracting private clinics to provide health care for workers. For most pharmacists that were interviewed, revenue from insurance represented a small portion of their total revenue. While most of them cited lower profit margins for drugs sold under the scheme, they felt that on average prices were fair. One of the major financial concerns that accredited private providers cited was the delay in claims reimbursement under the NHIS. Most interviewed providers cited delays of between two to three months, which created significant cash-flow problems.

The assessment also revealed that many private providers' financing needs increased as the result of NHIS accreditation. Two major financing requirements were cited: working capital and facility improvements. The most frequently cited financing need was a working capital loan to help cope with cash-flow problems that resulted from delayed reimbursement. Additionally many private providers wanted to obtain a term loan to improve their facilities and purchase equipment. During the assessment

the team met with four financial institutions and determined that they have limited levels of lending to the health sector. But the project learned they might be interested in expanding their lending and identified several needs to enter the sector, including market information on the health sector, linkages to providers and provider associations, training, and potentially a guarantee.

Based on these findings from the preliminary private-sector assessment, the Banking on Health project made a number of recommendations for USAID, the government of Ghana, and other donors to consider. It is important to address the delay in reimbursement for claims. Cash-flow problems from reimbursement delays impact operations and lead to quality concerns in the private sector. Training in financial and claims management also would help private providers to operate more efficiently. Improving access to financing would assist providers to meet financing needs that have arisen as a result of accreditation. In a number of countries, USAID and development banks have worked with financial institutions to stimulate lending to the health sector. In Ghana there are ample opportunities to partner with financial institutions to strengthen the private providers that participate in the NHIS. Finally, if family planning is added to the NHIS package, USAID or other donors might want to consider training private providers in counseling and providing family planning services.

4.6 KENYA

4.6.1 BACKGROUND AND OBJECTIVES

USAID/Kenya requested PSP-*One* conduct an assessment of the private health sector in Kenya. Its goal was to help the Kenyan government and its stakeholders develop strategies to increase the role of the private sector in the delivery of health care while emphasizing the principles of increasing equity of access, quality of care, and efficient use of public resources. PSP-*One* asked Banking on Health to participate in the assessment, using core funds to explore how increased access to finance could maximize the private health sector's role in service delivery and to determine to what extent commercial banks and MFIs were lending to the health sector. The development of the scope of work also coincided with the start-up of the World Bank and International Finance Corporation's Health in Africa initiative, which envisions improvement of the government-private sector interface to create new opportunities for investment and lending for growth of the private health sector in Africa.

4.6.2 ACTIVITIES

- In Kenya, Banking on Health conducted the access-to-finance portion of the private-sector assessment.

4.6.3 KEY RESULTS

Banking on Health's work in Kenya was limited to participating in the assessment. The project's analysis was included in a report that was submitted to USAID/Kenya in May 2009. Major findings indicated that access to financing in Kenya is limited for several reasons. There is insufficient market information about the private health sector resulting in commercial banks overestimating the risk of lending to it. The predominance of sole proprietorships in the health sector, competition with the informal sector, the fact that health care is viewed as a social good, and the unique regulatory considerations of health care businesses also add to the perceived risk of lending. In the assessment most of the financial institutions that were interviewed expressed concerns that health providers often lack financial statements, business plans, and financial and management skills, which can affect their capacity to service loans. In addition private providers often cannot meet the typically excessive collateral requirements of Kenyan financial institutions. Many of the loan products and financing terms commercial banks offer do not meet the financing needs of providers. Some of the limitations that Kenyan health providers mentioned include loan sizes that are insufficient and loan tenors that are too short as well as a lack of start-up financing

and high interest rates. As a result of these financing constraints, private providers offering services in Kenya often cannot expand their facilities, improve the quality of their services, or offer new services, especially in rural areas.

Based on these findings, Banyan Global proposed programming to expand access to financing for private providers by working with financial institutions and developing new partnerships to expand financing, strengthening business support services for private providers, and improving market linkages.

4.7 ROMANIA

4.7.1 BACKGROUND AND OBJECTIVES

Romania is a model in the Europe and Eurasia regions for its tremendous gains in women's health over the past 10 years. The nearly 11,000 family doctors operating throughout the country are a major factor in the Romanian success story. Formerly Ministry of Public Health employees, these family doctors' practices have been privatized and most are contracted out to provide a basic package of health care through a national health insurance scheme. Through a process of health policy reform, family doctors now are allowed to provide family planning counseling, prescriptions, and distribute products. Previously these products and services only were available from specialists, which limited access to family planning. Since 2001 USAID has trained approximately 5,000 family doctors in family planning service delivery. Many of these doctors operate in rural areas, where more than 70 percent of the nation's poor reside. Despite their strategic role in the provision of reproductive health and family planning, Banking on Health determined that family doctors were entrepreneurs by accident, struggling to remain viable and manage within the capitated health system.

As USAID prepared to end population funding for Romania and close the mission in 2008, Banking on Health designed a package of technical assistance to improve access to financing and business-management support to improve the viability of family doctors. The objective was to help sustain the gains made in women's health beyond USAID's support. Banking on Health's work in Romania contributed to the country's successful graduation.

4.7.2 ACTIVITIES

Banking on Health coordinated its work with the USAID-funded Romanian Family Health Initiative (RFHI) project. Banking on Health conducted four main activities, including

- market research on private providers and distributors of reproductive health and family planning services and supplies
- training financial institutions on marketing and product development for private providers
- financial-management training for family doctors
- policy advocacy

4.7.3 KEY RESULTS

Market Research

Banking on Health commissioned in-depth market research in 2006 to assess the business-development needs, particularly finance and training, of private health care providers and distributors of reproductive health and family planning products and services in Romania. The research was conducted on a national basis with qualitative and quantitative components in addition to desktop research and interviews with

key informants to gain an overview of the sector. The study focused on family doctors, ob/gyn practices, rural pharmacies, distributors, and medical clinics. The most detailed research was conducted on family doctors, with 1,215 of them surveyed across all 42 districts of the country. This research was presented and disseminated widely to financial institutions, policy makers, and other stakeholders in the country as an objective accounting of the status and business needs of private reproductive health and family planning providers and distributors.[6]

Policy Advocacy

Banking on Health worked with RFHI to host a policy roundtable to present its findings on family doctors and other small-scale private reproductive health providers and distributors. The roundtable was held in February 2007 and attended by stakeholders from the Ministry of Public Health, National Health Insurance House (NHIH), family doctors associations, UNFPA, the World Bank, and USAID. This meeting provided a neutral forum for discussing issues related to family doctors' ability to meet the public health needs of the country and the business constraints they face. The research revealed that family doctors are dependent financially on the NHIH contract, with 78 percent reporting that the contract is their sole source of revenue. More than half (51.8 percent) of the family doctors believed that they were underpaid for their services and that it is the main obstacle to their running a profitable business. More than half of the family doctors also stated that the NHIH contract had a negative impact on their ability to access financing (57 percent), and a similar number (55.6 percent) said it hampered their access to facilities. At the time there was a lot of confusion about whether family doctors had the right to purchase their facilities or not. Nearly 50 percent of the family doctors saw the NHIH contract as an impediment to expanding their private practices. When asked how the NHIH contract could be changed to improve their practices, family doctors overwhelmingly cited increasing the payment they received for service provision. The proceeds of the meeting included recommendations for public- and private-sector actors and were disseminated in Romanian and English to all participants and other relevant parties.[7]

Following the roundtable policy developments have addressed some of the concerns Banking on Health's research raised. Most importantly the NHIH increased the amount paid to family doctors for services provided under the basic government package by nearly 70 percent, resulting in a real income increase for family doctors.[8] This increase was the first significant one in years and was an important driver in improving the financial viability of family doctors, contributing to Banking on Health Outcome 1: *Improved financial viability of private health service providers*. Increased income also improves their opportunities for accessing finance. Another positive development was the clarification of the law on purchasing facilities. A long-ignored law allowing family doctors to purchase their facilities from municipalities at reduced cost now is being enforced on a more widespread basis, although still not evenly. This change made it possible for family doctors to purchase their facilities and begin investing in refurbishment.

Banking on Health met with additional Ministry of Public Health representatives, the NHIH, and the World Bank to follow up on discussions, distribute the research findings, and discuss recommendations. The Ministry of Public Health planned to use Banking on Health's research data to develop a program,

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[6] For more information see Tarantino, Lisa, and Makaria Reynolds. 2007. *Financing and Training Needs of Small-Scale Private Health Care Providers and Distributors in Romania: Market Research Report*. Bethesda, MD: Banking on Health, Abt Associates, Inc.

[7] For more information see Tarantino, Lisa. 2007. *Financing and Training Needs of Small-Scale Health Care Providers and Distributors in Romania: Meeting Proceeds, Bucharest, Romania 15 February 2007*. Bethesda, MD: Banking on Health, Abt Associates, Inc.

[8] National Health Insurance House of Romania, "Din medicina primara si ambulatoriul clinic de specialitate," http://www.cnas.ro/?id=63 (accessed November 10, 2009).

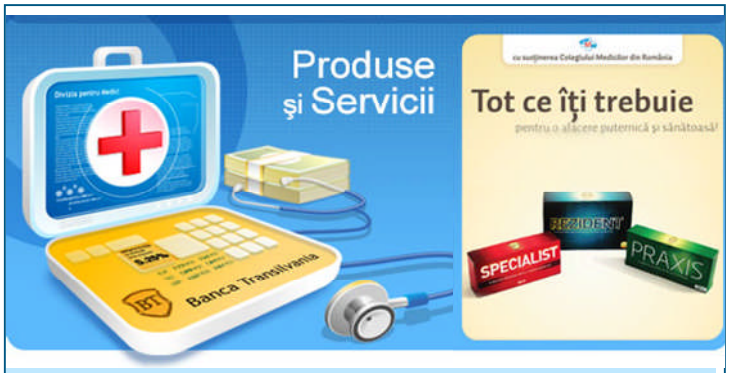
funded through a World Bank loan, to improve the delivery of primary health care in rural areas. The World Bank used the district-level data from Banking on Health's research to support the planning of this program.

One of the less tangible outcomes of Banking on Health's work in Romania that banks, association leaders, government representatives, and donors have cited is that the research and advocacy has brought a newfound awareness of the importance of family doctors in Romania. They are the first point of entry for all health care seekers in Romania; are vital to primary health care, family planning delivery, and access in rural areas; and there is a significant number of them. Before Banking on Health, their business-development and financing needs had not been articulated, nor had government, bank, and association leaders communicated on how to best meet those needs to achieve the country's public health goals. These channels of communication have been opened to the benefit of family doctors and their patients.

Financial Institutions

In February 2007 Banking on Health incorporated its initial findings from the market research into bank training workshops entitled Marketing and Product Development for the Small-Scale Health Sector. Five financial institutions (Banca Transilvania, Libra Bank, Raffeisen Bank, CHF-Express Finance, and Opportunity Microcredit Romania (OMRO)) participated in these workshops, including 31 managers and loan officers. Learning was assessed through end-of-workshop presentations during which groups were tasked with designing and presenting a new financial product and marketing plan for family doctors or rural pharmacists. In addition to these workshops, over the course of the project Banking on Health facilitated meetings with stakeholders in the medical sector and provided financial institutions with marketing ideas, contacts, and updates on policy changes.

This limited amount of technical assistance catalyzed a dramatic increase in health-sector lending in Romania, significant changes within the financial sector, and the opening of communication channels among the medical and financial sectors and the government.



Banca Transilvania's new healthcare division developed these loan products.

In October 2007, Banca Transilvania launched a major initiative in the health sector by establishing a healthcare division. It includes specialized health-sector branches and a dedicated sales force to market newly developed health-sector financial products. This new initiative incorporates everything from education loans for medical students, savings accounts for residents, loans for medical technicians, start-up loans for physicians opening a private practice, and loans for investment and expansion. Loan products are paired with advice for managing the finances of a medical practice and other non-financial services. The bank hired more than 60 people, half of who came from the medical sector. Since Banking on Health's activities, Banca Transylvania's lending to the medical sector has grown to more than $140 million to nearly 3,000 borrowers. These borrowers are a subset of more than 15,000 medical-sector clients that have opened accounts with Banca Transilvania since the inception of its healthcare division. Banca Transilvania also purchased majority shares in a medical-equipment leasing company for more than $750,000, thus providing more financing opportunities for family doctors and

other health providers. After Banca Transilvania entered the market in a concerted and highly publicized way in 2007, other banks adjusted their terms to be more competitive, resulting in a sector-wide improvement in the financial terms and conditions offered to the health sector.

Libra Bank's health-sector loan portfolio grew by $9,166,666 in the first six months after receiving technical assistance from Banking and Health, representing a nearly 30 percent increase. Libra Bank changed its product-development techniques and rebranded itself as "the bank of the liberal professions" to embrace more fully its specialization in lending to the medical sector, as well as legal, accounting, and architectural professions. Libra Bank introduced new products to the health care sector, including a credit card for medical practitioners to finance working capital needs and a working capital loan for pharmacies, which are important family planning product outlets. In 2009, when the economy of Romania began to suffer the effects of the global financial crisis, Libra Bank introduced two innovative products to reduce the crisis's impact:

An image from Libra Bank's rebranding campaign as "the bank of the liberal professions" in 2007.

- The First Aid Banking Kit for the medical sector includes transfers, credit cards, internet banking at lower costs, and savings products with higher interest rates.
- The Social Package for potential clients of health providers, individuals affected by the financial crisis, and the unemployed includes savings products with high interest rates and no fees, debit cards, and credit cards that come with discounts for medical services purchased from practices or clinics that are clients of Libra Bank.

Since Banking on Health's activities, Libra Bank's health-sector portfolio has grown by $54.8 million and nearly 3,500 borrowers.

One MFI, OMRO, entered into agreements with medical-equipment suppliers to finance doctors' equipment purchases and made adjustments to its loan product for the medical sector based on Banking on Health's research findings. This institution, however, rebranded itself immediately after Banking on Health's assistance, which may have adversely impacted its ability to expand lending to the sector. OMRO's health-sector portfolio grew by $116,844 since Banking on Health's assistance.

Raiffeisen Bank expanded into the market by establishing a special unit within the bank in early 2008 and then piloting a limited number of loan products in select branches in Bucharest later that year. Raiffeisen Bank trained loan officers in delivering the products and designed customized marketing materials. One ground breaking product was a loan for medical professionals to start a new business—it was the first time any bank in the Raiffeisen International Group of banks offered a start-up loan. Given the risky nature of new businesses, banks rarely offer these types of loans. The products were well received in the pilot test, and the bank is considering rolling them out to the rest of the country. Raiffeisen Bank gave 22 new loans to the health sector totaling $385,333 outstanding as of June 2009.

Express Finance is an MFI that opted for a more standardized approach to product development and marketing and thus did not make special efforts to reach the sector. As a result, it did not report gains in health-sector lending.

A final postscript to these financing results is that as the global financial crisis gripped Romania in late 2008, the three banks and one MFI with active portfolios in the sector found that doctors and medical

businesses were resilient borrowers and continued to make timely payments while borrowers in other sectors faltered. This trend was despite the fact that the cost of borrowing rose for many of these medical businesses due to increases in interest rates and the declining value of the Romanian Leu against the euro, indicating the stability of the health care market. This finding also gave banks in Romania an appreciation of the risk-management benefits of lending to the sector, in addition to the other motivating factors that led them to expand into the market in 2007.

The following table and chart contain a synopsis of results related to increased capacity to lend to the health sector in Romania. The loan uses listed in the table contribute to Banking on Health Outcome 4: *Increased quality of care provided through improvements in facility, capacity, or commodity supply*.

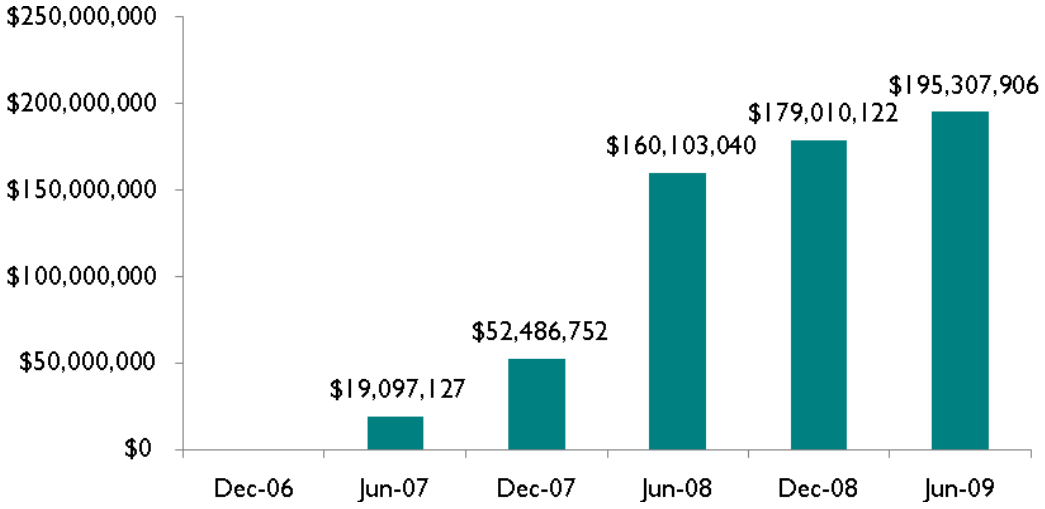
INCREASE IN CAPACITY TO LEND TO THE HEALTH SECTOR AFTER BANKING ON HEALTH INTERVENTION[9]

Impact	Libra Bank	Banca Transilvania[10]	Raiffeisen Bank	OMRO
Increase in number of loans	3,479 more loans	2,981 new loans	22 new loans	30 more loans
Increase in amount of loans	$54.8 million	$140 million	$385,333	$116,844
New products	Credit card, no-collateral credit line, and pharmacy credit line	Numerous credit and savings products, and account-management services, including student loan products, business loans, and start-up loan products; and medical-equipment leasing	Several loan products, including a start-up loan	Equipment finance and loan products
New marketing techniques	Rebranded entire bank, new product development and marketing campaigns	Established healthcare division with dedicated branding, staff, facilities, and products	New marketing campaigns, dedicated staff, and products	New marketing materials and approaches to market to physicians
Loan purposes	Equipment, supplies, refurbishment, vehicle, and personal	Student loans, deposit and savings products, business start-up, equipment, working capital, mortgage, and personal finance	Start-up of medical practice, working capital, and mortgage	Equipment, working capital, facility purchase, and refurbishment
Increased investment in the medical sector	Portfolio increase	More than $750,000 invested in Medicredit Leasing, 60 new bank staff, and nine dedicated branches	Created new positions and division to manage new products	Portfolio increase
Future plans	Build on niche medical market and market new products to help cushion the impact of the economic crisis for the sector	Open more branches and grow medical sector portfolio to $1.6 billion in 2010	Roll out new products nationally in 2009 and possible roll-out to other Raiffeisen banks in region	Develop more marketing initiatives and grow portfolio

[9] As of March 1, 2009. Express Finance chose not to take a specialized approach to expand lending to the health sector, and thus no impact was reported.

[10] Banca Transilvania and Raiffeisen Bank had not tracked medical-sector loans specifically as a portfolio segment before the Banking on Health project, thus percentage change figures are not available.

CUMULATIVE GROWTH IN HEALTH-SECTOR LENDING IN ROMANIA



Business Training for Family Doctors

> "In 1989, we were let go, dropped, by the Ministry of Health into the water. And we didn't know how to swim. Now, after 17 years, you are teaching us how to swim."
>
> *Family doctor from Calarasi, participant in pilot course held October, 2006*

The Banking on Health project identified family doctors and other reproductive health and family planning providers in rural and underserved areas as most in need of support regarding access to finance and financial-management skills to sustain and improve their delivery of quality services. Banking on Health developed the course Enhancing the Financial Health of the Medical Practice with contributions from the Romanian Society for Education in Contraception and Sexuality (SECS) and the National Institute for Health Research and Development. The goal of the course was for participants to assess the financial health of their medical practice and project future cash flow and income to make informed decisions for their continued sustainability and profitability. Each course included guest speakers from local financial institutions. Banking on Health conducted a ToT course for 19 participants from SECS and a commercial bank so that they could offer this course to private providers. A total of 140 family doctors from each of the eight regions of the country were trained and there was a 36 percent increase in knowledge as a result of the course.

A follow-up survey was conducted with family doctors who participated in the trainings six to eight months afterward. Seventy-seven out of the 140 doctors (55 percent) answered a questionnaire concerning changes in their practices since attending the training. All of the doctors were using some of the tools taught in the training. Seventy-three percent of the doctors started implementing all of the tools, including income statements, action plans, balance sheets, and cash flow projections. The training sessions succeeded in getting providers to change how they manage their businesses to improve the viability of their practices, thereby contributing to Banking on Health Outcome 1: *Improved financial viability of private health service providers*.

In addition the training assisted in expanding access to financing for private providers. Twenty-four percent said that they had taken out a new loan since attending the training with an average loan amount of about $15,000. Total financing those surveyed received was more than $250,000. The most common uses of loans were for clinic expansion or renovation (30 percent), followed by purchasing equipment (20 percent) and purchasing products (17 percent). These loan uses directly contribute to Banking on Health Outcome 4: *Increased quality of care provided through improvements in facility, capacity, or commodity supply*.

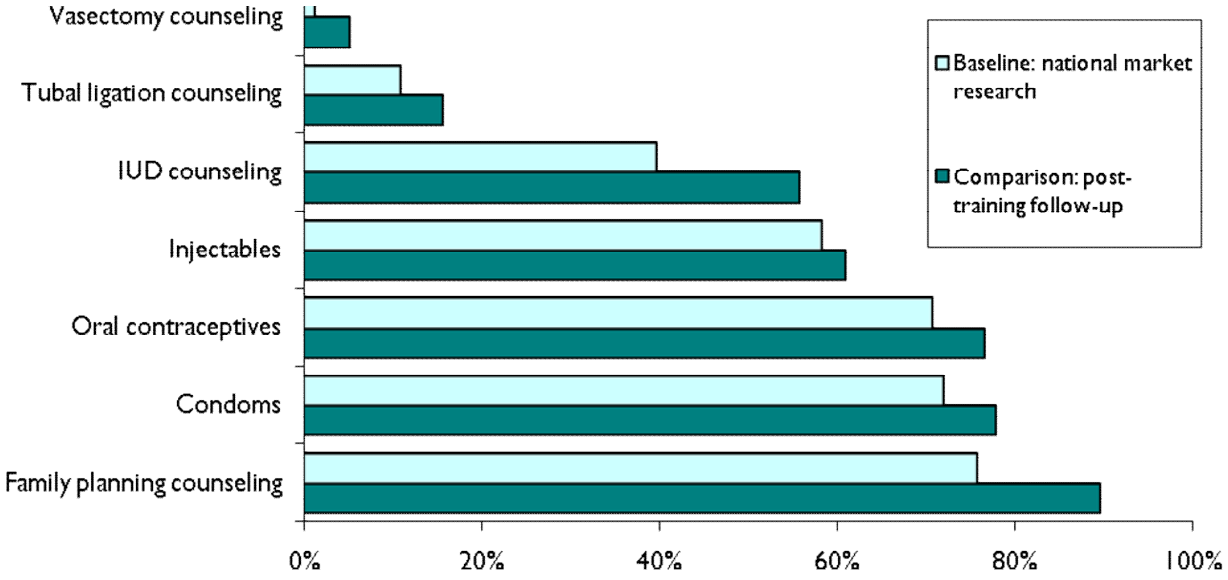
Banking on Health also worked to improve the sustainability of the course so that it would be offered after USAID funding ends. As a first step toward this goal, the course received accreditation from the Romanian College of Physicians so that family doctors can earn required continuing education points for attending it. In addition Banking on Health leveraged commitments from three financial institutions in Romania to fund the training course as a marketing activity. Lastly, in exit surveys training participants indicated a willingness to pay an amount to attend the course that would cover the cost of its delivery.

Reproductive Health and Family Planning Results

As part of the follow-up survey, Banking on Health asked family doctors who participated in the training about changes in their provision of reproductive health and family planning products and services. Twenty-six percent of the surveyed doctors said they had increased their provision of those products and services since the course. The largest increases were in the provision of condoms (21 percent), IUD counseling and information (17 percent), oral contraceptives (16 percent), injectables (12 percent), and counseling on tubal ligation (5 percent). This result contributes to Banking on Health Outcome 2: *Expansion of the range of services offered by private providers to include reproductive health and family planning services* and, as the majority of these doctors work in rural areas, Outcome 3: *Extension of private services to underserved and hard-to-reach communities*.

The results showing an increase in family planning service provision also are supported by using the national market-research survey as a baseline and comparing responses from family doctors who attended the Banking on Health training. As a large, nationally representative sample, it is assumed that family doctors included in the market research (examining responses from only those trained and certified in family planning) are representative of those who attended the Banking on Health training. The following chart shows the difference in family planning service provision by doctors who attended the Banking on Health training compared with the larger population of Romanian family doctors who are certified to provide family planning.

PROVISION OF FAMILY PLANNING PRODUCTS AND SERVICES IN ROMANIA



4.7.4 LESSONS LEARNED

Banking on Health achieved significant results in Romania in a short timeframe and with limited resources. It is clear that the timing was right for Banking on Health's work. Local stakeholders were receptive, and the technical assistance was targeted appropriately and met a real demand. Banking on Health provided USAID/Romania with unique technical inputs that already have helped sustain and expand the tremendous gains in women's heath in Romania. As USAID/Romania closed, it left behind a legacy of policy and financial-sector changes that will continue to strengthen private providers of reproductive health and family planning services into the future. Banking on Health's market research precipitated a discussion of the challenges family doctors face, and subsequently there have been policy changes that will improve their viability. Banking on Health's work with financial institutions catalyzed major changes in health-sector lending, resulting in more than $195 million in new loans and leases. These institutions are developing products and infrastructure to continue to meet the financial needs of the health sector. Banking on Health's work in developing an accredited training course in financial management led to changes in the way family doctors manage their businesses, providing them with tools they are using to improve their viability and access financing. Finally, there may be a link between the training, which included a case study that highlighted the importance of providing family planning as a complete package of services, with an increase in service delivery. Doctors reported an average increase of 26 percent in family planning counseling and product provision since their training.

Many lessons can be drawn from Banking on Health's work in Romania, which have application both within the region and beyond:

- A large private health sector is ideal for motivating financial institutions.

  Financial institutions respond to market opportunities. For them to devote resources to entering a new sector they must see a sizable market of private providers and distributors.

- Private providers demand credit.

  Project activities confirmed the findings in other countries that private providers demand credit, as do other entrepreneurs, to grow and improve their practices, yet the financial sector often overlooks them.

- A market study can be an effective tool.

  The rigorous market study proved important for successful communication with stakeholders including lenders, policy makers, provider groups, and donors.

- Local partners can be invaluable.

  As a global project, a strong network of local partners enhanced Banking on Health's activities, including a USAID-funded project, an NGO, a contracted private firm, a health-management university, provider associations, multilateral donor organizations, and financial institutions.

- Do not bet on only one horse.

  The project's results underscore the importance of working with multiple financial institutions. Banking on Health did not offer financial incentives to financial institutions. The banks and non-bank financial institutions had their own institutional strategies, interests, and constraints with which they filtered the data and technical assistance. Each took its own approach to the market with widely varying results.

- Look for a home for a training course before it is developed.

  With USAID funding ending, it was important for Banking on Health to find a sustainable mechanism to ensure the continued offering of training for family doctors. Early buy-in from Romanian collaborators was important to the quality of the materials and the successful marketing of the course.

- Strengthening the sustainable delivery of reproductive health and family planning in the private sector is a dynamic process.

  Banking on Health was successful in Romania because it was able to work at multiple levels with multiple actors, including providers, payers, regulators, provider associations, civil society, and financial institutions. Banking on Health's technical assistance was multipronged, targeting a number of overlapping constraints simultaneously. Addressing the interests and bottom lines of each of the actors advanced long-term sustainability.

Outcomes	Project contribution to outcome
Outcome 1: Improved financial viability of private health service providers	√√
Outcome 2: Expansion of the range of services offered by private providers to include reproductive health and family planning services	√√
Outcome 3: Extension of private services to underserved and hard-to-reach communities	√√
Outcome 4: Increased quality of care provided through improvements in facility, capacity, or commodity supply	√√

√√: Project significantly contributed to outcome, √: Project contributed to outcome

4.8 GEORGIA

4.8.1 BACKGROUND AND OBJECTIVES

Health care in Georgia has been undergoing major reforms with wide-scale privatization first at the tertiary and secondary levels and then in 2009 primary health care (PHC) facilities. In addition to privatization of the practices and facilities themselves, the government has begun outsourcing the payment function to private health insurance companies. This move is part of a strategy to rationalize publicly funded health care and move away from a system that provides (nominally) universal and comprehensive coverage to a system reliant on private health insurance for a mixture of government-provided and privately sourced health care services.

While the structural reforms in the health sector are proceeding, policies, regulations, and structures struggle to keep pace, resulting in an environment of widespread insecurity and strong feelings of both optimism and despair on behalf of public and private stakeholders. As the health care industry defines itself, delivery of medical services must continue within an often confusing system, where stakeholders question which services can be provided, by what type of providers, and through which payment mechanisms.

A number of reproductive health and family planning issues affect a large majority of Georgian women. It will be important for the emerging private health sector to effectively address them. Georgia has one of the highest abortion rates in the region—3.1 induced abortions per woman. The latest data indicates a modern contraceptive prevalence rate among women of 27 percent.[11] While these figures represent improvements over previous years' health indicators, the government of Georgia is committed to increase access to family planning methods and reduce the rate of abortion. In this context the private sector has an important role in ensuring contraceptive security and access. In recent years more than 30 percent of rural PHC physicians have received training in family planning counseling through the USAID-funded Healthy Women in Georgia project. These physician's facilities are outlets for USAID- and UNFPA-donated products. The challenge now is to ensure that these recently privatized rural PHC physicians have the knowledge and skills to operate financially viable private practices to continue offering family planning and reproductive health services on a sustainable basis.

At USAID/Georgia's request, the Banking on Health project conducted an assessment in early 2008 of the financing and business-development needs of medical providers of reproductive health and family planning services. This assessment included recommendations for USAID/Georgia to support the transition of PHC and other providers of reproductive health and family planning from government employees to entrepreneurs, including a Banking on Health program design for training newly privatized rural PHC physicians.

Banking on Health began programming in Georgia during the last year of the project in response to the mission's interest and in light of what was perceived to be an urgent need for assistance. At the time of the initial Banking on Health assessment, an almost immediate plan was in place for the PHC rural practices to be privatized, with the payment system shifting from direct to indirect payment through private insurance companies. The key participants in this process, doctors and insurers themselves, had little or no preparation for how to manage in this new system. Banking on Health activities were designed and implemented with the idea that the mission would build on them in a future project and that the government of Georgia and World Bank would take over some of the programming. These two expectations have come to fruition, as the newly awarded USAID Georgia Health Systems Strengthening project will continue provider trainings and capacity building, and the Georgian government and World

[11] *Georgia Reproductive Health Survey 2005*. Draft report, December 2006. Atlanta: Centers for Disease Control and Prevention.

Bank have agreed to fund the national rollout of the Banking on Health course for PHC providers. Accordingly Banking on Health activities in Georgia were limited in scope and intended as pilots. Because of the timing of the activities, only preliminary results can be reported.

4.8.2 ACTIVITIES

Banking on Health coordinated its work with the USAID-funded Cooperation in Health Systems Transformation (CoReform) project. Banking on Health conducted two main activities:

- an assessment to determine
    - the financing and business-development needs of private providers of reproductive health and family planning
    - the capacity of local financial institutions to lend to these providers
    - the feasibility of a health-sector DCA guarantee
- financial and business-management training for rural PHC physicians

4.8.3 KEY RESULTS

Country Assessment

In early 2008 the Banking on Health project conducted an assessment in Georgia of the business-development needs, particularly financial and training, of private health care providers and distributors of reproductive health and family planning products and services as well as the capacity of local financial institutions to lend to the sector. The assessment included desk research and structured interviews and focus groups with providers, banks, and other stakeholders. The final report documented a complex health system in the process of major reform and structural changes. It also articulated the business-development status of major players, including health care providers at the rural PHC, secondary, tertiary, and specialty levels; local NGOs; insurance companies; provider associations; donor projects; and research and educational institutions and programs. The project assessed the capacity of banks and MFIs to lend to the sector and the feasibility of a DCA guarantee. The final report included recommendations for USAID/Georgia to support key actors through the process of health care reform as well as recommendations for a health-sector DCA loan-portfolio guarantee. Based on these recommendations, and given the limited budget and time left in the Banking on Health project, USAID/Georgia asked Banking on Health to collaborate with the CoReform project to develop a business training course for PHC physicians as the most urgent priority.

Business Training for Rural PHC Physicians

One of the key recommendations from the assessment was that rural PHC physicians need training and technical support to transition from being government employees, providing universal health care to their communities, to private medical providers, delivering services on a fee basis. In late 2008 the Banking on Health project conducted a training needs assessment using a rapid business-skills gap analysis to determine the content, depth, and scope of the training activity. A five-day training course, Starting, Managing, and Growing a Private Medical Practice, was developed to build the confidence levels, skills, and knowledge of physicians to improve their operational sustainability while continuing to offer quality, essential services to underserved populations in a post-privatization reality. The training course was developed for this specific target audience and is a practical-, skill-, and knowledge-focused activity with environment-specific business tools to use immediately. The course was developed in cooperation with The Association of Young Economists of Georgia (AYEG) and the CoReform project. During the

pilot testing of the material, the Ministry of Health, Labor, and Social Affairs contributed to the customization of the material.

In May 2009 Banking on Health conducted a six-day ToT course to build the capacity of AYEG and other external trainers to deliver the course. Eighteen trainers participated in the activity. By September 2009, 230 rural PHC physicians were trained. Participants hailed from four regions where the USAID-funded Healthy Women in Georgia project had provided family planning training to PHC physicians: Samegrelo, Kvemo Kartli, Shida Kartli, and Mgkheta-Mtianeti. Nearly 63 percent of participants indicated that they provided family planning counseling and services. Learning was assessed via in-class participation and a pre- and post-course assessment test that showed a 35 percent increase in knowledge as a result of the course. In training evaluations, 93 percent of participants said the course was "excellent" to "very good." Seventy-three percent indicated that after the training their attitudes and perceptions about starting and managing a private practice were positive. This reaction is significant given the insecurity and doubt that existed among participants about the futures of their practices at the outset of the training.

The Banking on Health project's results in Georgia indicated that from a training evaluation perspective, learners increased their skill and knowledge. There has not been sufficient time, however, to evaluate the impact of the training on changes in business practices or service delivery.

One important outcome that developed during the activity is the government's awareness and increased engagement in addressing regulatory issues that have implications on physicians' ability to operate and grow. As a result of Banking on Health's work, the Ministry of Health, Labor, and Social Affairs is addressing regulatory matters related to the form of business registration and taxation for PHC practices in coordination with the Revenue Service of Georgia and the Health and Social Programs Agency.

Another key result is that the World Bank, in conjunction with the government of Georgia, has agreed to fund the continued roll-out of the Banking on Health training to all of the more than 1,000 PHC physicians in the country. This is a testament to the value of the materials to the trainees and the government, and the continued gains that will be achieved after Banking on Health programming ends.

4.8.4 LESSONS LEARNED

A number of lessons can be drawn from Banking on Health's work in Georgia:

- Stakeholder expectations regarding the transition of PHC physicians from government employment to private practice must be addressed and discussed during the process.

  In the case of Georgia, rural PHC physicians, were told they must change their employment status from government employees to private-practice physicians. This transition is as much dependent on the attitudes and beliefs of the individuals as on the skills and knowledge they need to ensure a successful transition to operate a sustainable business. The government and other stakeholders must ensure the regulatory and legal environment is appropriate and there are support structures to address skill, knowledge, and attitudinal concerns.

- Local partners are an important ingredient to address country-specific legal and regulatory matters.

  Banking on Health teamed with several local partners, including a USAID-funded project and a local training provider. These organizations identified recent regulatory mandates that could have negative consequences on private practices. Having local partners with knowledge of the business environment can help customize training to the local context and advocate for change.

4.9 JORDAN

4.9.1 BACKGROUND AND OBJECTIVE

In Jordan, Banking on Health began working with the Private Sector Project for Women's Health (PSP Jordan) in March 2007 to facilitate access to financing and business training for a network of women doctors who received services from the PSP Jordan project. Specifically PSP Jordan worked with doctors who operated private clinics in underserved areas by conducting outreach, providing vouchers for high-risk women to obtain contraceptives, and offering quality assurance and clinical trainings—all services that increase demand for and access to quality family planning, reproductive health, and women's health services.

Banking on Health provided training curriculum in business and financial management to the PSP Jordan project, which adapted the material and rolled out the training to women doctors. Banking on Health used core funds to create linkages between female doctors and financial institutions to support the training. Over the course of its programming, Banking on Health met with financial institutions to assess their interest in lending to the health sector, explored the feasibility and need for extending the business training program to pharmacists, and assessed demand for health-sector trade fairs. Banking on Health ended its programming in Jordan in April 2008, given the robust state of health-sector lending and the need to prioritize the use of core funds as the project entered its final year.

4.9.2 ACTIVITIES

Banking on Health conducted the following activities in Jordan:

- Offered business training to women doctors in partnership with the PSP Jordan project and a local training agency, Partners Jordan.
- Held briefing sessions with three financial institutions (Tamweelcom, Cairo Amman Bank, and National Microfinance Bank) about lending to the health sector. While these institutions had some interest in targeting the health sector, Banking on Health determined that they did not require much technical support to do so.
- Presented at the Jordan Pharmacists Association Annual Congress in April 2008; invited two banks to participate, the first time any financial institution joined this forum; and administered a survey at the congress to understand the financing needs of pharmacists. It was determined that pharmacists typically financed their stock using supplier credit and many have overdraft facilities from banks—showing no apparent limitation to accessing financing. While there was high demand for business training by pharmacists, Banking on Health decided that it was not a priority to begin programming in year four of the project.
- Explored the demand and feasibility of organizing health-sector trade fairs. Banking on Health hired a consultant to lead an assessment that concluded that the health sector in Jordan is sophisticated and access to business inputs is not a major barrier. In addition, most provider associations (such as doctors and pharmacists) host regular annual meetings or fairs.

4.9.3 KEY RESULTS

Business Training

The rationale for offering business-management support to women doctors was determined following a needs assessment Banyan Global conducted in December 2006. A four-day training was designed to orient doctors to financial management and reporting; help them understand the financial health of their

medical practices; and explore options for growing their practices, especially through accessing financing. Banking on Health provided this training curriculum, which had been developed in Romania, to PSP Jordan. That project adapted the curriculum and conducted a ToT for a local capacity-building agency, Partners Jordan, to continue rolling out the training. As part of the technical assistance, Partners Jordan organized individual site visits with the doctors six weeks after every training to monitor changes in their practices and offer follow-up technical support.

Partners Jordan conducted six training sessions between June 2007 and May 2008, reaching 78 participants. An average of 13 participants attended each session. Of the total pool, 51 doctors were affiliated with PSP-Jordan; they regularly attended clinical trainings and supplied contraceptives on behalf of the project. Partners Jordan invited doctors from outside the network to participate in the last two training sessions but did not make follow-up visits to these doctors. In addition to a pre- and post-questionnaire that was administered to measure improvements in knowledge at the end of every session, a second questionnaire about the clinical services, business practices, and financing history of doctors was administered at each training course and again at an individual site visit after six weeks.

"I learned…

…that my time needs to be paid for."

…not to be shy to ask for fees—business is business!"

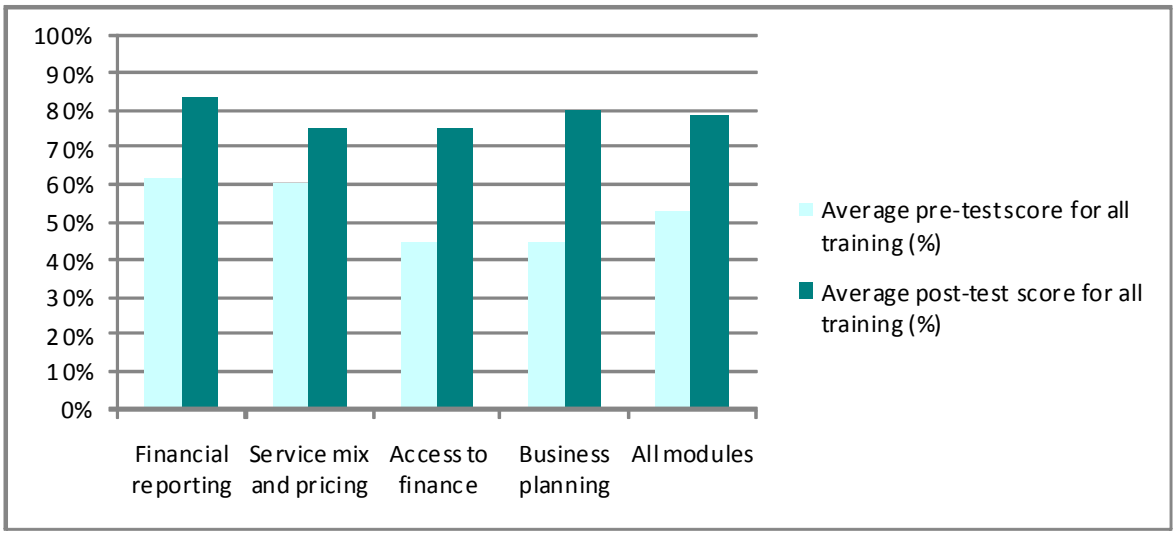
…to know where I am going with my practice—to be specialized and to be rewarded appropriately."

General practitioners, Jordan

The training was well received by doctors, and it was a new, unique learning opportunity; in fact, the needs assessment revealed that while doctors had operated their practices for an average of 14 years, none had received formal training in financial management or had developed business goals. The training was practical in design and gave doctors specific management and analytical skills that they were able to apply in their practices—resulting in increases in revenue for some and expansion in service provision for others.

The pre- and post-tests administered at each session showed clear gains in knowledge by participating doctors. On average participants scored 53 percent on the pre-test and 79 percent on the post-test, demonstrating an increase in knowledge of 26 percentage points. The module in which there was the most significant improvement was business planning (36 percent), followed by access to finance (31 percent), financial reporting (22 percent), and service mix and pricing (15 percent). See the following graph for a breakdown of the pre- and post-tests for all modules.

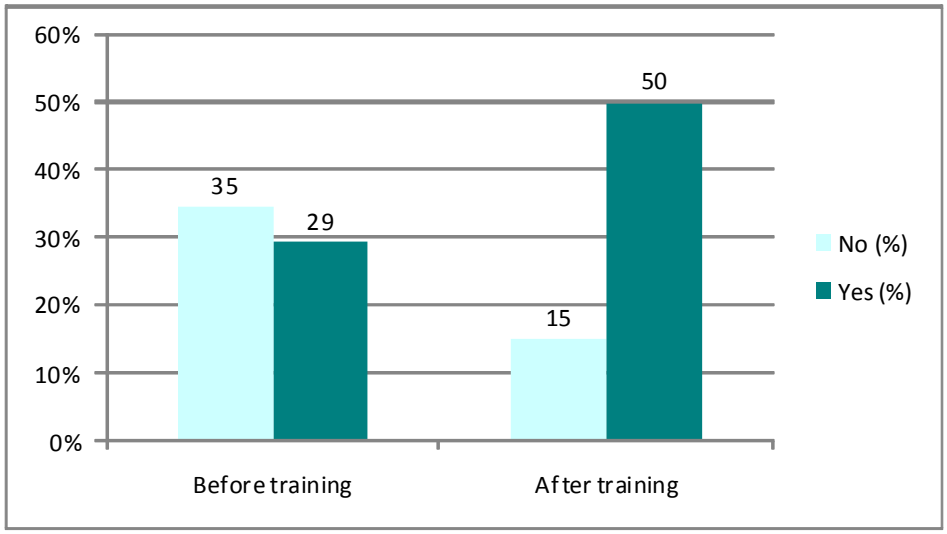
GAINS IN KNOWLEDGE FOLLOWING BUSINESS TRAINING FOR 78 DOCTORS IN JORDAN



Partners Jordan scheduled individual site visits with doctors to monitor whether they had instituted new management practices in their facilities and to solicit feedback about their plans and impression of the training. Monitoring revealed that the doctors made important changes in the financial and business management of their practices, supporting Banking on Health Outcome 1: *Improved financial viability of private health service providers.* Key results are illustrated in the following graph.

There was improved financial management following the training. The number of doctors who maintained financial records increased by 70 percent (from 23 to 39), with 17 more doctors (48 percent) using the records for business-planning purposes rather than just for submitting to the authorities.

PROVIDERS THAT MAINTAINED THEIR OWN FINANCIAL RECORDS



There was a reported increase in revenue following the training. Of the 31 doctors who reported their monthly revenue, 42 percent experienced an increase after the training. Fifty-two percent did not report a change and 6 percent had a decrease. The increased revenue was attributed to new insurance contracts or increasing the price of a specific service.

Doctors used the training to make important changes in their businesses. Fifty-seven percent of them changed their pricing strategies, charging more for first-time customers or specific services; 41 percent altered their marketing strategies or service mix, for instance, offering services at a discounted rate when purchased as a package.

The training did not significantly impact whether doctors accessed financial services. The number of doctors who had accessed financial services increased from 23 to 25, an increase of nearly10 percent. Of the 26 doctors who had not accessed financing, 73 percent said they were unsatisfied with the terms of the loan. While doctors suggested during the needs assessment that a major constraint to their operations was limited access to financing, in practice they appeared unhappy with the terms of financing available through financial institutions. Many doctors are likely to have had alternative means to access financing, such as through savings or loans from their families. Given that their clinics are well established, it is likely that most doctors' were able to self-finance their expansion goals.

Reproductive Health and Family Planning Results

Besides the aforementioned changes in management practices, the business training in Jordan appeared to increase the scale of reproductive health and family planning service provision, though there was no significant change in the type of services offered. Doctors that participated in the training are important providers of women's health services. Nearly all of the surveyed ones offered routine medical check-ups, counseling, ante- and postnatal care, breast cancer screening, and family planning before and after the training. The most common family planning services surveyed providers offered was counseling and information, IUD insertion, oral contraceptives, and condoms.

The scale of service provision expanded following the training. At the site visits, 32 percent of doctors reported an increase in the number of family planning clients they saw each month compared with the baseline. Four doctors reported seeing 50 additional clients and one doctor reported growing her clientele by more than 120 patients. In addition to increases in family planning clients, 34 percent of surveyed doctors reported an increase in overall client visits. Based on feedback from doctors at the site visits, many attributed their increases in client load to registering with insurance companies after the training, assuring them a new and steady flow of clients. Others extended their hours of operation or added new services, such as cancer screening and blood tests, that were in demand. Across the board during the site visits, doctors provided a more accurate record of the number of clients they saw—demonstrating that they kept better records as a result of the training. By investing in doctors' management and customer-relations capacity, the training supported Banking on Health Outcome 4: *Increased quality of care provided through improvements in facility, capacity, or commodity supply.*

4.9.4 LESSONS LEARNED

Banking on Health's programming in Jordan was limited. This was due in part to the sophistication of the private health sector and the fact that Banking on Health was entering its final project year and chose to reserve its resources to build existing programs rather than initiate new activities. Moreover, health providers in Jordan appeared to have access to financial services, whether through savings, supplier credit, business loans, or equity partnerships. Banking on Health stimulated interest among a few banks to target the health sector by providing them with market research on the financing needs of pharmacists and inviting them to business training sessions that Partners Jordan organized.

The demand for business training, however, and its potential to impact the financial viability and scale of service provision was promising. For instance, the business training sessions for women doctors changed their business practices, even though many had operated their facilities for more than 10 years. As a result of the training, doctors valued how simple management practices could impact their profitability and clientele. An understanding of the financial health of their practices also helped doctors to make informed decisions about investing in their practices, whether related to purchasing equipment or renovating their facilities. Because training in financial management was new for doctors—and a service they could not value upfront—it was difficult to recruit them and participation was lower than in other countries where Banking on Health offered training. Doctors who attended typically found that it was an "eye-opener" and were enthusiastic about referring their peers. The training did not lead to increased use of financial services by doctors, but it did lead to greater understanding of loan terms and procedures. Many doctors appear to have alternative means to access financing, and given that they have well-established clinics, it is likely that most were able to self-finance their renovations and clinic upgrades.

The training appears to have succeeded in expanding service delivery, including family planning. Feedback at the site visits suggested that doctors had increased their client load after the training, with potential positive public-health implications. Common strategies for expanding their clientele included signing new contracts with insurance companies, creating referral relationships with pharmacies and suppliers, and attracting more clients by offering a broader variety of services. The training did not appear to have affected the range of services offered.

Outcomes	Project contribution to outcome
Outcome 1: Improved financial viability of private health service providers	√√
Outcome 2: Expansion of the range of services offered by private providers to include reproductive health and family planning services	
Outcome 3: Extension of private services to underserved and hard-to-reach communities	√
Outcome 4: Increased quality of care provided through improvements in facility, capacity, or commodity supply	√√

√√: Project significantly contributed to outcome, √: Project contributed to outcome

4.10 PHILIPPINES

4.10.1 BACKGROUND AND OBJECTIVE

The market for family planning products and services in the Philippines is in transition. The U.S. government is supporting the contraceptive self-reliance efforts of the government of the Philippines by strengthening support for the private sector. In the Philippines the private midwife sector is large, with as many as 30,000 operating formally and informally, yet it is fragmented and dominated by small practices that are isolated and lack access to market information, financing, business linkages, and technical health updates. Under requirements the Department of Health established in 2005 for birthing homes, there is an opportunity for these midwives to achieve government accreditation and be eligible to take patients covered under the national health insurance scheme, PhilHealth. Accreditation entails meeting basic sanitation and facilities standards, thus improving health outcomes for women and children. To become accredited or simply to expand their offering of quality reproductive health and family planning products and services, most midwives need financing for equipment, training, and facility upgrades.

The Banking on Health project began working in the Philippines in early 2005 with core funds. Later that year it received $695,000 in field-support funds to assist private-practice midwives throughout the Philippines to expand and improve their delivery of sustainable reproductive and other health services by accessing appropriate and timely financing and technical assistance. Banking on Health activities, which occurred from February 2005 through October 2007, fed directly into USAID/Manila's Strategic Objective 3: *Desired family size and improved health sustainability achieved* by supporting IR2: *Provision of quality services by private and commercial providers expanded*.

Banking on Health had two key objectives in the Philippines:

- to improve midwives' financial-management abilities, including planning and managing savings, and access to external financing.
- to strengthen financial institutions' receptiveness and ability to provide timely, appropriate small business loans to private-practice midwives.

4.10.2 ACTIVITIES

Banking on Health provided strategic technical inputs to the USAID mission, existing projects, and local entities. It also leveraged local resources to promote the growth of private-practice midwife businesses at all stages of development. Banking on Health implemented many of its activities in the Philippines in close cooperation with the USAID-funded Private Sector Mobilization for Family Health (PRISM) project. Banking on Health's activities in the Philippines included

- market research and assessments of private-practice midwives, financial institutions, and midwife professional associations
- training and assistance to financial institutions, including one bank with a DCA mechanism in place
- developing business growth opportunities for private midwives through business and financial training, midwife trade fairs, and tools to improve business management
- developing the ability of midwife professional associations to offer on-going support to private-practice members
- providing technical advice for PRISM project activities in support of private-practice midwives

Banking on Health conducted activities in five regions: the National Capital Region (NCR), Region VI (Western Visayas), Region VII (Central Visayas), Central Luzon (Region III), and Region XI (Mindanao). These regions were selected in accordance with USAID/Philippines priorities and PRISM project locations.

4.10.3 KEY RESULTS

Market Research and Assessments

Banking on Health conducted assessments and studies in the Philippines to assist in designing the project, inform mission strategy for the private sector, and develop resources for financial institutions and midwives.

In February 2005 Banking on Health conducted an assessment of members of the Well Family Midwife Clinic Partnership Foundation, Inc. (WPFI) network's financing needs and barriers to accessing financing, and it developed a strategy to address these barriers. Banking on Health proposed working with midwives outside of the WPFI network to maximize impact.

Later that year the project's scope of work was expanded to include midwives outside of the WPFI network. Banking on Health then surveyed more than 500 private midwives from all regions of the country on their financing and business needs. Nearly 90 percent of surveyed midwives offered family planning counseling products or services, and the vast majority of these midwives (89 percent) planned to expand their businesses. About 80 percent of the sample would be interested in procuring contraceptive products for resale. Midwives indicated that the greatest impediments to their businesses' growth were lack of funding (65 percent) and lack of business skills (38 percent).

In 2005 Banking on Health also conducted a national survey of more than 50 financial institutions to identify potential financing sources for private-practice midwives. These financial institutions were not lending to midwives in a significant way, but they did offer appropriate financial products. They indicated that without an introduction to the market, however, they would not consider private midwife practices bankable.

In 2006 Banking on Health conducted an assessment of the capacity of midwives associations to meet the business-development needs of private-practice members. Details on Banking on Health's work with associations are provided later.

Business Fairs

The Banking on Health project in the Philippines developed and piloted the concept of trade fairs for private providers. These fairs were designed to break down barriers for midwives needing access to information and business-development resources. Also known as "midwife matching fora," the fairs were structured to inspire and motivate midwives to pursue or expand their private practice; develop linkages with other midwives, financial institutions, technical-support providers, and pharmaceutical and equipment suppliers; and obtain technical updates and information from the Department of Health. Five trade fairs were held in the second half of 2006 in each of the project's priority regions. A total of 1,216 midwives attended them.

The midwife business fairs had their own branding.

ATTENDENCE AT MIDWIFE BUSINESS FAIRS IN THE PHILIPPINES

Location	Midwives	Pharmaceutical companies	Equipment suppliers	Financial institutions
NCR (Manila)	635	9	2	10
Region XI (Davao)	221	12	3	5
Region VII (Cebu)	112	9	5	5
Region VI (Iloilo City)	70	9	3	4
Region III (Pampanga)	178	8	2	6
Totals	1,216	47	15	30

In follow-up surveys 88.6 percent of midwives found the business fairs to be extremely useful with 78 percent learning tips on improving and growing their private practices and 68 percent gaining confidence in running a private practice. Thirty-one percent of midwives reported getting a loan as a result of the trade fair. Please refer to the following table for details on the benefits of the fairs. The fairs raised awareness about private practice among not only midwives, but also the Department of Health, financial institutions, midwife association leadership, and suppliers.

Midwife Participants Report "As a result of the trade fair, I was able to…"	
Learn tips on how to improve and grow my practice	78.1%
Gain confidence in the prospects of private midwifery	68.4%
Understand better what is involved in being a private midwife	63.6%
Learn Department of Health requirements for private-practice midwives	58.3%
Learn about training and other business-development resources	56.1%
Learn about Department of Health requirements for birthing homes	54.5%
Make new contacts that are helpful to business	52.9%
Learn where to get a loan	52.4%
Find a new medical or pharmaceutical supplier	47.1%
Apply for a loan	35.3%
Get a loan	31.0%

According to a Banking on Health follow-up survey, midwives who attended the trade fairs likely improved their private practices in material ways. Only 14.4 percent of midwives had a clinic with lying-in[12] capacity at the time of the fairs; at the follow-up this percentage had risen to 33.2 percent, indicating an increase of 112 clinics with lying-in capacity among the baseline sample of 597.

Business Training for Midwives

In 2005 Banking on Health developed a three-day course entitled Financing the Private Midwife Practice, and implemented a ToT course for seven trainers of a locally contracted firm. The course covered simple financial record-keeping, financial management, and accessing commercial finance. It was delivered to 82 private-practice midwives in Metro Manila and Iloilo City (Western Visayas). After the training, 71 percent of participants showed improvement in business-management knowledge and 58 percent showed improvement in access-to-finance knowledge. Approximately two years after the course, Banking on Health conducted a follow-up survey with training participants. A large percentage (39 percent) of surveyed participants were using all of the financial-management tools delivered during the trainings. Profitability and financial sustainability among trained midwives had improved in the follow-up survey, contributing to Banking on Health Outcome 1: *Improved financial viability of private health service providers*.

> "Just like we keep patient records to know how they are doing and to know whether there is risk of complications and to be able to communicate with others the status of our patient, we need to keep these records for the same purposes for our business."
>
> *Jean, private midwife clinic owner and operator,Manila, Philippines, August 2005*

[12] Private-practice midwife clinics in the Philippines are categorized informally as clinic with lying-in (allows for clients to sleep overnight), clinic without lying-in (clients must leave after child birth and may not stay overnight), home-based with lying-in (midwife assists deliveries in her home and patients may stay overnight), and home-based without lying-in (midwife assists deliveries at the mother's home).

After the training there was a 22 percent increase in the number of midwives who had borrowed. The most significant changes were in the purposes and sources of the loans. After the trainings midwives were 46 percent more likely to have used credit for their business, rather than for personal reasons. There was a 12.4 percent increase in borrowing from formal financial institutions as opposed to borrowing from friends, family, or moneylenders.

Following Banking on Health's training, the number of midwives who owned their clinics also increased. Nearly three quarters (71 percent) of midwives reported having a clinic after the training, compared to 49 percent at the time of the training. This translates into approximately 19 new clinics. The greatest increase was in clinics with lying-in capacity, with a 44 percent increase. There was a decrease in the number of clinics without lying-in of 21 percent, which indicates that not only were new clinics established, but also that existing clinics were upgraded to safer lying-in facilities. These findings demonstrate significant gains in improved quality and availability of services at the clinic level contributing to Banking on Health Outcome 4: *Increased quality of care provided through improvements in facility, capacity, and commodity supply*.

Banking on Health Tools and Resources for Private-Practice Midwives in the Philippines

- The Simple Daily Record Keeper
- Simple Accounting Worksheet for Midwives
- Midwife Business Growth Monitoring Tool
- National Directory of Financial Institutions
- Directory of Equipment Suppliers for Birthing Homes
- List of Requirements for Department of Health Certification
- Guidelines for PhilHealth Birthing Home Accreditation
- Business Requirements for Establishing a Private Midwife Clinic

Banking on Health adapted its training and created basic and advanced business-skills training courses for private-practice midwives for the PRISM project, with the secondary goal of providing a road map for those midwives pursuing Department of Health and PhilHealth accreditation for their clinics. Banking on Health led a ToT course for 14 participants and observed the pilot offerings of trainers from PRISM NGO grantees in Luzon, Visayas, and Mindanao. PRISM grantees trained 49 midwives with Banking on Health materials in 2007.

Business-Managment Tools for Midwives

Banking on Health developed standard systems for private-practice midwives to record daily transactions, monitor business growth, create client records, and develop financial reports. These tools provide midwives with a means to track their financial and non-financial business performance and the sources of business growth, including the sales of family planning products. Banking on Health field tested these tools through individual pilots and the training courses. All of these tools were incorporated in the Banking on Health training materials developed for PRISM's business training for midwives.

In response to midwife demand, Banking on Health compiled several updateable resource directories to help midwives who were interested in starting, improving, and growing their private practices. Please refer to the text box for a full listing of the tools and resources Banking on Health developed for midwives in the Philippines. These resources were incorporated into Banking on Health's business trainings PRISM offered, were disseminated through midwife associations, and were available on the Banking on Health website.

Develop the Capacity of Midwife Associations to Support Private-Practice Members

Banking on Health worked with local midwife associations to connect private midwives and create long-term sustainable resources to support that sector's development in the Philippines. During 2006 Banking on Health provided technical assistance to midwives associations on managing activities to support

private-practice midwives. These groups included the Integrated Midwives Association of the Philippines (IMAP), the national association with the largest number of private-practice members, as well as regional associations, such as the Cebu and Bohol chapters of IMAP and the United Midwives Association of Quezon City. Banking on Health also provided technical assistance on managing association finances and financial sustainability to select association chapters. Banking on Health helped one midwife association to become a multipurpose cooperative for the purpose of bulk purchases and savings mobilization for self-financing.

Working with Banking on Health, IMAP adopted a new five-year strategic plan that makes support for private-practice members central to its activities. In practice this policy includes appointing a private-practice champion to oversee initiatives to support these midwives. This strategy supported plans for establishing IMAP-run accredited clinics to provide quality reproductive health, family planning, and maternal and child health services that could serve as a model for private practitioners as well as a place for members to perform services in a safe, accredited facility. Two local association chapters subsequently received approximately $91,300 in USAID grant funding to establish such clinics and achieve PhilHealth and Department of Health accreditation. One chapter took an active role in assisting members to get loans and establish their own clinics by providing them with information on loan requirements and connecting them with lenders.

Financial Institutions

The Banking on Health project worked with financial institutions in the Philippines to expand lending to private midwives. These efforts included furnishing the institutions with market research on private midwives, hosting business fairs, and conducting training and technical assistance. In 2005 Banking on Health delivered the training course Financing the Health Care Business: The Case of the Private Midwife Clinic for 69 participants from seven institutions including Opportunity Microfinance Bank (OMB) and its MFI partners, Planters Bank, and the Small Business Guarantee and Finance Corporation. After the courses 73 percent of participants demonstrated increased understanding of the midwife-clinic business model and 63 percent listed more benefits for their institution of lending to the private health care sector.

Also in 2005 Banking on Health developed a training case study for the USAID-funded Microenterprise Access to Banking Services (MABS) project titled Case Study: Christina Gomez, Midwife to increase rural bankers' awareness of and comfort in lending to midwife practices. The training materials are available on the Banking on Health website, and that link has been disseminated to financial institutions and training organizations in the Philippines.

Banking on Health supplied financial institutions in each of the project's priority regions with the market research on private midwives' financing needs. Of these, 30 participated as speakers or information providers in the five midwife business fairs held in 2006. Banking on Health surveyed these institutions a year after the trade fairs and found that in each of the project's priority regions institutions received new applications from midwives. Thirteen financial institutions entered into the midwife lending market after Banking on Health's assistance.

Credit cooperatives, banks, MFIs, and financing companies that attended Banking on Health midwife business trainings, fairs, and trainings for financial institutions lent at least $287,471to 67 private-practice midwives. The average loan size was approximately $4,300. This total amount is underreported as it is based on reporting from fewer than half of the financial institutions involved in the project. Most of the financial institutions that Banking on Health worked with did not have the capacity to track health-sector loans.

At the outset of Banking on Health activities in the Philippines, OMB had a DCA portfolio guarantee for loans to midwives that were members of the WPFI network. The guarantee had been approved the prior year but had not been utilized. Banking on Health determined that OMB would not be able to fully utilize the guarantee without an expansion of the definition of a qualifying borrower. While Banking on Health recommended this change in the DCA, it was not pursued. Banking on Health's training and minimal technical assistance, however, did correlate with the initiation of lending under the guarantee. OMB lent $269,471 to 31 midwives, of which13 loans totaling $58,471were placed under the guarantee.

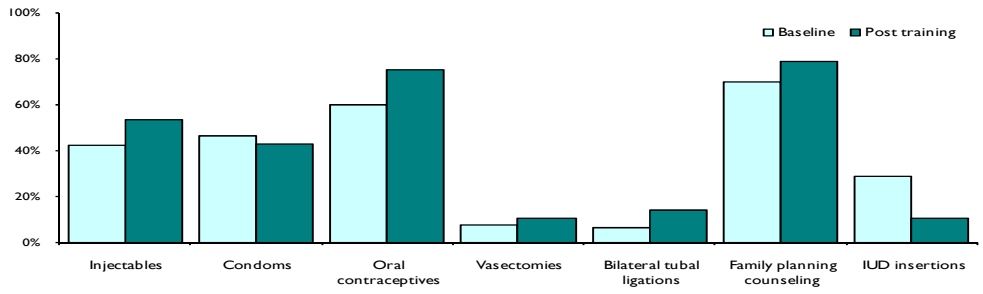
Reproductive Health and Family Planning Results

Midwives who participated in Banking on Health trainings and trade fairs demonstrated enhanced provision of reproductive health and family planning services characterized by increased service provision, expanded provision of methods, and upgraded facilities, contributing to Banking on Health Outcome 2: *Expansion of the range of services offered by private providers to include reproductive health and family planning services* and Outcome 4: *Increased quality of care provided through improvements in facility, capacity, or commodity supply*.

Among midwives who attended the 2005 trainings, there was a 44 percent increase in lying-in clinic ownership. Lying-in clinics are generally the safest facilities a midwife can have, particularly when compared to home-based practices. These facilities, if certified by the Department of Health, also may be used for the provision of vasectomies and IUD insertion.

In a follow-up survey, trained midwives were more likely to offer family planning services, with an average increase of 3 percent across methods. The most significant change was in the number providing oral contraceptives, which increased by 15 percent. There was a surprising decrease in the amount who provided IUD insertion services, which was inconsistent with the rise in the number that provided almost every other service.

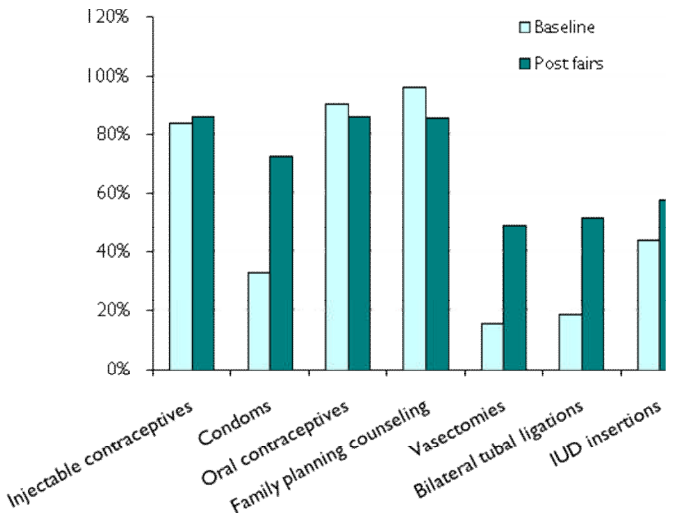
CHANGES IN PERCENTAGE OF MIDWIVES PROVIDING FAMILY PLANNING AFTER BANKING ON HEALTH TRAININGS



Midwives who attended the 2006 trade fairs showed a 19 percent increase in ownership of clinics with lying-in after the fair. Another striking development in the follow-up was that nearly half (49 percent) of midwives with clinics surveyed had a PhilHealth accreditation application in process after the fairs. This finding was impressive compared to the just 21 percent who claimed to have had an application in process at the time of the fairs. It is likely that midwives learned about accreditation requirements at the fairs, which led them to begin the application process.

More midwives provided reproductive health and family planning services after the fairs as the following chart shows. The percentage of midwives that did so increased by 15 percent on average across methods following the trade fairs. There were marked rises in the numbers of midwives providing condoms (39 percent increase), vasectomies (34 percent), bilateral tubal ligations (33 percent), and IUD insertions (14 percent). The large increases in long-term methods potentially resulted from new clinics opening that allowed those methods to be provided. By offering an expanded range of family planning methods, private midwives are improving choice and quality service provision for their clients.

CHANGES IN PERCENTAGE OF MIDWIVES PROVIDING FAMILY PLANNING AFTER TRADE FAIRS



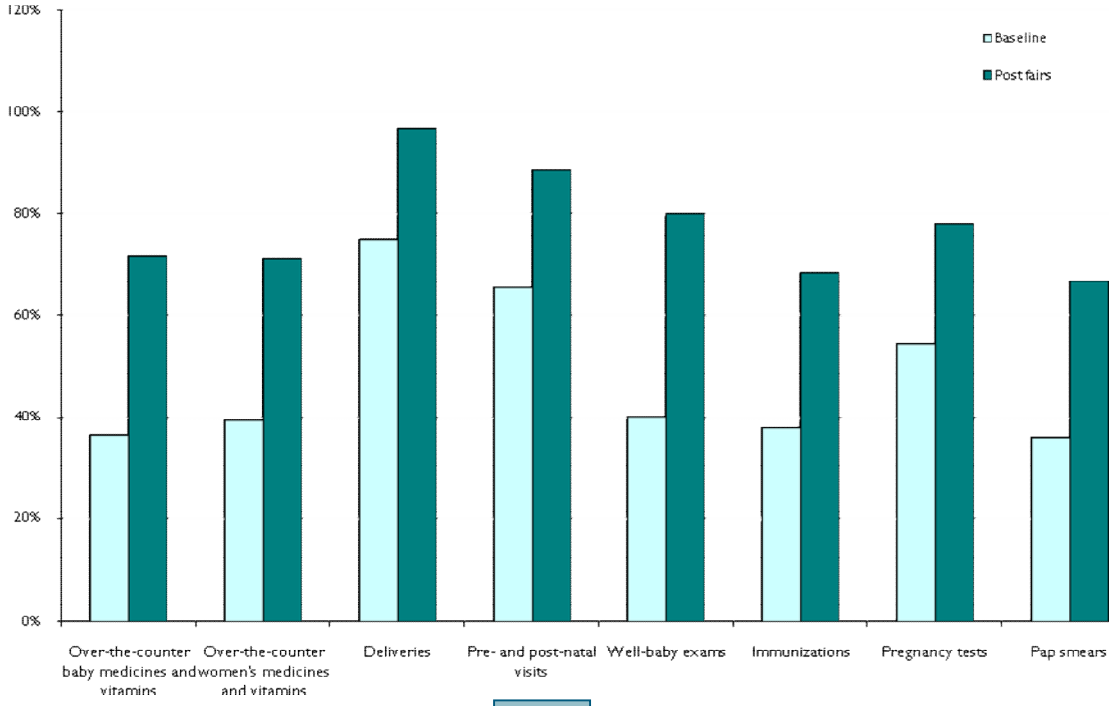
In addition to expanding their method offering, midwives in the Philippines reported an increase in service provision following Banking on Health's intervention. Surveyed midwives reported 4.5 more family planning client visits per month following the business training, a 36 percent increase.

Surveyed midwives who attended a business fair cited a 13 percent rise in family planning visits across methods. The largest increases were in the provision of vasectomies (30 percent increase), IUD insertions (23percent), injectable contraceptives (14 percent), and family planning counseling (13 percent). The largest increases were in two methods that require specialized training and an accredited facility: vasectomies and IUD insertion. It is possible that these results are related to the increases in lying-in clinics and in midwives who applied for or received PhilHealth accreditation. In the cases of

vasectomies and bilateral tubal ligations, midwives cannot provide these services and thus would need to partner with a physician.

In addition to an increase in family planning services, the numbers of midwives providing reproductive health and maternal and child health services also expanded. The largest increase was in well-baby exams, which doubled from 40 to 80 percent after the trade fairs. The provision of over-the-counter baby medicine rose by 35 percentage points, from 37 to 72 percent; pap smears increased by 31 percentage points, from 36 to 67 percent; immunizations rose from 38 to 68 percent; pregnancy tests rose from 54 to 78 percent; and pre- and post-natal visits increased from 66 to 89 percent after the fairs. See the following graph for more details.

CHANGES IN PERCENTAGE OF MIDWIVES PROVIDING REPRODUCTIVE HEALTH AND MATERNAL AND CHILD HEALTH BEFORE AND AFTER TRADE FAIRS



4.10.4 LESSONS LEARNED

Banking on Health achieved significant results in the Philippines. The timing was right for its work with the 2005 adoption of the Department of Health's birthing home standards, interest and need on behalf of private-practice midwives and their associations, and the inception of the DCA for midwives at OMB that was overdue for activity. Banking on Health's work demonstrated that private-practice midwives demand business

"The business fairs served as an eye opener to the midwives on how they can deal professionally with their clients. It also helped them understand how they can improve their facilities, services, and profession."

Ms. Patricia Mines Gomez
President, IMAP

information, training, support, and financing.

The Philippines was the testing ground for Banking on Health's trade fairs for private providers. The project demonstrated that providers value these fairs and that they can have a significant impact on private practices. They inspired and motivated midwives to consider going into private practice and disseminated valuable information about the requirements of birthing-home accreditation. The fairs provided isolated private-practice midwives with a forum to obtain the information and contacts they needed to make quality improvements and expand their businesses.

Banking on Health provided USAID/Philippines with unique technical inputs that created awareness among midwives of the opportunities that exist in private practice, showed them the importance of quality standards to achieve business goals, and provided them with tools and information to grow their businesses. Banking on Health's research on midwives, midwife associations, and financial institutions helped to frame a fruitful strategy discussion among stakeholders including USAID, midwife associations, and USAID projects on the best ways to work with private-practice midwives to support quality improvement and the expansion of services.

Outcomes	Project contribution to outcome
Outcome 1: Improved financial viability of private health service providers	√√
Outcome 2: Expansion of the range of services offered by private providers to include reproductive health and family planning services	√√
Outcome 3: Extension of private services to underserved and hard-to-reach communities	√
Outcome 4: Increased quality of care provided through improvements in facility, capacity, or commodity supply	√√

√√: Project significantly contributed to outcome, √: Project contributed to outcome

4.11 PERU

4.11.1 BACKGROUND AND OBJECTIVE

Banking on Health conducted its first assessment of the private health sector and its financing needs in Peru in late 2005. The team found significant policy barriers to the expansion of the private sector, specifically competition with free services in the public sector. Despite the large public sector, however, sizable portions of the market were underserved. USAID/Peru was working with several projects to address this policy issue. In the meantime Banking on Health proposed that USAID/Peru support efforts to build a relationship with private-sector reproductive health service providers so that when policy barriers were lifted, the foundation would exist for the scale-up of the private sector. Adopting a strategy to engage and strengthen the private sector is an important tool for USAID/Peru as it begins to phase out Population funds in the country. Accordingly Banking on Health designed a program to expand access to financing to strengthen the private sector and its ability to contribute to reproductive health and family planning outcomes.

4.11.2 ACTIVITIES

Banking on Health implemented this strategy through three major activities:

- conducting market research on the private health sector
- training midwives and ob/gyns in business skills and access to finance

- working with financial institutions to promote health-sector lending

4.11.3 KEY RESULTS

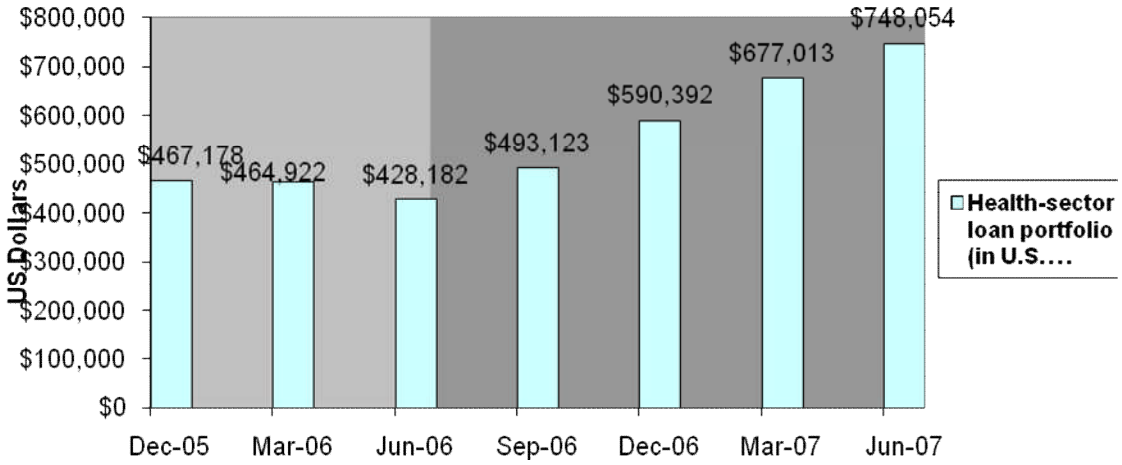
Financial Institutions

In year two Banking on Health worked with the USAID-funded Promoting Alliances and Strategies (PRAES) project in Peru to conduct market research on small-scale private providers, integrating its findings into training for financial institutions. Banking on Health developed the 1.5-day training titled Opportunities to Lend to the Private Health Sector. The training included a half-day presentation of the market study's findings followed by a one-day workshop that covered opportunities and risks of the health sector, characteristics of health microenterprises, a site visit to a provider, and presentations by midwives. The training was held in Lima in May and June 2006 and in Huancayo in September 2006. Nineteen loan officers and managers of 10 financial institutions were trained. Pre- and post-tests were administered, showing an average increase in knowledge of 28 percent.

In addition to the training, Banking on Health also provided follow-on technical assistance to Edyficar, an MFI that attended the May and June 2006 course, in developing and launching a new health-sector loan product. This product, called EdySalud, is targeted at midwives, ob/gyns, and other reproductive health service providers. Edyficar's health-sector portfolio grew by 75 percent in the year following Banking on Health's training, with more than $1,196,542 disbursed to health providers during this period. Please refer to the following graph for changes in Edyficar's health-sector portfolio.

Edyficar marketed its EdySalud loan product with this material.

GROWTH OF EDYFICAR'S HEALTH-SECTOR PORTFOLIO HEALTH INTERVENTION

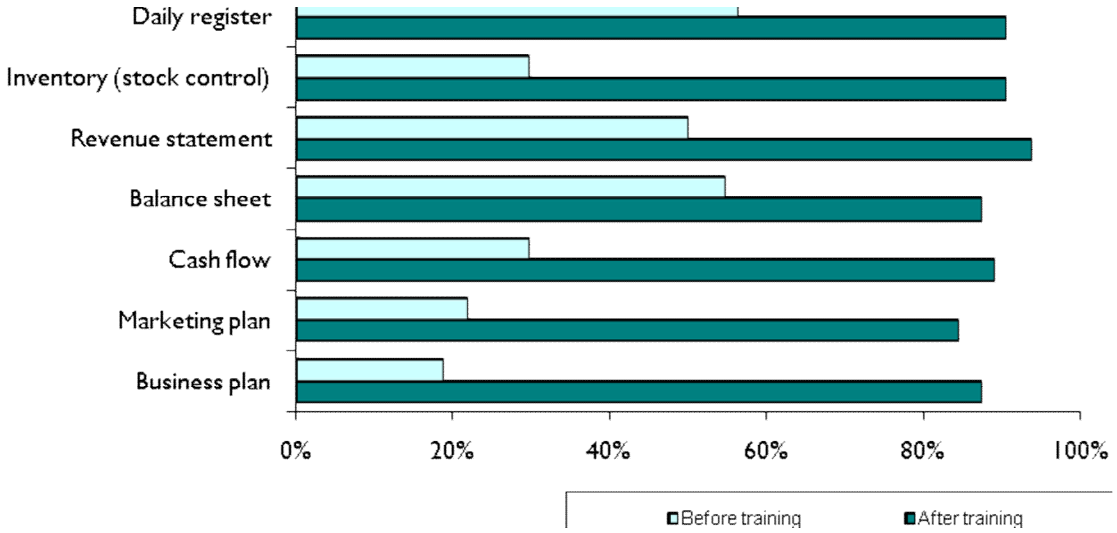


Business Training for Midwives and Ob/gyns

During year two Banking on Health focused on midwives as important providers of reproductive health and family planning services. Taking a ToT approach, the project worked with Propyme (the small-business arm of the Universidad del Pacifico) and the Association of Midwives to offer Financing Your Future, a 2.5-day workshop for midwives that was piloted in May 2006 in Lima. The training covered creating a business plan, marketing, analyzing financial data, applying for a loan, and other topics. At the end of the workshop, midwives were asked to develop investment plans. A follow-up fair was held a month later, which enabled Banking on Health's trainers to review the investment plans and for three MFIs to meet with midwives and discuss financing. In year three Banking on Health continued rolling out the workshop in Lima, expanded it to Huancayo, and then collaborated with Pfizer to train 80 midwives affiliated with Redplan Salud, a reproductive health network. A total of 127 private midwives and other participants were trained in four workshops offered in Lima and Huancayo.

In February 2007 Banking on Health expanded its programming to ob/gyns by collaborating with the Peruvian Society of Obstetricians and Gynecologists during its annual conference. Banking on Health conducted two symposia there titled How to Improve Your Private Practice, which 850 ob/gyns attended. Banking on Health also led smaller workshops at the conference on business planning, financial management, and financing that were attended by an average of 15 ob/gyns per workshop, totaling 142 providers. Participants from all training courses completed pre- and post-tests, showing a combined average increase in knowledge of 30 percent in business management and 40 percent in accessing financing.

USE OF BUSINESS TOOLS BEFORE AND AFTER TRAINING



To monitor the interventions' success, Banking on Health conducted a panel study of 64 of the142 trained midwives and ob/gyns. These providers completed baseline and follow-on surveys. This monitoring showed that providers are using the tools the training introduced in large numbers (see the previous chart). Close to 90 percent or more are reporting that since the training they have used each of the tools. There was a 69 percentage point increase in providers who used a business plan, followed by a 63 percentage point increase in those that used a marketing plan, and a 61 percentage point increase in inventory and stock control. Providers cited a number of reasons for this high level of adoption, including that the tools assisted them in adjusting their prices (88 percent), developing marketing strategies (83 percent), controlling costs (83 percent), attracting more clients (73 percent), and accessing financing (19 percent). The trainings succeeded in getting providers to change how they managed their businesses to improve the viability of their practices, thereby contributing to Banking on Health Outcome 1: *Improved financial viability of private health service providers*.

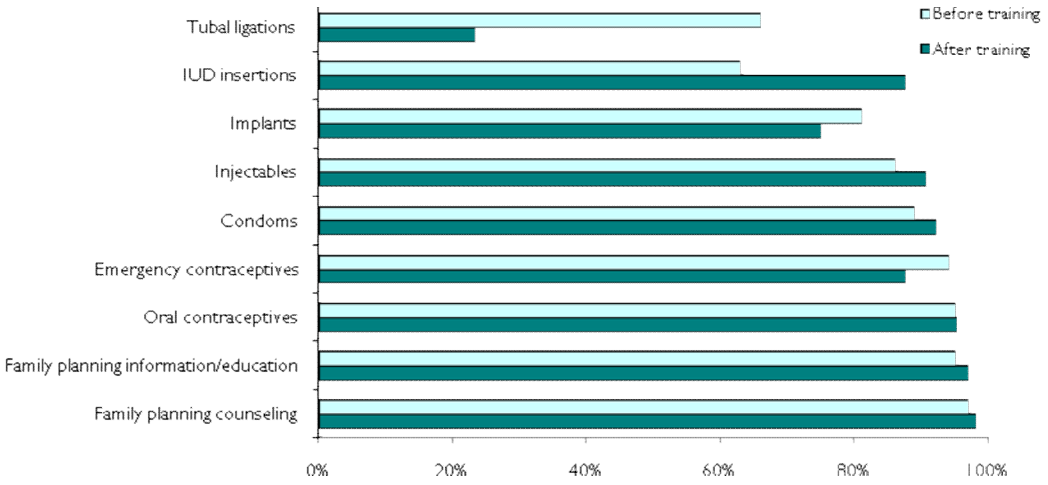
Among attendees who were contacted for follow-up interviews, 23 percent applied for a loan following the training. Eighty-seven percent of those who applied, or 20 percent of those trained, received one. These new loans were used primarily for purchasing equipment (85 percent), improvements to their clinic (46 percent), and inventory (39 percent), contributing to Banking on Health Outcome 4: *Increased quality of care provided through improvements in facility, capacity, or commodity supply*. The average loan size was $2,217, and the combined value of loans from those who reported that information was $28,822. Among those providers who did not apply for a loan after the training, 42 percent planned to do so in the future.

Reproductive Health and Family Planning Results

Almost all of the providers who participated in the panel study offered family planning services. There was a slight increase of 1.6 percent of those who offered family planning between the baseline and follow-on surveys. In addition there were increases in the percentages of providers offering five out of nine family planning services, including IUD insertions (increased by 25 percentage points), injectables (4.7 percentage points), condoms (3.1 percentage points), and counseling and education (1.6 percentage points), thereby contributing to Banking on Health Outcome 2: *Expansion of the range of services offered by private providers to include reproductive health and family planning services*. There were, however, decreases in the percentage of providers offering tubal ligations, implants, and emergency contraception. These drops should be further examined. Please refer to the following graph for more information. In

addition the total number of family planning client visits per month also increased, with 42 percent of providers reporting a rise in visits. Overall total client visits also increased for 55 percent of providers. It is assumed that the increase in clients helps strengthen the overall financial viability of the providers, contributing to Banking on Health Outcome 1: *Improved financial viability of private health service providers*.

TYPES OF FAMILY PLANNING SERVICES OFFERED



4.11.4 LESSONS LEARNED

Banking on Health's work in Peru succeeded in expanding access to financing to strengthen the private sector and its ability to contribute to reproductive health and family planning outcomes. Banking on Health's training stimulated health-sector lending, particularly in the case of Edyficar, which took the market research findings and developed a specialized product for the sector. Other financial institutions that were trained were less aggressive or have not been able to report changes in their health-sector portfolios due to inadequate management information systems. Also the small size of Peru's health sector and policy concerns may have dissuaded some of the financial institutions from lending. This finding highlights the importance of working with multiple financial institutions to expand health-sector lending. Across many countries Banking on Health has found that not all financial institutions are equally responsive to training and other types of technical assistance. In some cases financial institutions decide that the market is not interesting to them or that it does not fit within their strategy. In other cases management changes or a conservative lending culture prevents expansion into the sector. As a result it is important to partner with multiple financial institutions in the beginning in order to identify and build relationships with the most responsive.

The provider training in Peru succeeded on two accounts. It got providers to adopt tools to improve the management and viability of their businesses. The training identified and responded to a need for resources for running private practices. The training also succeeded in assisting private providers that were ready for financing to access loans and in preparing providers who wanted financing in the future

with the skills to obtain it. A lesson learned from the trainings in Peru is that rather than plan events in isolation, training or networking activities in Peru should build on existing conventions or conferences.

In Peru, Banking on Health worked with health care businesses that were major providers of family planning, so the total number offering this service did not grow significantly. There were important increases, however, in the provision of some methods and in the total number of family planning clients.

In working in Peru, Banking on Health saw how difficult the competitive environment was on the private health sector. This situation is particularly the case for many private midwives, especially those operating outside of a network, who are struggling from competition with doctors and the public sector. As a result Banking on Health decided that it needed to expand its programming to ob/gyns to maximize its impact. In the future, to sustain gains in strengthening the private sector, it will be important to address policy barriers.

Outcomes	Project contribution to outcome
Outcome 1: Improved financial viability of private health service providers	√√
Outcome 2: Expansion of the range of services offered by private providers to include reproductive health and family planning services	√
Outcome 3: Extension of private services to underserved and hard-to-reach communities	√
Outcome 4: Increased quality of care provided through improvements in facility, capacity, or commodity supply	√√

√√: Project significantly contributed to outcome, √: Project contributed to outcome

4.12 NICARAGUA

4.12.1 BACKGROUND AND OBJECTIVE

A wave of health-sector reform is opening up opportunities in Latin America to increase the role of the private sector and expand access to reproductive health and family planning services through health financing and contracting-out. In November 2004 Banking on Health conducted an assessment of Nicaragua's social security system and identified an interesting opportunity to strengthen the private sector's ability to contract with the Social Security Institute and contribute to reproductive health and family planning outcomes within the capitated system. The Social Security Institute contracts out a basic package of primary health care services to 47 *Empresas Médicas Previsionales* (EMPs), which encompass public, commercial, and not-for-profit medical providers (although the majority are commercial). Together commercial and not-for profit EMPs care for two-thirds of the insured. At the time of the assessment, the Social Security Institute only covered formal-sector workers and their beneficiaries, defined as children under 12 years old and pregnant spouses. Only 18 percent of the labor force in Nicaragua is covered.

In 2002 the Social Security Institute modified its certification process for EMPs, adding more rigorous standards for infrastructure, finance and administration, and service delivery. Many EMPs failed to pass certification under the new standards. As a result the Social Security Institute allowed for second and third rounds of certification to enable new applicants and existing EMPs to make the necessary changes to be certified. Many EMPs were under pressure to improve their physical infrastructure and invest in quality of care. A significant number of EMPs were operating with fewer than 5,000 insured, a number

that has been identified as necessary for profitability.[13] The Banking on Health team determined that consolidation within the sector was required and there was a need for increased investment. Many of the EMPs, however, were not accessing commercial financing and, as a result, were unable to make the necessary improvements. To address this issue, USAID/Nicaragua structured a DCA health-sector loan-portfolio guarantee with two commercial banks, BanPro and Finarca. At the time of Banking on Health's assessment, the DCA guarantee had been structured but no loans had been approved to the health sector.

Banking on Health also identified opportunities to improve the delivery of reproductive health and family planning services within the capitated system. The Summa Foundation conducted an external assessment in 2003, while it was under the management of CMS, to examine the capacity of EMPs to deliver reproductive health services.[14] A survey was administered to more than 1,000 female clients at two commercial EMPs. Its results indicated that both EMPs were delivering low levels of family planning services. About two-thirds of the users were receiving reproductive health and family planning products and services from sources other than their designated EMP, either for free at public clinics or paying out of pocket at other private facilities. This trend was an ongoing misallocation of resources. More than 60 percent of users were unaware that the EMPs provided family planning products or services. The assessment also determined that for the two EMPs, between 10 and 13 percent of women of reproductive age were at risk for experiencing an unintended pregnancy during the course of a year. Under the Social Security Institute's basket of services, the EMPs were required to provide maternity care, including prenatal, delivery, and postnatal services. It is more cost effective for EMPs to promote family planning than to provide maternity services for unintended pregnancies. Promoting cheaper preventive services, such as family planning, in order to avoid more costly services, such as deliveries, is an important tool in managed care. EMPs' management and staff did not understand the managed-care model and were not responding to the built-in incentives. Based on these findings, Banking on Health designed a program in Nicaragua to expand access to financing and strengthen reproductive health and family planning access and outcomes within the Social Security Institute system.

4.12.2 ACTIVITIES

Banking on Health's activities in Nicaragua were funded through core and field-support funds. During year one, Banking on Health used core funds to

- train banks to understand the health care market in Nicaragua and provide support for utilization of USAID's health-sector DCA guarantee
- train and provide technical assistance to EMPs in financial management, mergers and acquisitions, identifying bankable projects, and preparing business plans
- develop and deliver training to EMPs in understanding the financial and health benefits of promoting reproductive health and family planning and other preventive services within the capitated system
- develop and deliver training to the Social Security Institute and Ministry of Health in understanding the benefits of supporting EMPs to promote reproductive health and family planning services and other preventive services within the capitated system
- provide technical assistance to the Social Security Institute to improve its ability to evaluate and certify commercial providers from a financial perspective

[13] Alva Consultorias y Asesorias. *Estudio Evaluacion Final del Proyecto Banking on Health*. 2008. Managua, Nicaragua: Alva Consultorias y Asesorias

[14] Bonardi, Robert, Ruth Berg and Susan Mitchell. 2004. *Commercial Market Strategies Project Final Report*. Washington DC: USAID/Commercial Market Strategies Project

Despite generating interest from EMPs and the Social Security Institute in investing in family planning and reproductive health services, during the year Banking on Health identified many barriers to maximizing impact. The Social Security Institute did not have any clinical guidelines or a system for monitoring the provision of preventive health services, including family planning. Most of the EMPs did not have systems for promoting family planning and other preventive services. While EMPs recognized the potential cost savings of promoting family planning within the capitated system, they lacked the cost-accounting systems to measure this benefit. Furthermore the Social Security Institute system only covered formal-sector workers, whereas the majority of the workforce operated in the informal sector, creating access issues. Banking on Health responded to these barriers by designing a field-support–funded program for years two and three to

- reduce high-risk and unintended pregnancies and maternal and infant mortality rates as well as the incidence of breast and cervical uterine cancers within the Social Security Institute system
- improve the promotion of high-quality preventive services at EMPs as a cost-containment strategy
- increase access to health services for lower-income groups by expanding Social Security coverage to the informal sector

Specific activities in years two and three included

- creating clinical guidelines and information and education materials for the Social Security Institute and EMPs on promoting and providing family planning services and treating and preventing breast and cervical uterine cancers
- developing and conducting training for EMPs on the family planning and breast and cervical cancer guidelines
- training the Social Security Institute on the new guidelines and working with it to develop a system for monitoring, evaluating, and supervising EMPs in providing family planning and breast and cervical cancer services
- providing follow-up monitoring and technical assistance to BanPro and Finarca
- developing and conducting a cost-accounting course so that EMPs are better able to track costs and manage within a capitated system
- building the capacity of the Centro de Investigaciones y Estudios de la Salud (CIES), a local university, to deliver the cost-accounting course and provide advisory services to the EMPs
- conducting a feasibility study for expanding social security coverage to informal-sector workers
- working with the Social Security Institute to design and launch an informal-sector health insurance product, using MFIs as agents

In 2008 USAID/Nicaragua and the Office of Development Credit expressed interest in expanding lending through the DCA to reach smaller-scale, private health providers that are not affiliated with the Social Security Institute. In the final year of the project, Banking on Health undertook the following activities with core funds:

- conducted a joint assessment with the Office of Development Credit of the financing and training needs of small private health providers and the appetite of financial institutions to lend to this sector
- trained small-scale private reproductive health and family planning providers in business skills and improved linkages with financial institutions to expand access to financing

4.12.3 KEY RESULTS

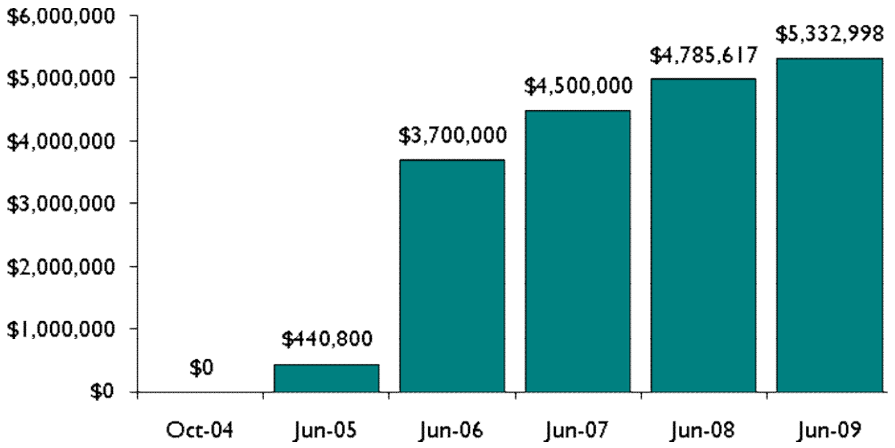
Financial Institutions

In April 2005 Banking on Health conducted a 3.5-day course for BanPro and Finarca titled Lending to Health Care Businesses: The Myths and Realities of the Health Sector. The training covered understanding the risks and opportunities in the private health sector in Nicaragua, credit analysis of an EMP, benchmarking, making a site visit, and structuring a health-sector loan. Twenty-five loan officers and bank managers from the two financial institutions attended the course. In addition both financial institutions were invited to set up booths and attend the business-planning training for EMPs. Banking on Health also facilitated presentations by the Social Security Institute and the Chamber of EMPs to the banks. Banking on Health conducted informal monitoring and provided advisory services on an as-needed basis from 2004 to 2007.

In 2009 Banking on Health met with five financial institutions, including BanPro and Finarca, to brief them on the financing needs of small-scale providers. Banking on Health then invited these organizations to present their loan products and application process on the last day of the business training for small-scale private providers. At that time many of the financial institutions expressed an interest in lending to smaller health providers, believing that the health sector was less impacted by the global economic crisis and that smaller providers were less risky than EMPs given uncertainty about the Social Security Institute due to the change in government.

As a result of Banking on Health's technical assistance, the two banks began lending to the health sector and utilizing the DCA guarantee. By June 2009, a total of $5,332,998 had been lent to the health sector of which $4,057,877 was under guarantee and $4,363,100 was lent to EMPs. Of the 38 loans under guarantee, 25 (66 percent) were for less than $50,000, implying that a significant portion of the guarantee was financing smaller health facilities. To date approximately 81 percent of the DCA guarantee has been utilized.

CUMULATIVE GROWTH IN HEALTH-SECTOR LENDING IN NICARAGUA AFTER BANKING ON HEALTH INTERVENTIONS



Business Training for Private Providers

In the first year of the project, Banking on Health partnered with a local university, CIES, to offer Financing Your Future: Empresas Médicas Previsionales and Their Bank Relationships. This two-day course for owners and financial managers of EMPs covered business planning, financial analysis,

conducting a feasibility study of a planned investment, mergers and acquisitions, and relationships with financial institutions. Sixty-three participants from 31 EMPs attended the training. Comparisons of the pre- and post-test results showed that the participants' understanding of key concepts improved by more than 45 percent.

In the training Banking on Health provided EMPs with the skills they needed to value and negotiate a merger. As previously mentioned Banking on Health had identified consolidation as necessary to improve the viability of some EMPs and strengthen the sector. Following Banking on Health's training, three small EMPs merged and obtained a loan of $1,307,000 to construct a larger facility for the new entity. To monitor its interventions in Nicaragua, Banking on Health conducted a baseline and a follow-on survey with 25 private EMPs in April 2004 and August 2007, respectively. At the time of the baseline, only 36 percent of respondents had more than 5,000 insured, which is the minimum number necessary to be profitable. At the follow-up 60 percent had more than 5,000 insured. During the intervention period EMPs took significant steps to expand their businesses, consolidate, and improve their overall viability, contributing to Banking on Health Outcome 1: *Improved financial viability of private health service providers*.

DISTRIBUTION OF EMPS BY NUMBER OF INSURED

Type of EMP	Baseline		Follow-on	
	Number	%	Number	%
<5,000 insured	16	64%	10	40%
>5,000 insured	9	36%	15	60%
Total	25	100%	25	100%

In working with the EMPs to promote reproductive health and family planning services, Banking on Health found that while they understood the importance of investing in prevention as a cost-containment strategy within the capitated system, they did not have the cost-accounting systems to manage costs. To address this problem, in year two Banking on Health designed and delivered a three-day course, Cost Accounting under a Capitated System for EMPs, which 40 participants from 20 EMPs attended. Results of the pre- and post-tests showed that participants' understanding of defining cost centers and implementing a cost-accounting system increased by 51 and 41 percent respectively. Banking on Health also conducted a ToT for CIES to build its capacity to offer the training and provide follow-on advisory services to the EMPs.

In 2009 Banking on Health adapted training materials that had been used in Peru to launch a business training course to reach smaller-scale providers of reproductive health and family planning services, responding to USAID/Nicaragua's interest in targeting this group. Banking on Health conducted a ToT with CIES, which rolled out the training from March to July 2009. CIES worked with the general practitioners association and the ob/gyns association to market the course. A total of 101 providers were trained in basic business skills, demonstrating an 18 percent increase in knowledge between the pre- and post-tests administered at the training. Sixty-five percent of the trained providers were females and 78 percent offered family planning services. The most common methods and services these providers offered were counseling and information (77 percent), condoms (89 percent), oral contraceptives (86 percent), injectables (85 percent), and IUD insertions (83 percent). Eighty-two percent of trained providers wanted to expand their practices, of which 87 percent wanted a loan to do so. Because of the timing of the course, Banking on Health was unable to conduct a follow-on survey to examine the impact of the training on financing, business-management practices, and health service delivery.

Policy Initiatives

During the project period, Banking on Health initiated policy changes to strengthen the Social Security Institute system. A major initiative was working with the Social Security Institute to extend health insurance to informal-sector workers to expand access. Affordable health insurance is available to a small percentage of Nicaragua's population through the Social Security Institute. At the time Banking on Health started working in Nicaragua, the Social Security Institute covered only formal-sector workers and their beneficiaries, which represent some 18 percent of the economically active population. It is estimated that an additional 64 percent of that population works in the informal sector. In August 2005 Banking on Health assessed the feasibility of offering health insurance to the informal sector through Nicaragua's extended network of MFIs, which provide financial services to more than 300,000 clients (equal to one-quarter of all informal-sector workers in the country). Banking on Health recommended that MFIs offer the Social Security Institute's insurance to their clients and constituents using their loan officers as points of sale and their cashiers to collect monthly premiums. Based on this feasibility study, the Social Security Institute began developing an informal-sector health insurance product with input from Banking on Health. In May 2006 the president of Nicaragua announced the new initiative to be piloted in Managua and, if successful, rolled out throughout the country.

In July 2006 Banking on Health worked with the Social Security Institute to conduct a three-day training for 38 loan officers and branch managers of three MFIs (Procredit, Findesa, and ACODEP) that participated in the pilot. The training covered a broad range of information about the insurance product, coverage, and eligibility; the process for subscribing new clients; and strategies for selling this product. Pre- and post-test scores showed a knowledge increase from 36.8 to 59.1 percent. In December 2006 the MFIs began selling health insurance to informal-sector workers. Unfortunately the pilot program did not work as envisioned. In November 2006 Nicaragua underwent a change in government with the election of Daniel Ortega to the presidency. As a result of this change, senior management within the Social Security Institute was replaced and institutional support for the pilot eroded. The Social Security Institute did not market the product, which made MFIs reluctant to support sales. As a result by September 2007, only 957 informal-sector workers had signed up for the insurance, 739 of which were subsidized as part of a PSP-*One* evaluation of the pilot. Clearly the change in government reduced the potential impact of the pilot and the likelihood of a national rollout.

In addition to working with the Social Security Institute to expand coverage to informal-sector workers, Banking on Health collaborated with it to improve its certification process for EMPs. Banking on Health conducted a one-day workshop for 12 Social Security Institute evaluators titled Evaluating the Empresas Médicas Previsionales: The Myths and Realities of Their Financial Situation in June and July 2005. This workshop included a discussion of financial indicators as well as recommendations for the process and point structure of the financial evaluation of EMPs. Following the workshop the Banking on Health team prepared recommendations to the Social Security Institute for modifying the financial evaluation of EMPs. The Social Security Institute adopted the majority of Banking on Health's recommendations on its certification process.

Reproductive Health and Family Planning Results

During its initial assessment in November 2004, Banking on Health identified an opportunity to improve the delivery of reproductive health and family planning services within the capitated system. Banking on Health designed two training programs, one targeted at the EMPs and the other at the Social Security Institute and Ministry of Health. In April 2005 Banking on Health held Strategies for Survival and Growth under a Capitated System, a three-day course for general managers, financial managers, and medical supervisors of EMPs focused on the cost effectiveness of promoting reproductive health and family planning services. Eighty-nine representatives of EMPs attended the training. Participants' average pre-training test scores were 23 percent, underscoring their limited knowledge in this area. Scores improved

to 53 percent following the training. Attendees gave the course an 88 percent rating in terms of usefulness. At the end of the course the majority of participants agreed with the importance of investing in reproductive health and family planning services. As a first step, EMPs, with the support of the Social Security Institute, agreed to extend coverage of family planning services to the spouses of formal-sector workers, improving access for approximately 100,000 people. The EMPs were motivated to expand benefits to their clients and reduce costs. Despite this positive change, a number of EMPs identified constraints including a lack of clinical guidelines within the Social Security Institute's system for providing these services, a lack of monitoring and reporting requirements within the system, and inadequate accounting systems to monitor cost savings from promoting preventive services.

In April 2005 Banking on Health also held a two-day course titled The Cost Effectiveness of Investing in Reproductive Health, which 50 representatives of the Social Security Institute and Ministry of Health attended. Average scores on the pre-test were 30 percent, which improved to 54 percent in the post-test. Participants rated the course 93 percent with regards to its usefulness. As a result of the training and follow-up advocacy by Banking on Health, the Social Security Institute agreed to measures to improve reproductive health and family planning outcomes within the capitated system. It agreed to increase the capitation rate to contracted providers to more fully cover preventive services, such as voluntary family planning counseling and the provision of family planning information. When this policy change occurs it will leverage additional financial resources for reproductive health and family planning services within the health-financing system and improve the capacity of providers contracting with the Social Security Institute to offer preventive services.

The Social Security Institute also requested assistance from USAID to develop clinical guidelines and a women's health clinic model for promoting, delivering, and monitoring voluntary family planning services, and for treating and preventing breast and intrauterine cancers. During year two Banking on Health developed and made operational a new business model that promoted women's health; it restructured the patient flow at EMPs so that women regularly visit women's health clinics within the EMP. These visits include preventive screening for breast and cervical cancers as well as access to voluntary family planning information, counseling, and services. The Social Security Institute supported this new model by providing educational materials, training its supervisors to monitor the program, and adjusting the per-capita rate paid to EMPs to compensate for the upfront expense of preventive care. To support this model Banking on Health developed guidelines to reduce unintended pregnancies, maternal and infant mortality rates, and the incidence of breast and cervical uterine cancers. During year two Banking on Health completed three separate clinical guidelines: Clinical Guidelines for the Prevention and Treatment of Breast Cancer, The Prevention and Treatment of Cervical Cancer, and Voluntary Family Planning. Banking on Health trained 50 participants from 25 EMPs on the breast and cervical cancer guidelines. As a result of this training, participants' knowledge increased an average of 88 percent as measured by pre- and post-tests. Banking on Health also trained 66 participants from 35 EMPs in Managua, Estelí, and León on the voluntary family planning guidelines to ensure the participation of EMPs from more remote regions. Average scores on pre-tests were 52 percent, increasing to 80 percent on post-tests.

In addition Banking on Health trained 34 Social Security Institute medical supervisors and staff in all three clinical guidelines and in monitoring and supervising those guidelines. Knowledge among participants increased 54 percent after the training. As a further step in building capacity, Banking on Health hosted a workshop for 10 replicators the Social Security Institute appointed to provide ongoing training and supervision of the guidelines. This workshop focused on supervision, monitoring, and evaluation. Post-test results showed an average 25 percent increase in knowledge. The replicators were required to pass an exam to be certified. Banking on Health also developed and distributed to the EMPs

information and education materials on breast and cervical uterine cancers and voluntary family planning services.

The impact of this work to promote reproductive health and family planning services has been positive. In a follow-up study of the 25 private EMPs Banking on Health assisted, there were dramatic increases in family planning service provision. In 2004 family planning visits accounted for only 16 percent of the total reproductive health visits; at the end of 2006 this figure had jumped to 49 percent. In terms of the absolute number of family planning visits per year, the baseline showed 17,617 for the EMPs in 2004, which increased almost threefold to 53,933 in 2006. During this period there was a 30 percent increase in the number of insured within the Social Security Institute system. While this statistic would account for some of the increase in family planning visits, it does not explain all of it. Much of this jump is from new family planning clients. At the baseline new or first-time users accounted for 33 percent of family planning visits, whereas at the follow-up 46 percent of family planning visits were from new or first-time users (an increase of 18,726 new family planning users at these EMPs).

FAMILY PLANNING AND REPRODUCTIVE HEALTH VISITS AT 25 PRIVATE EMPS

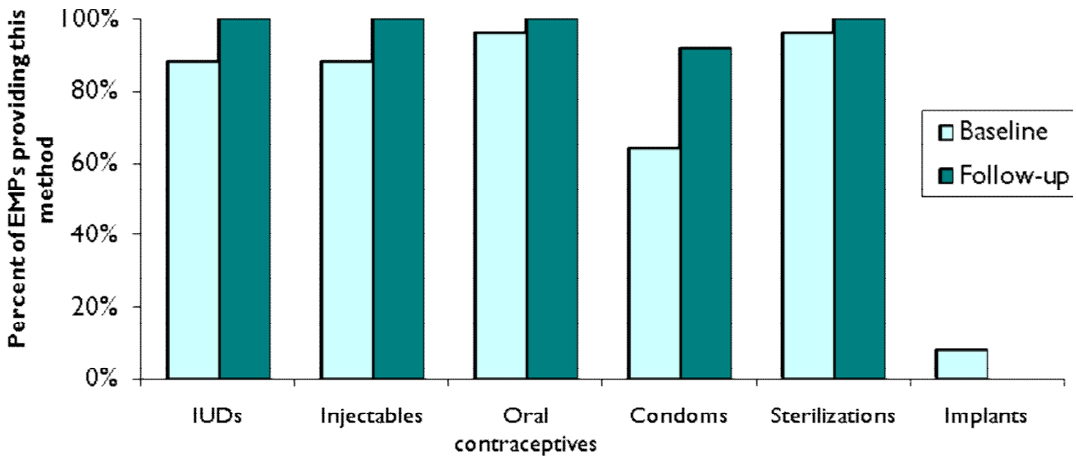
	Baseline (2004)		Follow-on (2006)	
	Number	%	Number	%
Family planning	17,617	16%	53,933	49%
Other RH	90,657	84%	56,198	51%
Total	108,274	100%	110,131	100%

NEW VERSUS REPEAT USERS AT 25 PRIVATE EMPS

	Baseline (2004)		Follow-on (2006)	
	Number	%	Number	%
New users	5,898	33%	24,624	46%
Repeat users	11,719	67%	29,309	54%
Total family planing users	17,617	100%	53,933	100%

The range of family planning methods the EMPs offered also increased, as shown in the following graph. The number of providers that offered every method increased, except for implants, which declined. This result contributes to Banking on Health Outcome 2: *Expansion of the range of services offered by private providers to include reproductive health and family planning services*.

PROVISION OF FAMILY PLANNING METHODS BY EMPS



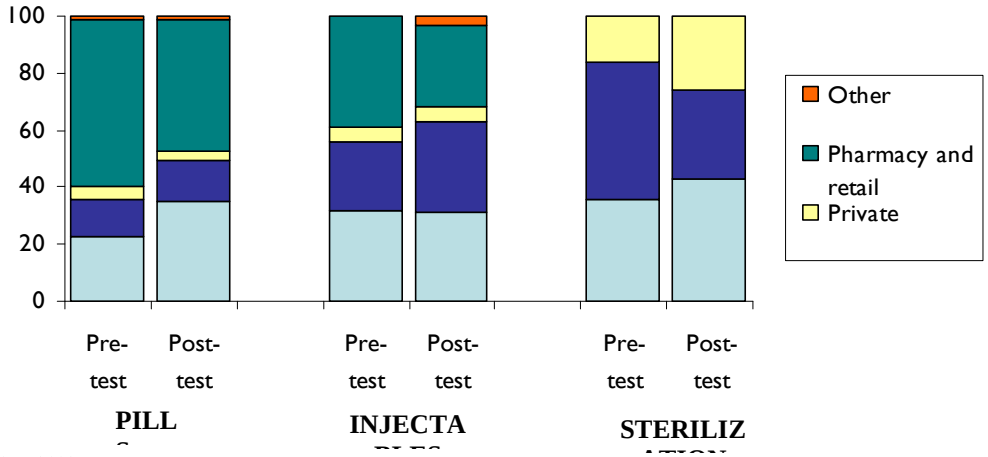
Data from a PSP-*One* evaluation of some of Banking on Health's work in Nicaragua also supports these results. PSP-*One* conducted a client exit-interview survey with 2,101 EMP clients in a baseline and 2,095 in a follow-up survey. This survey found that there was an increase in family planning use from 60 percent at pre-test to 80 percent at post-test.[15]

Data from PSP-*One*'s evaluation indicates that the EMP's share of the market for oral contraceptives and sterilization increased during the intervention period.[16] Please refer to the following graph for more details. In the case of oral contraceptives, the EMPs appear to have taken market share from pharmacies, while for sterilizations they captured it from the public sector. This change contributes to Banking on Health's goal of addressing the misallocation of resources, with a lower percentage of clients paying out of pocket for oral contraceptives or obtaining sterilizations for free from the public sector when these methods are covered within the Social Security Institute package.

[15] Chin-Quee, Dawn, Emily Keyes and Barbara Janowitz. 2009. *Impact of the Banking on Health Intervention to Increase the Provision of Family Planning Servicers by INSS-Contracted Private Health Care Providers in Nicaragua Draft Report.* Bethesda, MD: Private Sector Partnerships One Project, Abt Associates, Inc

[16] Ibid.,

SOURCE OF FAMILY PLANNING METHODS BY METHOD, EMP PRE-TEST AND POST-TEST SAMPLES[17]



Source: PSP-*One*, 2009

Banking on Health's work on the guidelines, training, and distribution of information, education, and communication materials helped to raise awareness on the part of clinical providers and with clients, which may have led to increased service provision. As one EMP owner said, "Of course we are the people that talk most about this subject both in family planning and cancer itself…now we include it in the chats in the hallways and in the subjects that we talk about with users."[18]

Despite the impressive increases in family planning service provision, other components of the project have not fared as well as intended. The survey of 25 EMPs revealed that while there was an increase in protocol-based care among smaller EMPs, there was no overall increase in providers using protocols.[19] Furthermore, the findings from the evaluation PSP-*One* conducted showed that at the follow-up fewer than 15 percent of providers discussed family planning with their non-pregnant clients.[20]

While there was a tremendous increase in family planning services at the EMPs during the intervention period, there is a missed opportunity for providers to improve quality by increasing their use of the clinical guidelines and to promote family planning services through more active counseling. Several factors explain this missed opportunity. After developing and disseminating the guidelines, Banking on Health's field-support funds ended, so the project could not follow-up with providers to work on the application of the guidelines in a real-world setting. As one EMP owner said, "I think that follow-up is not done in the application. Sometimes we believe that writing them and doing training is sufficient…the truth is that it is difficult to do follow-up."[21] And, as was mentioned previously, the new government resulted in major changes at the Social Security Institute, including a decision not to monitor

[17] Ibid.,
[18] Alva Consultorias y Asesorias. *Estudio Evaluacion Final del Proyecto Banking on Health*. 2008. Managua, Nicaragua: Alva Consultorias y Asesorias
[19] Ibid.,
[20] Chin-Quee, Dawn, Emily Keyes and Barbara Janowitz. 2009. *Impact of the Banking on Health Intervention to Increase the Provision of Family Planning Servicers by INSS-Contracted Private Health Care Providers in Nicaragua Draft Report.* Bethesda, MD: Private Sector Partnerships One Project, Abt Associates, Inc
[21] Alva Consultorias y Asesorias. *Estudio Evaluacion Final del Proyecto Banking on Health*. 2008. Managua, Nicaragua: Alva Consultorias y Asesorias

reproductive health and family planning outcomes. As a result this component of Banking on Health's training was not implemented. Without monitoring and pressure from the Social Security Institute, some EMPs may not have implemented the guidelines. As one owner of an EMP said, "Sometimes we do not do follow-up because there is a small number of us working…we almost always concentrate on the reports and follow-up that the social security requires."[22] Without monitoring by the Social Security Institute or another regulatory body, EMPs may be less actively implementing the guidelines.

4.12.4 LESSONS LEARNED

Despite the erosion of some political support and incomplete follow through by the EMPs and the Social Security Institute on all recommendations, Banking on Health's work in Nicaragua succeeded on a number of fronts and will have a lasting impact. The project expanded access to financing for EMPs as well as smaller-scale providers. The consolidation and growth that occurred with the assistance of Banking on Health strengthened the viability of EMPs operating within the system. By working with the Social Security Institute to improve the certification process by introducing financial indicators that provide a more meaningful assessment of the EMPs' financial condition, Banking on Health strengthened the viability of the entire system.

During the intervention period there was a tremendous expansion in the delivery of family planning services and an increase in the range of methods available to contraceptive users. Progress was made towards Banking on Health's goal of improving resource allocation by shifting insured users to receiving their contraceptive supply from their EMP, as indicated by the increase in EMP's market share in oral contraceptives and sterilizations. The Social Security Institute's decision to increase the capitated rate to more fully cover the costs of promoting preventive services will leverage additional financial resources for reproductive health and family planning services within the health-financing system and will improve the capacity of providers contracting with the Social Security Institute to offer preventive services.

Banking on Health's advocacy to expand coverage of family planning services to spouses of the insured significantly increased access under this health financing system. Banking on Health's other strategy to expand access by introducing the informal-sector insurance pilot was not successful because of the loss of political support.

Banking on Health draws a number of lessons learned in analyzing the results of its activities in Nicaragua. Working with a national insurance system allowed the project to design an intervention with the potential for wide-ranging, system-wide impact by addressing weaknesses in the system and leveraging opportunities. Working with the private sector to strengthen viability and expand reproductive health and family planning outcomes is a dynamic process that requires engaging a number of stakeholders across multiple sectors. Banking on Health's holistic approach, working with financial institutions, EMPs, the chamber of EMPs, and the Social Security Institute enabled it to address many barriers simultaneously. This intervention would not have been as successful if Banking on Health had not addressed financial and business constraints, policy barriers, and lack of clinical knowledge.

Another lesson learned is that contracting out the private sector is not simple. The government and the private sector need to learn how to work with each other to maximize benefits. Building the capacity of the government and the private sector to contract out is vitally important. Managed care is not a simple concept and it should not be assumed that the private sector has the systems and knowledge to operate as efficiently and profitably as possible in a new payment system. Providing training on cost-accounting,

[22] Alva Consultorias y Asesorias. *Estudio Evaluacion Final del Proyecto Banking on Health*. 2008. Managua, Nicaragua: Alva Consultorias y Asesorias

capitation, and managed-care principals is important for any national health insurance system planning to introduce capitation.

Building trust and gaining buy-in from the Social Security Institute was vital to implementing the program. The change in government was an external factor clearly beyond the control of the project, but it emphasizes the important role of the public sector. The erosion of government support negatively impacted programming, but systematic changes were made that will have a lasting impact. Developing the clinical guidelines was not enough. To fully incorporate them, the EMPs needed to be monitored. It is important for national health insurance systems to not only make sure that they have clinical protocols for family planning service delivery but also a monitoring system to ensure compliance.

Outcomes	Project contribution to outcome
Outcome 1: Improved financial viability of private health service providers	√√
Outcome 2: Expansion of the range of services offered by private providers to include reproductive health and family planning services	√√
Outcome 3: Extension of private services to underserved and hard-to-reach communities	√
Outcome 4: Increased quality of care provided through improvements in facility, capacity, or commodity supply	√

√√:Project significantly contributed to outcome, √: Project contributed to outcome

5. GLOBAL LEADERSHIP

As a core-funded global project, Banking on Health played a leadership role, advancing innovation and transferring new technologies to the field. When it was launched in 2004, Banking on Health represented a new type of programming. While the Summa Foundation had pioneered the concept of investing in the private health sector in developing countries, Banking on Health changed the model to focus on building local capacity to lend to the health sector. Banking on Health's training of financial institutions in lending to the health sector, introduction of trade fairs to break the isolation of the private sector, and the use of market research to not only expand health-sector lending but also be a policy tool have all been technical firsts. Banking on Health created unique public-private alliances, involving multiple actors including financial institutions, private health providers, provider associations, and public-sector payers and regulators. These alliances addressed constraints facing the private health sector and have leveraged substantial financial resources from the private sector as well as important policy changes. While other projects trained private providers in business and financial management, Banking on Health made significant advances in making curriculum relevant and effective and adapted lessons learned and materials to new countries.

Another important component in global leadership is disseminating information about expanding access to financing and business development. Banking on Health identified speaking opportunities and presented at almost every Global Health Council and American Public Health Association conference since the project started. Banking on Health also presented three times at USAID's Mini University, several microfinance and microenterprise development conferences, and participated in PSP-*One*'s global leadership forum. Banking on Health hosted several public presentations to disseminate its work. In addition to speaking, Banking on Health developed and disseminated articles, brochures, and market research. It posted tools and training materials on the Banking on Health page of the PSP-*One* website. The largest impediment to more effective dissemination was a lack of resources. With its small staff and limited budget, Banking on Health had to make hard choices at times between implementation and dissemination.

6. CONCLUSION

Over the past five years, the Banking on Health project was highly successful in improving the ability of private health care businesses to access credit, thereby improving their capacity to deliver high-quality reproductive health and family planning services. Following Banking on Health's assistance, financial institutions lent almost $206 million to private health care businesses, and in all seven countries where Banking on Health has data, reproductive health and family planning services have expanded. Banking on Health demonstrated that local resources are available to support the private health sector and that a limited amount of technical assistance can stimulate significant increases in health-sector lending, improve market linkages, and change the way health providers operate their businesses. Financial institutions and other commercial actors often need a catalyst like Banking on Health to get them to enter the market.

The world has changed significantly since Banking on Health began in 2004. The credit crisis is causing many financial institutions to tighten lending standards and reduce risk in response to the deteriorating economic environment and, in some cases, reduced liquidity due to the loss of international lines of credit or an increased cost of capital. This situation has a negative impact on access to finance for the private health sector despite many health care businesses being fundamentally creditworthy and in a sector projected to grow over the medium and long term in many countries. In this dichotomy lies an opportunity for USAID and other donors to work with the financial sector to address risks and constraints to expand into the health care market. It is important to work with financial institutions so that they understand that lending to the private health sector can be a risk-diversification strategy. Tools, such as USAID's DCA guarantee and credit lines offered by the International Finance Corporation and other development banks, will be increasingly important to continue to expand lending to the sector. Business training and support services will assist providers to manage in this difficult economic environment and will be reassuring to financial institutions.

Over the last few years, there also have been new entrants to the market, including several health-sector investment funds for Africa. Given the size and diversity of the private health sector's financing needs in developing countries, it is important to have a number of players reaching different segments of the market with a variety of financing options. A continuing challenge will be to meet the large demand for lower levels of financing from small-scale health providers, which are often on the frontline for serving lower-income groups. Expanding access to financing will continue to be an important strategy to grow the private sector and strengthen public health outcomes within a broader health system.

APPENDIX ONE: BANKING ON HEALTH TRAINING TOPICS FOR FINANCIAL INSTITUTIONS

Banking on Health developed training curriculum for financial institutions that cover the following topics:

- understanding the health sector
- lending to the private health sector
- introduction to financing the private health care business
- the opportunities and risks of financing the health sector
- credit analysis of private health care businesses (such as midwives in the Philippines and providers that contract with Nicaragua's Social Security Institute)
- the characteristics of health microenterprises
- benchmarking
- site visits
- ensuring repayment with loan structuring and monitoring
- case studies
- strategies for entering the private health care market
- marketing framework and strategy
- market segmentation and market-research techniques to reach the health sector
- financing a new market
- new market and product development
- developing a market-research action plan
- presentation of market-research findings (Uganda, Peru, Romania, Zambia, Nigeria, and Ethiopia)
- small and medium enterprise lending skills
    - the 5 Cs of credit
    - managing the loan-approval process
    - analyzing operating statements, financial statements, and historical performance
    - analyzing cash-flow statements and projected performance
    - creation of financial projections
    - using financial analysis tools
    - conducting client interviews and site visits
    - loan-structuring techniques
    - loan-monitoring techniques
    - early warning signs

APPENDIX TWO: BANKING ON HEALTH BUSINESS TRAINING TOPICS FOR PRIVATE PROVIDERS

Banking on Health developed training curriculum for private providers that cover the following topics:

- entrepreneurship
- setting and prioritizing business goals
- basic record keeping
- business planning
- marketing
- business management and operations
    - accreditation
    - managing client records
    - client scheduling
    - managing inventory and equipment
    - customer service
    - marketing techniques
- financial reporting
    - balance sheet
    - income statement
    - cash flow
- analyzing financial statements
- taxation
- financial planning and management
- cost accounting
- implementing a cost system
- managing relationships with insurance companies
- contracts
- business registration
- feasibility studies for investments
- service mix, pricing new services, and break-even analysis

- mergers and acquisitions
- access to finance
    - identifying financing needs
    - sources of financing
    - how to apply for a loan
- working in a network
- strategies for surviving and growing in a capitated payment system
- costs and benefits of investing in reproductive health and preventive health services within a capitated system
- promoting and providing voluntary family planning services
- preventing and treating breast and cervical cancer

In addition to developing curriculum, the Banking on Health project also developed or adapted tools to be used either as part of the training or independently by providers. These tools include the following:

- business simulation games being used as part of the business training in Zambia, Nigeria, and Georgia
- action plans for providers to develop the next steps for business planning and accessing financing outside of the Banking on Health training
- an enterprise growth tool for midwives to monitor the growth of their businesses
- simple accounting worksheet and cash-in and cash-out recording forms for providers to use on a daily basis
- a variety of case studies that complement the business training with real-world problems and exercises for providers to complete

APPENDIX THREE: OUTCOMES AND RESULTS

COMPARISON OF OUTCOMES AND RESULTS AS OF NOVEMBER 29, 2009

Outcomes	Status	Was the outcome reached?
Task A		
In at least five countries where Banking on Health offers technical assistance to commercial lending institutions, a combined total of 150 loan officers and managers are trained in lending to the private health sector, resulting in a 20% increase on average in knowledge on this topic.	Nicaragua: 25 trained, no data Peru: 19 trained, increased knowledge by 25% Philippines: 69 trained, no data Romania: 31 trained, increased knowledge by 21% Uganda: 47 trained, increased knowledge by 23% Zambia: 34 trained, increased knowledge by 20% Ethiopa (training 1): 64 trained, no data Ethiopia (training 2): 86 trained, no data Nigeria: 95 trained, no data Jordan: 14 trained, no data	Yes, outcome exceeded: 9 countries 484 trained 22% increased knowledge*
In at least two countries where health-sector Development Credit Authority (DCA) mechanisms currently exist, technical assistance provided by Banking on Health will result in utilization of the guarantee.	Philippines: Opportunity Microfinance Bank began lending. Nicaragua: BanPro and Finarca began lending, and 81% of the DCA has been utilized.	Yes, outcome met: 2 DCAs assisted
In at least five countries, new DCA guarantee programs are researched and proposed to the in-country USAID mission in support of health-sector lending to private providers who currently provide or intend to begin providing reproductive health and family planning services.	Banking on Health researched and proposed DCA guarantees in seven countries: Ethiopia, Uganda, Zambia, Nigeria, Romania, Georgia, and Peru. Approval was received for three DCAs that cover health-sector borrowers (two in Zambia and one in Ethiopia). A health-sector DCA was approved in Nigeria but mission is waiting to sign it. A health-sector DCA is under review in Georgia.	Yes, outcome exceeded: 7 countries
In at least five countries where Banking on Health provides technical assistance, the project will leverage a combined total of $10 million from local financial institutions for the private health sector.	Nicaragua: $5,332,998 Peru: $1,199,725 Philippines: $287,471 Romania: $195,307,906 Uganda: $1,210,205 Zambia: $1,453,676 Nigeria: $834,831	Yes, outcome exceeded: 7 countries $205,626,812 leveraged

* This figure is a weighted average from countries and financial institutions where data is available.

Outcomes	Status	Was the outcome reached?
In at least two countries where Banking on Health provides technical assistance, commercial financial institutions develop unique loan products or services targeted at the private health sector with assistance from the project.	Romania: A number of new loan products were launched including credit cards for family doctors, medical student loans, and start-up loans. Peru: Edyficar launched EdySalud loan product for private providers. Nigeria: Fidelity Bank created a loan product targeted to community pharmacists. Uganda: Stanbic and Equity launched health-sector leasing products. Equity developed a nursing student loan product.	Yes, outcome exceeded: 4 countries
Task B		
In at least five countries where Banking on Health provides business-related training to private health care providers, a combined total of 200 private health care providers are trained in business management, resulting in a 20 percent increase on average in knowledge on the topic.	Jordan: 78 trained, increased knowledge by 26% Nigeria: 1,193 trained, increased knowledge by 21% Nicaragua (EMPs): 267 trained, increased knowledge by 35% Nicaragua (small-scale): 101 trained, increased knowledge by 18% Peru: 142 trained, increased knowledge by 27% Philippines: 131 trained, no data Romania: 140 trained, increased knowledge by 36% Zambia (basic course): 440 trained, increased knowledge by 25% Zambia (advanced course): 112 trained, increased knowledge by 18% Uganda: 201 trained, increased knowledge by 11% Georgia: 230 trained, no data available International Confederation of Midwives Conference: 20 trained, increased knowledge by 15%	Yes, outcome exceeded: 9 countries and 1 international conference 3,055 private providers trained 23% knowledge increase*
In at least two countries, 20 percent of private providers assisted by the Banking on Health project submit applications for loans from commercial financial institutions.	Peru: 23% of trainees applied for credit, 20% of trainees received credit Romania: 34% of trainees applied for credit, 24% of trainees received credit Uganda: 84% of trade show attendees applied for credit, 33% of attendees received loans Zambia: 34% of trained providers applied for credit, 28% of trainees obtained loans Philippines: 35% of trade fair attendees applied for credit, 31% received credit Philippines: 22% of trainees received credit	Yes, outcome exceeded: 44% of private providers applied for loans 5 countries* 30% of providers that particpated in a Banking on Health intervention received loans in 6 countries*

* This figure is a weighted average from countries and financial institutions where data is available.

Outcomes	Status	Was the outcome reached?
	*Data on this outcome was not tracked in all countries where Banking on Health provided TA.	
In at least two countries, Banking on Health-organized private-health-sector trade shows are attended by a combined total of at least 1,000 health providers.	Philippines: 1,216 private providers attended trade shows Uganda: 1,713 private providers attended trade shows Zambia: 310 private providers attended trade shows Ethiopia: 75 private providers attended trade shows	Yes, outcome exceeded: 3,355 attendees 4 countries
Task C		
Loans are appropriately supervised and problems or issues related to the existing loans and the health objective conditions to the loan are brought to the attention of USAID.	All loans have been repaid.	Yes, outcome met
Repayments on existing loans are tracked, monitored and reported to USAID on a semi-annual basis. Appropriate measures are taken to restructure or otherwise address loans that may be at risk of non-payment or default. As loans are repaid, legal requirements to transfer collateral etc. are completed.	Repayments were tracked monthly and reported to USAID semi-annually. Banking on Health worked with delinquent borrowers to bring them current. As loans were paid, collateral was released as required.	Yes, outcome met
A low-cost monitoring system to continue to track basic health outcomes from the current Summa Foundation loans is designed and operational within six weeks following award of Banking on Health.	Tracking system was developed on schedule and was updated consistently for reporting to USAID.	Yes, outcome met
The Summa Foundation bank account is transferred within three weeks of award of Banking on Health. Repayment funds are consolidated and are transferred to USAID under the gift-acceptance authority by September 30, 2008.	Bank account was transferred as requested. A total of $2,611,703 was gifted to USAID during the Banking on Health project.	Yes, outcome met
Technical assistance is delivered as needed to Summa Foundation borrowers where that technical assistance was a condition of the loan agreement or if such technical assistance is needed to safeguard USAID's investment and ensure continued repayment.	Technical assistance was provided as needed or requested, including support to Benba Enterprises in Uganda Salud Integral in Nicaragua C&J Medicare in Ghana San Pablo Hospital Complex in Peru Clinica Sanangel in Nicaragua	Yes, outcome met: Technical assistance provided to 5 Summa borrowers

* This figure is a weighted average from countries and financial institutions where data is available.

Outcomes	Status	Was the outcome reached?
At the conclusion of the repayment periods for all the Summa Foundation loans, the Banking on Health contractor has disposed of all Summa Foundation assets and legal requirements as directed by USAID, working as necessary with the Summa Foundation's lawyers.	All funds were gifted to USAID by December 2008. Banking on Health closed the Summa Foundation's accounts and the Summa Foundation was legally dissolved in February 2009. All legal and tax requirements have been met.	Yes, outcome met