Tanzania Private Health Sector Lending

An Assessment of Needs, Gaps, and Opportunities

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Recommended Citation: Tran, Nhu-An, Stephen Sena, Mecklina Isasi, and Ignacio Estevez. 2016. *Tanzania Private Health Sector Lending: An Assessment of Needs, Gaps, and Opportunities*. Rockville, MD: Sustaining Health Outcomes through the Private Sector Plus Project, Abt Associates Inc.

Cooperative Agreement: AID-OAA-A-15-00067

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About SHOPS Plus: Sustaining Health Outcomes through the Private Sector (SHOPS) Plus is USAID's flagship initiative in private sector health. The project seeks to harness the full potential of the private sector and catalyze public-private engagement to improve health outcomes in family planning, HIV/AIDS, maternal and child health, and other health areas. SHOPS Plus supports the achievement of US government priorities, including ending preventable child and maternal deaths, an AIDS-free generation, and FP2020. The project improves the equity and quality of the total health system, accelerating progress toward universal health coverage.

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Tanzania Private Health Sector Lending: An Assessment of Needs, Gaps, and Opportunities

Contents

Acronyms

ADDO	Accredited Drug Dispensing Outlets
AMiF	Afya Microfinance Limited
APHFTA	Association of Private Health Facilities in Tanzania
BOA	Bank of Africa
BOT	Bank of Tanzania
CBO	Community Based Organization
CCBRT	Comprehensive Community Based Rehabilitation of Tanzania
CPD	Continuing Professional Development
CCT	Christian Council of Tanzania
CRDB	Cooperative Rural Development Bank
CSR	Corporate Social Responsibility
CSSC	Christian Social Services Commission
DCA	Development Credit Authority
EFTA	Equity for Tanzania
EIB	European Investment Bank
FBO	Faith-Based Organization
FI	Financial Institution
FTC	Financial Training Center Limited
GE	General Electric
HIV/AIDS	Human immunodeficiency virus infection/Acquired Immune Deficiency Syndrome
IFC	International Finance Corporation
IFM	Institute of Finance Management
MCF	Medical Credit Fund
MEFI	Medicines, Equipment, Facilities Infrastructure
MELSAT	Medical Laboratory Scientists Association of Tanzania
MEMS	Mission for Essential Medical Supplies
MMS	Mokasi Medical Systems
MOHSW	Ministry of Health and Social Welfare
MSME	Micro, Small and Medium Enterprises

MST	Medical Supply Store
NACTE	National Council for Technical Education
NGO	Non-Governmental Organization
NHIF	National Health Insurance Fund
NMB	National Microfinance Bank PLC
NPL	Non-Performing Loan
OOP	Out of Pocket Payments
PAR	Portfolio At-Risk
PEPFAR	The United States' President Emergency Plan for AIDS Relief
PFP	Private For-Profit
PMTCT	Preventing Mother to Child Transmission
PNFP	Private Not-For-Profit
PPP	Private Public Partnership
PRIDE	Promotion of Rural Initiative and Development Enterprises Limited
PRINMAT	Private Nurses and Midwives Association of Tanzania
PST	Pharmaceutical Society of Tanzania
SHOPS	Strengthening Health Outcomes through the Private Sector
SHOPS Plus	Sustaining Health Outcomes through the Private Sector Plus
SLA	Service Level Agreement
SME	Small and Medium Enterprises
TEC	Tanzania Episcopalian Council
THE	Total Health Expenditures
TTCIH	Tanzania Training Center for International Health
TZS	Tanzanian shilling
USAID	United States Agency for International Development
USD	United States Dollar
VSO	Voluntary Service Overseas

Executive Summary

1. Introduction

With increasing numbers of Tanzanians turning to the private sector for health care, private providers need financing to grow and improve their services. However, this sector is underfinanced, and banks do not lend to the sector in a significant way, thereby limiting the growth potential of private health care businesses. In 2014, USAID signed a five year Development Credit Authority (DCA) Guarantee with Cooperative Rural Development Bank (CRDB) designed to finance private health facilities, with 50% towards women-owned or operated facilities. To date, the bank has not utilized the facility.

SHOPS Plus is supporting USAID Tanzania's goals and is helping to address the lack of access to finance by working to strengthen the ability of private health providers to access and use financing. This will contribute to USAID Tanzania's efforts to stimulate health sector lending by working with CRDB and other financial institutions in the country.

In August 2016, SHOPS Plus partner Banyan Global sent a team of consultants to Tanzania to conduct a needs assessment of private health providers. The overall objective of the assessment was to evaluate their business and financial management training needs and to gain an understanding of their financing requirements.

The team conducted personal interviews with key informants, national and international experts, and other relevant stakeholders. The team met with representatives of the key active medical professional associations, covering a wide range of private health facilities (for-profit, non-governmental, and faith-based) in the country. The team also visited six private health facilities to learn about the owners' funding strategy/plans—two in Dar es Salaam, three in Arusha, and one in Moshi.

The team held meetings with eight financial services providers—four commercial banks, one finance company, and three leasing companies. In addition, the team met with medical equipment providers GE and Philips about their offerings and financing arrangements available to providers.

2. Demand-Side Findings: Private Health Providers

A. Business Management Skills

Interviews with the associations reveal that there are few ongoing training programs for strengthening business management skills of health facilities. There have been some efforts in the past to develop non-clinical curriculum for private health facilities but these have not been institutionalized and thus have been limited to one-off training events without any systematic follow-up.

Existing Initiatives

SafeCare. The Association of Private Health Facilities in Tanzania (APHFTA), Christian Social Services Commission (CSSC) and Private Nurses and Midwives Association of Tanzania (PRINMAT) have been working with PharmAccess Foundation to strengthen their capacity for access to finance. SafeCare is a quality framework aimed at developing and applying universal standards of service delivery in healthcare. The tool aims to incentivize providers to strive for

excellence in health service delivery and to invest in improvements to their facility through external financing. Feedback from the associations indicate that:

- SafeCare touches only minimally on financial management and business planning, so the rating does not provide sufficient information to banks of a provider's *credit worthiness*.
- The training provided by PharmAccess covers business management broadly but is not sufficiently comprehensive. The curriculum is also not tailored to the type of facility (i.e. hospital vs dispensary) or the type of personnel being trained (i.e. owner vs accountant vs administrator).

Training programs offered by associations. Most associations offer a continuing professional development (CPD) education program to members in order to maintain their professional certification and keep their knowledge up to date with current clinical research and practices. However, the offerings related to business and financial training are limited.

- APHFTA has established its own training institution, the Professional Development Institute for the benefits of its membership. The association is reported to be developing a curriculum but the team was not able to find out whether a business management component will be included.
- CSSC has initiated a "Business for Quality" program that aims to expand on the training received from PharmAccess. Through this initiative, the association seeks to change the mindset of its member facilities to become more business-oriented and entrepreneurial in managing and growing their health care business. The learning approach and curriculum appear to be in conceptual stage.
- Medical Laboratories Scientists Association of Tanzania (MeLSAT) provides continuing education program for its membership, mostly covering clinical training rather than business management.

Identified Opportunities

Several associations have expressed willingness to partner with SHOPS Plus to strengthen their membership's business management skills:

- CSSC – SHOPS Plus can assist in the development of its Business for Quality curriculum, potentially leveraging existing SHOPS resources such as the Business for Health training program. CSSC has offices all over the country through the dioceses, so has the appropriate infrastructure for holding training events.
- PRINMAT indicated that its network of maternity homes are operated by nurses and midwives with limited business management skills. The association would like their members to receive more in-depth training on entrepreneurship, bookkeeping, and business planning for its members who have expressed interest in expanding their existing maternity home.
- MELSAT feels that laboratory scientists need to be more entrepreneurial and should be more proactive in encouraging more investments in diagnostic capabilities at health facilities. The association has relatively few resources compared to other medical provider associations and would benefit from SHOPS Plus support for entrepreneurship and other business training.

- Pharmaceutical Society of Tanzania (PST) offers Continuing Professional Development in collaboration with the Pharmacy Council, which does not cover business management. Society members are requesting business and entrepreneurship training.
- APHFTA expressed no interest in receiving additional training in the short term; however, the organization may be willing to reconsider its needs in the future.

B. Access to Finance

Typical needs for financing expressed during the team's site visits and interviews with association members include:

- Facilities expansion – addition of maternity ward for in-patient, emergency obstetrics, and PMTCT services; addition of laboratory to strengthen diagnostic capacity, including HIV-related opportunistic infections.
- Equipment purchase – chemistry machine and other basic laboratory equipment for conducting simple diagnostic tests, including HIV testing.
- Simple infrastructure investment – purchase of solar panels for more sustainable power source, tiling of floors for improved infection control.

Providers' Experience with Borrowing

During the site visits, the team learned that some facilities with long-term banking relationships and a significant private donor base were able to secure financing at an interest rate below market rate, and also at a longer tenure: The team considers these loans to be exceptional cases rather than common practice by the banks for several reasons: (i) these loans were made to large and reputable facilities with a firm footprint in the community; (ii) these facilities have owners that are either expatriates (Arusha Lutheran Hospital and Comprehensive Community Based Rehabilitation of Tanzania) and/or prominent members within the health sector (Shree Hindu Mandal); and (iii) these facilities boast a solid base of private donors, institutional partners, and faith-based institutional backing.

To address supply chain issues for pharmaceuticals and medical supplies, CSSC and PST are in the process of launching self-funded initiatives to respond to distribution gaps at the Medical Supply Store (MST).

- Mission for Essential Medical Supplies (MEMS) is a company limited by guarantee owned by the Christian Council of Tanzania and Tanzania Episcopal Conference (TEC) to act as a supplementary supply chain system for faith based health facilities and not for profit health facilities in the country.
- The Pharmaceutical Society of Tanzania is considering forming a foundation through member contributions. The foundation would then on-lend funds to members to overcome business challenges, in particular distribution.

Constraints, Challenges, and Gaps

Representatives from CSSC, MeLSAT, and PRINMAT all agree that the main constraint for accessing finance is the lack of a business mindset among health providers. Most facility owners think of themselves as a social organization, and not a *social enterprise*, so their funding strategy is usually to seek donations rather than credit. Decisions about facility investments and expansion are often based on what donations can be received, rather than based on market demand.

For those with a concrete investment plan and management skills, the next biggest barrier is the level of collateral required by banks, and the high interest rate where the prevailing rates range from 20-25% per annum.

Revenue diversification is also a challenge for some smaller facilities. For example, PRINMAT maternity homes are not all accredited with the National Health Insurance Fund (NHIF) nor with private insurance schemes. Support to these facilities in registering and completing the accreditation process would result in more revenue diversification and increased cash flow. Coupled with the right training and business mindset, this type of support would increase the facility's debt service capacity and willingness to invest in new or improved services.

Weak financial management systems in facilities also mean that facility owners and operators often do not know their real financial situation beyond the basics like patient flow and monthly revenue. There is no understanding of what it means and why it's important to have cost centers so that the operator can determine which service(s) are revenue-generating and which are not, so that investments can be justified based on data, such as market/demand for services.

3. Supply-Side Findings: Financial Institutions and Other Financing Sources

Some lending is occurring in the health sector both to faith-based and for-profit providers, but not in a significant way. Diverse commercial financial institutions (FIs) including banks, micro lenders, and leasing companies are working in the sector. Suppliers, such as Philips and GE, also provide limited financing and work with leasing companies. Government and donors extend credit through credit enhancements (cash and partial credit guarantees) as well as subsidized and soft loan (concessionary) facilities. If not appropriately designed, the latter present risks of crowding out commercial sources of credit in the market.

A. Current Sources of Financing

A variety of private financial institutions are currently lending to the private health sector. They range from smaller institutions specialized in micro, small and medium enterprise (MSME) lending such as Pride, Access Bank, and Covenant Bank for Women, to larger banks such as Bank of Africa and National Microfinance Bank.

Two leasing companies, EFTA and Selfina, are currently working in the health sector and a third, Vaell, is in the exploratory phase. Leasing provides a potentially viable alternative to a bank loan since it eliminates the need for collateral (the equipment is owned by the leasing company and not the lessee). However, interest rates tend to be much higher than a bank loan (25-30% p.a.):

On the government side, NHIF has a lending window called MEFI (Medicines, Equipment, Facilities Infrastructure) where it provides loans to accredited health facilities for equipment purchase and facilities renovation at a highly subsidized rate of 10%.

The Medical Credit Fund (MCF) is a multi-donor guarantee fund that aims to increase bank lending to the private health sector. Unlike the DCA, the MCF can provide a cash guarantee to the bank whereby it deposits 50% of the loan amount disbursed to the provider into the lender's account as a guarantee. Borrowers are still subject to the same banking procedures and requirements and FIs are expected to lend at market rates, not subsidized rates. MCF has partnered with Bank of Africa and PRIDE in the past and is currently partnering with NMB and EFTA.

B. Financial Institutions Attitudes Toward the Private Health Sector

Most FIs interviewed are lending to the health sector in an opportunistic manner and are usually taking a transactional approach to lending. None of the FIs are targeting health care businesses as a specific market segment either through direct marketing or community outreach. There is no tracking at a granular level in the sector; for example, lending to pharmacies is often categorized as “trader” or retail sector. No FIs imparted any specific internal market research effort or industry analysis focused on the health sector. Only one of the FIs interviewed, EFTA Leasing, reported a specific product offering for the health sector.

FIs have limited institutional knowledge of the sector, particularly among credit and risk officers. While this context is typical of SME lending, the social nature of health service provision coupled with complex revenue streams and layered payments from user fees and claims reimbursements, presents unique challenges in appraising loans in segments small and large. Smaller and more rural dispensaries, clinics, and centers have very low record keeping and bookkeeping capacity. Loan officers are required to reconstruct cash flows in order to assess debt service capacity. Moreover, FI staff are usually accustomed to dealing with entrepreneurs so dealing with health providers that have a clinical background and little or no business acumen can be challenging

Despite these constraints, FIs do not have a negative view of the private health sector nor do they view them purely from a corporate social responsibility (CSR) perspective. FIs expressed awareness of policies and programs to increase PPPs in social sectors such as health, and more generally, the effort to mobilize more domestic sources of finance in a climate of reduced donor funding. However, they lack internal capacity to effectively define and assess the market opportunity in the health sector. Providing FIs with training and segmented market research briefs to define the sector, outline government policy, and market forces would be a useful resource for FIs to understand the opportunities and risks of the sector.

4. Recommendations

Short-Term Recommendations

1. Deliver targeted business training for private health providers

Targeted participants: Members of CSSC, PRINMAT, and MELSAT. Courses should be offered to different cadres of the health facility - senior management and board, and non-clinical staff like business/administration manager and finance manager. Training modules should have two tracks:

1. Managing your health care facility like a business (using select modules from the SHOPS Business for Health curriculum). Topics will include:
    - Entrepreneurship
    - Strategic planning and budgeting
    - Basic bookkeeping
    - Financial management – forecasting, modeling, scenario building

2. Understanding the financing options for your health care business. This will include:
    - Cost and benefits of donations, internal savings/reinvested surplus, supplier credit, bank credit, leasing
    - How to analyze the different credit offerings by banks, suppliers, leasing companies

- Understanding bank lending procedures and requirements
- Understanding borrower's rights – negotiating terms and conditions, fees and charges, grace period, etc.
- Role play – Making your "elevator pitch" to banks

2. Design a coaching/mentorship program for training participants

Concurrently with the training, SHOPS Plus should put in place a coaching/advisory program to enable participants to put into practice the skills and knowledge they have gained in a classroom setting. An integral part of the program will be the action plan developed by each participant/facility that will serve as a basis for monitoring and targeted technical assistance towards their goal. An internship or volunteer program can be considered to place business and finance students at a health facility to assist with specific business planning tasks.

3. Explore options for institutionalization of training courses

SHOPS Plus should work with CSSC to strengthen the capacity of their Business for Quality unit to deliver the business curriculum. The project should also help to develop additional tools for post-training monitoring and technical assistance of facilities.

SHOPS Plus should work with all professional associations to integrate business and entrepreneurship skills as part of their Continuing Professional Development programs. The project can identify a pool of potential trainers that can undergo a Training of Trainers and certification process.

SHOPS should also research the interest and capacity of existing business and finance training institutions and universities to house the training curriculum, linking to existing pre-service or in-service training for medical professionals where possible.

4. Provide technical support to CRDB for increased DCA utilization

APHFTA has been contracted by USAID to prepare a health sector assessment and conduct a technical workshop for CRDB senior management on health sector lending in an effort to increase DCA utilization. At the conclusion of this activity in October 2016, a follow-up meeting will need to be arranged between SHOPS Plus, USAID, and CRDB, to jointly discuss additional follow-up training and technical assistance needed by the bank. Potential activities can include:

- Support the bank in developing a sector specific value proposition. Sensitize CRDB in particular to SafeCare and CSSC business of quality program, and how these approaches can be used to feed into their credit offering and analysis.
- Provide loan officer training: understanding the health sector and how to analyze and assess the risk of a health care business, using a case study approach.
- Provide technical assistance on pilot testing of a health loan product, marketing and outreach
- Provide assistance in generating leads for loan applications and creating a loan pipeline.

5. Expand the definition of Qualifying Borrower in the DCA Agreement

The current agreement specifically states that loans will only be made to private for-profit health facilities. In order to enlarge the pool of qualified borrowers, SHOPS Plus recommends that USAID amend the agreement either to delete the word “for-profit” or to add “private not-for-profit health facilities” as a qualifying borrower.

6. Build awareness and knowledge about the private health sector in the financial sector

SHOPS Plus should organize a one-day orientation workshop on the health sector for interested non-DCA banks. This workshop should cover the types/categories of facilities, government standards for private health facilities, revenue streams, and market demand for health services. A market assessment brief for each type of facility can be prepared to demonstrate the diversity and size of the health sector. The workshop can include a question and answer session with association representatives and/or health facility manager to give financial institutions a first-hand perspective.

The workshop will give SHOPS Plus an opportunity to identify 3-5 financial institutions with whom it could collaborate more closely to build their capacity to serve the private health sector, whether through development of loan pipeline or financial literacy training for providers.

Targeted participants should include:

- National Microfinance Bank
- Access Bank
- Covenant Bank for Women
- Bank M Tanzania
- Pride Tanzania
- Bank of Africa
- Vaell (leasing company)
- Selfina (leasing company)

Medium-Term Recommendations

1. Pilot potential partnerships and co-funding models with private medical provider associations

The assessment has identified several funding opportunities that SHOPS Plus could facilitate with project preparation and matchmaking with the appropriate financial partner.

- MEMS is in need of additional funding to enter into the regional pooled funding initiative. SHOPS Plus should explore with NMB or CRDB regarding a potential wholesale loan to the company. Alternatively, USAID can also consider a portable guarantee for MEMS that it can use to “shop around” for commercial funds. Pending the SHOPS Plus ADDO study to be completed in October 2016, a similar approach can be used to capitalize Afya Microfinance for increased lending to ADDOs.
- The Pharmaceutical Society of Tanzania is interested in opening more pharmacies in rural areas. Potential financing partners can be Access Bank or Pride Tanzania—these FIs are already lending to pharmacies and their expansion strategy is to work in under-served areas.

- Facility upgrade to expand laboratory and diagnostic services at maternity homes – Potential partners, include PRINMAT and Covenant Bank for Women.
- Work with PRINMAT and the PPP Working Group to explore the possibility of private providers operating non-utilized public sector dispensaries. The PPP would entail Service level agreements (SLA) coupled with access to finance/project preparation.
- Identify potential lenders for financing the purchase and installation of solar panels (or alternative energy source) at rural facilities.
- Explore the possibility of bridge financing for construction and large equipment installations.

2. New product development

- Consider collaboration with PharmAccess to develop a SafeCare module that includes more robust criteria around business, accounting, and financial management for creditworthiness.
- Develop health sector specific credit scoring tools/enhancements for FIs, segmented to various facility levels and types. Tie these to the above SafeCare enhancements.
- Analyze NHIF reimbursements to determine whether significant delays in payment exist, the length of the delays, the number of providers affected, and the potential impact on providers' cash flow. The results of this analysis can help to identify a financing mechanism, through factoring or a payment guarantee fund, to alleviate the risk of these delayed reimbursements.

3. Research and knowledge sharing

- Develop a quarterly newsletter to financial institutions to inform about transactions, policy changes, opportunities, etc. If this information sharing product is deemed to be valuable, explore ways to institutionalize market information sharing in a more sustainable manner.
- Conduct research on the MEFI Loan Program to better understand the level of activity and performance of the program, crowding out of commercial credit, and viability from a policy standpoint.

4. Identify new opportunities for DCA

- Depending on the utilization rate of the existing health DCA by CRDB, USAID can consider establishing a new facility with other FIs. The mission may decide to discontinue the existing agreement with CRDB, if utilization does not increase following technical assistance and transfer the funds to the new facility, or can create a new facility that will run parallel to the current one.
- Potential FI candidates include Access Bank, Covent Bank for Women, and Bank of Africa.

5. Public Private Partnership

- Explore working with the NHIF to insure MEFI is not crowding out private credit. Assess opportunities for closer alignment with PPP initiatives to ensure adequate financing. One mechanism could be to build a data analytics model based on NHIF/MEFI historical

reimbursements to facilitate credit scoring by financial institutions. Another is to determine the feasibility of structuring a government guarantee program where NHIF can serve as a guarantor to lower the social risks of serving the sector.

- Examine existing SME guarantee facilities to determine whether there are opportunities to open a health sector window.

I. Introduction

With increasing numbers of Tanzanians turning to the private sector for health care, private providers need financing to grow and improve their services. However, this sector is underfinanced, and banks do not lend to the sector in a significant way, thereby limiting the growth potential of private health care businesses. In 2014, USAID signed a five year Development Credit Authority (DCA) Guarantee with Cooperative Rural Development Bank (CRDB) designed to finance private health facilities, with 50% towards women-owned or operated facilities. To date, the bank has not utilized the facility.

SHOPS Plus is supporting USAID Tanzania's goals and is helping to address the lack of access to finance by working to strengthen the ability of private health providers to access and use financing. This will contribute to USAID Tanzania's efforts to stimulate health sector lending by working with CRDB and other financial institutions in the country.

In August 2016, SHOPS Plus consortium member, Banyan Global sent a team of consultants to Tanzania to conduct a needs assessment of private health providers. The overall objective of the assessment was to evaluate their business and financial management training needs and to gain an understanding of their financing requirements. This assessment is the first activity under this component of the SHOPS Plus Year 1 work plan.

A. Learning Objectives

The specific objectives of this assessment are as follows:

1. Determine the business capacity of private health providers – operational management, financial management, staff management, business planning, etc.
2. Assess existing sources of business and financial management training for the private health sector – current offerings, gaps, and potential opportunities
3. Evaluate the financing needs of private health providers – level and nature of demand, attitudes towards financing, barriers and constraints in obtaining access including gender dimensions
4. Identify existing and potential financing sources for the private health sector – banks, microfinance institutions, associations, equipment suppliers, insurance schemes, etc.
5. Understand financial institutions' current experience in lending to the private health sector – total portfolio outstanding, proportion of overall lending, portfolio quality, management capacity of private health providers
6. Gauge financial institutions' interest in health sector lending – corporate social responsibility or commercially viable market segment, perception and appetite for risk, appropriateness of lending procedures.

B. Learning Objectives

The team utilized a combination of secondary and primary research in the preparation of this assessment report. Secondary research consisted of documentation review such as the 2013

SHOPS Private Sector Assessment report and the Ministry of Health and Social Welfare's Health Sector Strategic Plan for 2016-2020.

Primary research entailed personal interviews with key informants, national and international experts, and other relevant stakeholders. The team also visited six private health facilities to learn about the owners' funding strategy/plan—two in Dar es Salaam, three in Arusha, and one in Moshi.

The team met with representatives of the key active medical professional associations, covering a wide range of private health facilities (for-profit, non-governmental, and faith-based) in the country. The team also held meetings with eight financial services providers—four commercial banks, one finance company, and three leasing companies. The team was asked not to meet with the DCA partner bank CRDB during the trip due to some overlap in technical support contracts that may cause some confusion at the bank. Relevant information about DCA utilization and potential needs for future support are based on discussions with USAID.

The team also met with international implementers such as PharmAccess Foundation/Medical Credit Fund to understand their approach for and experience in supporting lending to the private health sector, and identify where there are potential gaps where SHOPS Plus can leverage existing efforts and deliver complementary assistance.

In addition, the team met with medical equipment providers GE and Philips about their offerings and financing arrangements available to providers.

A detailed list of interviewees is included in the annex.

II. Demand-Side Findings: Private Health Providers

According to the Ministry of Health and Social Welfare's (MOHSW) Health Sector Strategic Plan, as of 2014, there were a total of 8,215 health facilities in the country, of which 1,333 are private.[1] However, the number in the HSSP grossly under-counts the overall size of the private sector as private non-profit facilities (PNFP) are categorized as public sector.[2] Private non-profit health facilities include Faith-Based Organizations (FBOs), Non-Governmental Organizations (NGOs), Community-Based Organizations (CBOs) and voluntary agencies, and are considered to be the second largest group offering health services outside of the public sector.[3] While there is no definitive census of the private health sector, a rough calculation based on cross-referencing existing data sources shows that the total number of private health facilities is estimated to be approximately 2,401 (Table 1).

Table 1. Tanzania Health Sector: Public/Private Mix

Type of Facility	Public	Parastatal	Private For-Profit
Hospitals(a)	84	29	39
Health centers	484		78
Dispensaries(b)	5,092	168	1,123
Maternity Homes	-	-	22
Clinics(c)	12	-	71

I. Sources: MOHSW HSSP IV, MOHSW Health Facility Registry (http://hfr-portal.ucchosting.co.tz/index.php?r=facilities/facilitiesList), CSSC Presentation to SHOPS Plus team.
II. (a) Include national, zonal, regional, and district level hospitals
III. (b) ADDOs are not included in this count but are estimated to number at least 7,000.
IV. (c) Includes specialized clinics such as eye and dental clinics.

While the number of private health facilities is small compared to those of the public sector, it does not necessarily reflect the role and contribution played by the private sector in health service delivery. For the purpose of this assessment, the SHOPS Plus consultants met with representatives from five associations whose membership reflects the diverse and complex composition of the private sector:

[1] United Republic of Tanzania Ministry of Health and Social Welfare. *Health Sector Strategic Plan IV* (July 2015-June 2020).
[2] Many PNFP and FBO facilities have service delivery agreements with the government, however, the facilities are not owned by the government.
[3] White, James, Barbara O'Hanlon, Grace Chee, Emmanuel Malangalila, Adeline Kimambo, Jorge Coarasa, Sean Callahan, Ilana Ron Levey, and Kim McKeon. January 2013. *Tanzania Private Sector Assessment.* Bethesda, MD: Strengthening Health Outcomes through the Private Sector Project, Abt Associates Inc.

- APHFTA – Association of Private Health Facilities in Tanzania, is the main association representing the private, for-profit health providers, covering 750 facilities throughout Tanzania.
- CSSC – Christian Social Services Commission, is the main association representing nearly 900 FBO-affiliated health facilities, with inter-denominational membership representing the Tanzania Episcopal Conference (TEC) and the Christian Council of Tanzania (CCT).
- MELSAT – Medical Laboratory Scientists of Tanzania, is a professional association representing laboratory scientists who work in labs located within a health facility and standalone diagnostic centers.
- PST – Pharmaceutical Society of Tanzania, is a national professional association of pharmacists, pharmaceutical technicians, and pharmaceutical assistants.
- PRINMAT – Private Nurses and Midwives of Tanzania, is a professional association with 85 members that also operates a network of 22 maternity homes offering antenatal care (ANC), delivery, postnatal, family planning, health education, and prevention of mother-to-child transmission (PMTCT) and home-based HIV care services.

The following section discusses the team's findings with regards to the providers' business and financial management skills, and their experience in accessing external financing for their facility.

A. Business and Financial Management Skills

Interviews with the associations reveal that there are few ongoing training programs for strengthening business management skills of health facilities. There have been some efforts in the past to develop non-clinical curriculum for private health facilities but these have not been institutionalized and thus have been limited to one-off training events without any systematic follow-up.

1. Existing Capacity, Current Programs and Initiatives

SafeCare. APHFTA, CSSC and PRINMAT have been working with PharmAccess Foundation to strengthen their capacity for access to finance. The PharmAccess Group is an international non-profit organization that uses a multi-pronged approach covering provider services, quality standards, healthcare investments, health insurance, mHealth, and health analytics to strengthen the healthcare system in Africa. In addition to SafeCare, the Group also deploys the Medical Credit Fund, a donor funded guarantee facility that supports loans and technical assistance for private healthcare SMEs.

SafeCare is a quality framework aimed at developing and applying universal standards of service delivery in healthcare. The tool aims to incentivize providers to strive for excellence in health service delivery and to invest in improvements to their facility through external financing. Essentially, SafeCare is being used as a tool for seeding demand for investment and credit. Feedback from the associations indicate that:

- SafeCare touches only minimally on financial management and business planning, so the rating does not provide sufficient information to banks of a provider's *credit worthiness*.
- The training provided by PharmAccess covers business management broadly but is not sufficiently comprehensive. The curriculum is also not tailored to the type of facility (i.e.

hospital vs dispensary) or the type of personnel being trained (i.e. owner vs accountant vs administrator).

Training programs offered by associations. Most associations offer a continuing professional development (CPD) education program to members in order to maintain their professional certification and keep their knowledge up to date with current clinical research and practices. There have been limited offerings for business and financial training.

- APHFTA has established its own training institution, the Professional Development Institute for the benefits of its membership. The association is reported to be developing a curriculum but the team was not able to find out whether non-clinical topics that focus more on the business management aspects of operating a health facility will be included.[4]
- CSSC has initiated a "Business for Quality" program that aims to expand on the training received from PharmAccess. Through this initiative, the association seeks to change the mindset of its member facilities to become more business-oriented and entrepreneurial in managing and growing their health care business. The learning approach and curriculum appear to be in conceptual stage. In addition, CSSC is involved in improving the management and leadership skills of healthcare managers across the country through a four-module training program to strengthen core competencies in Human Resources, Financial Management, Quality and Safety in Healthcare, and General Operations and Management.
- MELSAT provides a continuing education program for its membership, mostly covering clinical training rather than business management. The association is planning to offer a course on entrepreneurship in 2017 which is still under development.

2. Remaining Gaps

Current offerings have limitations that point to unmet needs for business skills strengthening among private health providers:

- The trainings conducted to date have focused mostly on improving a provider's business management skills as a stepping stone toward obtaining financing. From the interviews conducted, there exist few trainings that focus solely on proper business management as the end goal. Absent are courses teaching fundamental management principles, strategic planning, or entrepreneurship for a health care business that can help facility owners and operators find the proper balance between quality of care, cost-effectiveness, and revenue generation.
- Most training programs tend to be classroom-based with no systematic follow-up or monitoring to ensure that providers are putting in place the appropriate systems and processes that could help them achieve better results, clinically and business-wise.
- Training is not accompanied by hands-on technical assistance or development of tools that can help providers fully realize the competencies gained in the classroom.
- Business training courses for health providers tend to stop when the donor-funded project ends since there is no effort to find an institutional home for the curriculum or a business model for delivering them on a financially sustainable basis.

[4] The team was not able to obtain details about the training institution during the meeting with APHFTA so this information is based on the limited written documentation that is available.

3. Identified Opportunities

Several associations have expressed willingness to partner with SHOPS Plus to strengthen their membership's business management skills:

- CSSC – SHOPS Plus can assist in the development of its Business for Quality curriculum, potentially leveraging existing SHOPS resources such as the Business for Health training program. CSSC has offices all over the country through the dioceses, so has the appropriate infrastructure for holding training events. The Business for Quality is a dedicated unit within the commission so there is an opportunity for SHOPS Plus to reinforce the organization's internal capacity in order to institutionalize the courses and also to provide post-training technical assistance to health facility managers and staff. Currently, CSSC has a model where providers identify areas of improvement and develop capstone projects by which the commission can use to follow-up. There is potential to scale up this model not only within CSSC but potentially with other interested associations.
- PRINMAT indicated that its network of maternity homes are operated by nurses and midwives with limited business management skills. The association would like their members who have expressed interest in expanding their existing maternity home to receive more in-depth training on entrepreneurship, bookkeeping, and business planning. .
- MELSAT feels that laboratory scientists need to be more entrepreneurial and should be more proactive in encouraging more investments in diagnostic capabilities at health facilities. For example, identifying and developing strategic investments with potential to generate new revenue. The association has relatively few resources compared to other medical provider associations and would benefit from SHOPS Plus support for entrepreneurship and other business training.
- PST offers Continuing Professional Development in collaboration with the Pharmacy Council. Society members are requesting business and entrepreneurship training.
- APHFTA expressed no interest in receiving additional training in the short term; however, the organization may be willing to reconsider its needs in the future.

Other Potential Training Partners. Given CSSC's size, it makes sense to strengthen existing training capacity within an association. But for low-resourced associations like PRINMAT and MELSAT, engaging an external training institution may be more effective. There are two options for partnering with an external training partner to roll out a business curriculum for health: one is to work with an organization that specializes in business training to develop and deliver a business curriculum that is tailored to the health sector; another is to work with a health training institution to broaden their curriculum beyond clinical instruction to include management and finance courses. There are several training institutions in Tanzania that might make suitable partners for SHOPS; however, the team did not have time to evaluate the capacity and interest of these institutions. Although more research is needed, below are three possible candidates:

- The *Institute of Finance Management (IFM)* is a public higher learning institution that offers competence-based training programs and courses that are accredited with the National Council for Technical Education (NACTE).
- The *Financial Training Center Limited (FTC)* is a modern training institution founded to educate, train and develop individuals for internationally recognized professional qualifications in Accounting, Business Administration, Marketing and Travel, Tourism & Hospitality Studies.

- The *Tanzanian Training Centre for International Health (TTCIH)* is a health training institution, established under a public-private partnership between the MoHSW, the Novartis Foundation, and the Swiss Tropical and Public Health Institute.

B. Access to Finance

While the majority of providers and representatives from provider associations expressed a need for financing, the demand for credit appears to be low for several reasons—lack of knowledge about financing options, aversion to debt, lack of collateral, and the perceived high cost of credit. A significant constraint is the absence of a business mindset among most providers.

Typical needs for financing expressed during the team's site visits and interviews with association members include:

- Facilities expansion – addition of maternity ward for in-patient, emergency obstetrics, and PMTCT services; addition of laboratory to strengthen diagnostic capacity, including HIV-related opportunistic infections.
- Equipment purchase – chemistry machine and other basic laboratory equipment for conducting simple diagnostic tests, including HIV testing.
- Simple infrastructure investment – purchase of solar panels for more sustainable power source, tiling of floors for improved infection control.

1. Existing sources of revenue for providers

The majority of private health facilities have different sources of funds and revenue streams:

- Service Level Agreements (SLAs) with the government. This is a relatively stable source of revenue, though payment delays and under-payments do occur. Providers also complain that the capitation does not reflect the true cost of service delivery since for public facilities, staff salary and other operating costs are being paid for by the government while private facilities have to bear most of these costs directly.
- Reimbursements through the National Health Insurance Fund (NHIF) and private insurance schemes. As of June 2015, there were a reported 6,815 accredited facilities under the NHIF, though data as to the number of private health facilities are not readily available. While the NHIF and other private insurance schemes represent another potentially stable source of revenue for providers, insurance still comprises a small part of total health expenditures in the country (~3-4%). On the flip side, some providers do not capture all potential revenue from covered services.
- Private donations through faith-based organizations, individuals, or other philanthropic organizations outside of Tanzania. Donations tend to be the preferred method of financing for FBO facilities; the main disadvantage of private and charitable donations is that they tend to be piecemeal. Providers often have little control over how much money will be raised and when they will receive the funds. In the case of in-kind donations, the type and quality of equipment received may not be appropriate. It may also be difficult to service due to lack of parts or not suitable for the Tanzanian climate or harsh conditions, especially in rural areas.

- Out of pocket payments (OOP) from clients. Dependence on out-of-pocket payments remains high nationally, comprising 27% of total health expenditures in 2011/2012. For private health facilities, OOP remains the main source of revenue.

2. Financing Initiatives by Professional Associations

To address supply chain issues for pharmaceuticals and medical supplies, CSSC, through the Mission for Essential Medical Supplies (MEMS) and PST are in the process of launching self-funded initiatives to respond to distribution gaps at the Medical Supply Store (MST).

MEMS is a company limited by guarantee owned by the Christian Council of Tanzania and Tanzania Episcopal Conference (TEC) to act as a supplementary supply chain system for faith based health facilities and not-for-profit health facilities in the country. MEMS began as a not-for-profit project in 2003 with support from DANIDA and MSF. It was officially spun off into a separate company in 2013 and the Board appointed a new Managing Director in July 2016. Currently, MEMs offers a list of 60 different products, including HIV, FP/RH and other essential commodities. MEMS is mandated to carry out the following roles:

- supply chain for medicines and medical supplies
- capacity building for health facilities in terms of stock control, quality assurance and rational use of medicine
- quality assurance—screen and check the quality of imported products and supplies

In order for MEMS to enjoy the benefit of economies of scale, MEMS partnered with other like-minded ecumenical companies in Uganda, Kenya, and Rwanda to establish a regional pooled procurement model coordinated by the Ecumenical Pharmaceutic Network (EPN). EPN will be issuing the first pooled procurement tender in September 2016 for 34 products.

While MEMS has already received prepayments from several facilities for stock, the company will need to raise about US$ 600,000 to be able to participate in the pooled procurement. They are now looking to raise funds and are open to take a loan from a financial institution if the interest rate is “manageable.”

The Pharmaceutical Society of Tanzania is considering forming a foundation through member contributions. The foundation would then on-lend funds to members to overcome business challenges, in particular distribution. This is an area that SHOPS Plus could help to support. PST is also considering activities in real estate, surveying plots etc. for potential sites and getting involved directly in the supply chain in manufacturing and distribution. Pharmacies are currently clustered in urban areas and the Society is interested in encouraging more rural expansion. The foundation would begin in Dar es Salaam and then expand through member support.

3. Providers’ experience with borrowing

According to research conducted by APHFTA, out of the 150 members surveyed, at least 50% has applied for bank loans and slightly less than half of the applicants were granted loans.[5] The research also reported that facilities who had unsuccessfully applied were unlikely to apply again. The reasons given were: high interest rates (52%), too many conditions (26%),

[5] APHFTA, *Private Health Sector Financing Needs Assessment Report*, September 2016 (Internal draft).

unachievable conditions (11%), lengthy loan approval process (9%) and other reasons, such as request for kickbacks by bank credit officers, bad customer care etc. (3%).

During the site visits, the team learned that some facilities with long-term banking relationships and a significant private donor base were able to secure financing at an interest rate below market rate, and also at a longer tenure:

- Shree Hindu Mandal Hospital received a US$ 500,000 loan from MBank for equipment and expansion, at a favorable interest rate of 10-11%, a six-month grace period, and a tenure of three to four years.
- Arusha Lutheran Medical Center in Arusha financed construction of its facility with a USD 3.5 million loan from CRDB. With the hospital serving as collateral, the Medical Center was able to secure a 30-year tenor at 8% interest rate. Given the religious affiliation of the hospital, the bank was willing to reduce the interest rate and schedule the loan payments to be more in line with the hospital's cash flow.
- Community-Based Rehabilitation Therapy (CCBRT) is financing its new private maternity ward with a US$3 million loan from Bank of Africa at a 5% interest rate over ten years.

The team considers these loans to be exceptional cases rather than common practice by the banks for several reasons: (i) these loans were made to large and reputable facilities with a firm footprint in the community; (ii) these facilities have owners that are either expatriates (Arusha and CCBRT) and/or prominent members within the health sector (Shree Hindu Mandal); and (iii) these facilities boast a solid base of private donors, institutional partners, and faith-based institutional backing.

4. Remaining constraints, challenges, and gaps

Representatives from CSSC, MELSAT, and PRINMAT all agree that the main constraint for accessing finance is the lack of a business mindset among health providers. According to these organizations, most facility owners think of themselves as a social organization, and not a *social enterprise*, so their funding strategy is usually to seek donations rather than credit. Decisions about facility investments and expansion are often based on what donations can be received, rather than based on market demand. Some facilities welcome well-intentioned donations of used and surplus equipment that may be incomplete, require service/maintenance, or lack a viable market to generate revenue. These "assets" may never become operational or fall into disrepair. Besides diverting attention and resources of management and staff, these assets are also unlikely to meet collateral requirements, especially in the case of used equipment.

Revenue diversification is also a challenge for some smaller facilities. For example, PRINMAT maternity homes are not all accredited with NHIF nor with private insurance schemes. Support to these facilities in registering and completing the accreditation process would result in more revenue diversification and increased cash flow. Coupled with the right training and business mindset, this type of support would increase the facility's debt service capacity and willingness to invest in new or improved services.

Weak financial management systems in facilities also mean that facility owners and operators often do not know their real financial situation beyond the basics like patient flow and monthly revenue. There is no understanding of what it means and why it is important to have cost centers so that the operator can determine which service(s) are revenue-generating and which are not, so that investments can be justified based on data, such as market/demand for services.

For those with a concrete investment plan and management skills, the next biggest barrier is the level of collateral required by banks, and the perceived high interest rate where the prevailing rate ranges from 20-25% per annum.

III. Supply-Side Findings: Financial Institutions and Other Financing Sources Serving the Private Health Sector

Lending is occurring in the health sector both to faith-based and for-profit providers. Diverse commercial financial institutions (FIs) including banks, micro lenders, and leasing companies are active in the sector. Suppliers such as Philips and GE also provide limited financing and work with leasing companies. Government and donors extend credit through credit enhancements (cash and partial credit guarantees) as well as subsidized and soft loan (concessionary) facilities. If not appropriately designed, the latter present risks of crowding out commercial sources of credit in the market.

Uncertainty around government policy and the general business environment came up frequently in discussions with financial institutions. This included tax policy changes reportedly under consideration that would require the retroactive collection of unpaid taxes as far as back as ten years. There is also a possibility that even non-profit and faith-based organizations will be required to pay taxes on net earnings. On the lender side, FIs shared concerns about overall loan performance in existing portfolios and credit quality. The central bank (Bank of Tanzania – BOT) has been tightening credit through policy measures such as increasing capital requirements for banks. All these changes in the regulatory and policy environments may adversely impact banks' willingness to lend in general and dampen their appetite for engaging with social sectors such as health.

A. Current Sources of Financing

The following is a summary of discussions held with various sources of financing for the private health sector. The list of institutions is by no means exhaustive as the team was not able to meet with all targeted institutions, but we feel it fairly reflects current lending practices to private health care businesses.

1. Private Financial Institutions

Access Bank is a full-service commercial bank targeting micro, small, and medium size enterprises (MSME) through 13 branches in peri-urban and rural areas of Dar es Salaam, Lake, and Southern Highlands regions. After nine years in Tanzania, Access has a total portfolio of TZS 160 billion (US$ 76.2 million)[6] and a health sector portfolio of approximately TZS 7 billion (US$ 3.3 million) or 4% of total portfolio outstanding. All loans are individual (no group lending), ranging from TZS 100,000 to TZS 1 billion (US$ 48 – 475,000). Interest rates range from 1.5 to 6% per month and average tenor is one year, going up to five years for SMEs.

The percentage of the portfolio at risk (PAR) greater than 30 days (PAR 30) is around 7%. Credit quality is suffering in regions with more competition, as much as 15 to 20% of the

[6] This report uses an exchange rate of US$ 1 = TZS 2100

portfolio at PAR 30. There is concern about credit quality eroding due to market and macroeconomic uncertainty. Further uncertainty lies in expected tax policy changes that could see the government going back ten years to collect unpaid taxes.

The Bank tailors its loan-servicing schedule according to a borrower's cash flow. In addition to health, the bank also lends to schools as part of its mandate to lend to under-served sectors. Access does not have specific health sector products, and does not have capacity to analyze the health market in detail. The institution is in the early stages of potential cooperation with PSI-affiliated social franchise network and pharmacies.

Challenges in the health sector for Access Bank are the required larger loan sizes that necessitate longer tenures. Credit assessment is tricky as there is little data and providers are difficult to collateralize often requiring a third-party guarantor. There is a perception that lagging insurance claims reimbursements presents a risk to debt service capacity. This includes reimbursements from private insurers said to be "holding onto cash for a long time" and "losing money."

Equity investors in Access bank include the International Finance Corporation (IFC), GiZ, and Microvest. Current operations are financed through a local currency credit line with the European Investment Bank (EIB) and international borrowings. Cost of funds is an issue however, as the bank is growing at 34%. The bank also cooperates with MasterCard Foundation, CARE, and the Bill and Melinda Gates Foundation.

Access Bank's expansion strategy focuses on opening branches and points of service where there is no access, particularly in the southern and southern highlands zones. These zones also happen to have high HIV prevalence rate and are PEPFAR priority zones. Access Bank may be a good financial partner for facilities seeking to expand service delivery in those zones.

Covenant Bank for Women is a financial institution with a social mandate to serve small and excluded market segments, particularly women (56% of borrowers) and young entrepreneurs in rural areas. This mandate includes lending without collateral at "full risk" for group loans, and reduced collateral (<100%) for individual loans. Average loan size is TZS 50 million (US$ 24,000), with a maximum loan amount of TZS 700 million (US$ 333,000). Covenant provides orientation, business training, and advisory services to their borrowers as part of their social mission and as a means to reduce risk.

The bank has made a few loans in the health sector though their exposure is quite small (less than 1% of total portfolio outstanding) relative to other sectors. While health is not a targeted market segment, there is interest in learning more about the sector. Covenant provided a TZS 50 million loan to a clinic and diagnostic center in Arusha, and has also extended loans for equipment and short-term working capital to two other private facilities.

Health insurance is mandatory for all borrowers, which supports underwriting (complements collateral).The FI partners with AAR Health Center network for this coverage, charging borrowers – and depositors – TZS 360,000 (US$ 171) per year for a family of four. A Health Savings Account is established where clients deposit a minimum of TZS 10,000 (US$ 5) and top up the account using a mobile platform until it reaches the first year premium. Covenant earns a 25% commission on each beneficiary.

The FI was initially capitalized by shareholders; it is a deposit-taking institution and earns revenue from other services. A local currency TZS 30 billion (US$ 14.3 million) 5-year bond issuance is planned for late 2016. Proceeds are expected to cover branch expansion, mobile banking, development of an agent network, and migration to a new core banking system. Covenant is seeking a guarantor for the bond issuance.

National Microfinance Bank of Tanzania (NMB) is a MSME lender with national coverage and a small health portfolio less than one percent of total outstanding loans. Loan sizes range between TZS 500,000 to TZS 1.5 billion (US$ 230 – 714,000). Hospitals, health centers and pharmacies have borrowed for equipment and working capital. NMB provides support to microenterprises to get books in order and prepare loan applications. Micro loans (up to TZS 30 million or US$ 14,000) are approved at the regional level using credit scoring. Loans above TZS 100 million (US$ 48,000) go to headquarters for approval. The collateral requirement is 100% of loan value, primarily land and property. In limited cases, NMB may accept equipment as collateral. In addition to an interest rate of 2 to 3% per month, applicants pay an application fee of 1.5 to 2%, and pay fees for required credit and fire insurance (1.3%) on approved loans. When taking into account these fees, the effective interest rate of a NMB loan is closer to 50% p.a.

In 2015, NMB renewed a partnership with the Medical Credit Fund (MCF). In the prior arrangement,[7] first-time health borrowers applied for a short-term (6-month tenor) loan to test the waters. NMB reported that health sector borrowers comprised a very small share of their overall portfolio. Defaults were very low, attributed to APHFTA's support for the first MCF-NMB partnership, where the association facilitated the application process and packaging of loans for providers. For the new arrangement, APHFTA is not involved and NMB has yet to receive credit officer training, nor a pipeline of qualified leads in the agreement with MCF.

NMB does not have any current products tailored to the health market. Credit assessment of health providers is "very difficult" with collateral noted as the "biggest constraint." Training needs at NMB included better understanding of the health market for loan officers and headquarters risk staff. Training health providers in business basics, bookkeeping, etc. was noted as something that would be beneficial.

Bank of Africa (BOA) is a large commercial bank with 23 branches, 12 in Dar es Salaam and the remainder in key regions in Tanzania. BOA's 2015 loan portfolio was reported at just over TZS 300 billion (USD $143 million),[8] mainly serving SMEs. Loan sizes range from TZS 10 million to TZS 1 billion (US$4,800 - 480,000), with typical loan size of TZS 40 million (US$ 19,000). BOA also has a lease product focused mainly on vehicles (across sectors and segments) and construction equipment. BOA's health sector portfolio includes construction and working capital loans to larger hospitals (CCBRT and Kairuki Hospital) and mid-size pharmacies.

Repayment problems are emerging in the SME segment. The transportation sector is reported to be very weak and largely "at risk." Construction is also showing weakness. Traders and wholesalers (including pharmacies) are performing well and is a sector of continued interest for the bank.

The Bank reported that its use of the (mandatory) Credit Reference Bureau service is proving valuable to loan underwriting. The sharing of information has helped banks. Borrowers are also "more aware" and a culture of financial discipline is entering the market.

BOA has a partnership with MCF that is currently on hold. MCF referrals to BOA have been mainly smaller providers taking small loans and having repayment challenges. BOA has found these to "not be worth the trouble". Larger loans are difficult to collateralize and the bank did not

[7] NMB's prior arrangement with MCF had lapsed in 2013.
[8] Source: http://www.boatanzania.com/rapport-dactivites,accessed September, 2016

want to tap the cash guarantee offered by MCF, which would require them to follow a different set of procedures for credit analysis that were time-consuming and complicated.

BOA is interested in the health sector, but additional training is required, including better understanding of the type of equipment that providers need and what investments make business sense. BOA expressed concerns about the social risk of taking a hospital as collateral, with less aversion to lending to larger well-established hospitals such as CCBRT. The bank is potentially interested in a DCA if the guarantee could help with collateral issues, and if the risk sharing can be increased above 50% for larger loans.

PRIDE Tanzania is a micro lender based in Arusha with 70 branches nationally targeting active businesses and individuals including the health sector. Loan size ranges from TZS 4 million to TZS 10 million (US$ 1,900 to 4,800); terms are 22-24% interest rate for 6 month to 3 year tenor loans. Landed property valued at 100% of loan amount is required as minimum collateral; though typically collateral is set “slightly higher” than loan value. Pharmacy clients are classified as traders (or retail sector), which represents 70% of a total TZS 73 billion (US$ 35 million) portfolio. PRIDE has also provided loans to clinics in the past. The biggest constraint in the health sector is that the very small providers PRIDE works with do not have good record keeping. As a result the loan officer must work to reconstruct cash flows.

PRIDE targets clients with 2-3 years operational experience and aims to put clients into a mainstream banking mindset. Cash flow analysis is key to loan underwriting. PRIDE also meets with suppliers and customers to get a 360-degree view of borrowers’ capacity and character. PRIDE has its own internal credit scoring and subscribes to the BOT’s Credit Reference Bureau.[9] PRIDE reported that although relatively new, the perception is that they are working well despite having only three years of data. Loan approval takes place at the branch, regional, and headquarters levels.

Credit quality was reported as “good”, with a non-performing loan (NPL) rate of 4-5%. The potential for NPL to rise to 6% was noted due to a recent business slowdown adversely affecting borrowers’ cash flow and liquidity, especially with wholesalers.

PRIDE does not take deposits. Financing is mainly through European sources and some local short-term borrowings. Financing was noted as a constraint to growth and PRIDE is interested in longer-term financing in order to extend loan tenor up to six years. In 2010, PRIDE issued the first microfinance bond in Sub-Saharan Africa. USAID partnered with PRIDE to provide a 75% DCA guarantee on the 5-year, USD $10 million local currency issuance. The bond was oversubscribed by 22%. Investors included banks, fund managers, insurance companies and individuals. Proceeds were used to open new branch offices to expand PRIDE’s footprint and client base.

Staff training and technical assistance in lending to the health sector would be beneficial to PRIDE’s operations. PRIDE links clients to training houses for entrepreneurship and bookkeeping skills. The team did not ascertain who pays for this training.

Afya Microfinance Limited (AMiF) was founded by APHFTA in 2012 to provide specialised loans for the health sector that would cover smaller facilities such as ADDOs, pharmacies, dispensaries, and maternity homes. AMiF started operating as an autonomous subsidiary in 2015 though APHFTA owns 99% of the company. AMiF makes loans for working capital to enable providers to purchase basic lab and MNCH equipment, maintain stock of basic commodities and drugs, etc. The company also gives investment loans for facility

[9] Three firms are currently providing credit bureau services in Tanzania.

renovation/upgrade, new services and expansion. Loan sizes range from TZS 500,000 (US$ 240) to TZS 30 million (US$ 14,000), and the interest is reportedly below the rate offered by other microfinance institutions. To date, AMiF has disbursed loans to 236 providers totaling TZS 1.53 Billion (US$ 730,000), with a portfolio at risk below 1%.[10] The main challenge for AMiF is capital, specifically access to cheap sources of funds so that it can continue to charge below market interest rates. Sustaining this model over the long term will be a further challenge.

2. Leasing Companies

Two leasing companies are currently working in the health sector (EFTA and SELFINA), and a third is in an exploratory phase (Vaell). Leasing provides a potentially viable alternative to a bank loan since it eliminates the need for collateral (the equipment is owned by the leasing company for the term of the lease, and not the lessee). While the nominal interest rate charged is much higher than a bank loan ((25-33% p.a.), there are no additional fees (processing, insurance, etc.) so the actual cost of the loan may be the same and potentially cheaper.

Equity for Tanzania (EFTA) was launched in 2003 as a subsidiary of Equity for Africa (UK), and targets SMEs with an established client base in the agricultural sector. EFTA has relationships with three health care suppliers to date, and has entered into eight lease agreements with hospitals, clinics, and labs.

The company recently launched a health lease product supported by a MCF guarantee. The product includes: 1) arrangements with vetted suppliers for maintenance and service for 3 years, 2) supplier buy back in the case of default, 3) an intensive appraisal process that filters out less formal providers, 4) utilization of the PharmaAccess SafeCare quality framework to "underpin" its credit assessment, and 5) up to a two month grace period for equipment to be delivered and installed. With the MCF cash guarantee, EFTA is able to deduct 4 percentage points from its usual interest rate of 32%.

EFTA noted that suppliers have expressed a need for leases due to a general business climate where banks "keep borrowers in limbo" with layers of documentation, collateral appraisal, etc. In comparison, EFTA targets a 2-week decision process with vetted suppliers for its clients. For the health sector, the smallest lease they will do is TZS 20 million (US$ 9,600) for up to five pieces of equipment bundled into a single lease. EFTA is developing a series of training videos to help clients prepare applications.

EFTA reports a good relationship and value from the MCF/PharmAccess partnership. MCF provides referrals and has supported EFTA with a top side review of health sector leases from the MCF team in Holland. In 2012, EFTA mobilized a first loss catalytic impact investment from the Dutch government. UK-based AgDevCo provides debt and equity financing, and EFTA has received loans from CordAid and technical support from the IFC and other donors. The firm currently holds a DCA that does not target any particular sector.

Selfina is a small women-owned FI based in Dar es Salaam that provides leases primarily to women-owned small businesses in a variety of sectors including health. Size of leases varies from TZS 300,000 to TZS 25 million (US$ 140 – 12,000). Lease terms depend on the value of the equipment and cash flow of the lessee. Average tenor is one year with a range of 6 to 18 months. Interest rate is typically in the range of 2.8% monthly (33.6% per annum).

[10] The team was unable to meet with AMiF so this information is taken from a draft unpublished report prepared by APHFTA for USAID DCA.

Selfina has worked with some clinics, pharmacies, dispensaries, and one hospital. Typical health leases are for equipment such as autoclaves, x-ray machine, and even beds and mattresses. A small dispensary in Mbeya was noted as having multiple leases over 3-4 years. In other sectors leases are for vehicles, freezers, and storage equipment. Borrowers can access working capital through Selfina's lease buyback program, but this window is not performing well. Selfina is very open to develop new products according to demand.

The organization seeks to empower its clients to grow and graduate to bank financing. Prior to reaching agreement on a lease, Selfina offers sensitization through training in basic business management skills, entrepreneurship, and HIV/AIDS awareness to empower women living with AIDS and orphans. Clients provide a one-page proposal stating the business need and anticipated outcome, then work with a loan officer to evaluate and assess capacity to service the lease. Leases are provided to start-ups and business expansions.

Selfina works with suppliers reporting that while some provide financing, at times they too are capital constrained. For assets in high demand, Selfina has purchased and maintained inventory in the past.

Selfina's cost of capital was noted as being as high as 24%, primarily through short-term borrowings from local banks. Selfina is negotiating longer tenor financing of five years, possibly with CRDB.

Vaell Leasing provides fleet vehicle, agricultural, and industrial equipment operating leases. Operating leases are different than the financial leases offered by EFTA and Selfina. In a financial lease, the lessee uses the leased asset for most of its lifecycle, as with loans. An operating lease is a lease whereby all the risks and rewards incidental to ownership over the leased asset remain with the lessor. In Vaell's case, the leasing company signs a loan agreement with a local bank to purchase the equipment, and is responsible for collecting payment from the lessee. The loan terms are tied to the lease tenor and the lessee does not have a direct relationship with the bank.

Vaell is active in the health sector in Kenya where it has a partnership with Philips. In Tanzania, Vaell is in early discussions with the local Philips distributor to replicate the Kenya partnership to serve the health sector in Tanzania.

3. Government and Donor-Supported Initiatives

MEFI (Medicines, Equipment, and Facilities Infrastructure) is a lending window offered by the NHIF. MEFI provides loans to health facilities for medicines, equipment purchase, and facilities renovation at a highly subsidized rate as low as 10 percent. The program was started 5-years ago and has 300 loans in its portfolio. Loans are repaid in installments, with the amount deducted from the facility's monthly claims reimbursement payment. The size of the loan depends on the facility's claims volume; as a policy, each installment should not exceed 30% of the facility's historical monthly claims payout. Tenor is between 3 to 5 years with grace periods ranging from 6 to 23 months.

NHIF Directorate of Finance, Planning, and Analysis staff performs analysis and underwriting of loans. Currently, borrowers must use only NHIF approved suppliers and vendors, and procurement is through government channels. NHIF is seeking to change this so that facilities can select their own suppliers with regional offices providing oversight. For construction loans, NHIF staff reviews plans and vets developers. NHIF also oversees construction and disperses funds to builders.

NHIF reported that policy makers have recently sought to reduce government activity in loan programs such as MEFI. As a result, the Ministry of Finance (MOF) now reviews and approves all MEFI loans, causing delays in loan underwriting. The MOF target rate for government loans is 17 percent. NHIF reported that the government's concerns are mainly associated with expansive pension fund lending for large construction projects that resulted weak performance. NHIF expects that the MEFI will be able to continue.

The Medical Credit Fund (MCF) is a multi-donor guarantee fund that aims to increase bank lending to the private health sector. Unlike the DCA, the MCF can provide a cash guarantee to the bank where it deposits 50% of the loan amount disbursed to the provider into the lender's account as a guarantee. Borrowers are still subject to the same banking procedures and requirements, and the loan terms and conditions are not subsidized though lending institutions may choose to offer more favorable terms depending on their risk appetite. MCF has partnered with Bank of Africa and PRIDE in the past and is currently partnering with NMB and EFTA.

Reaction from bank partners has been mixed, as has the overall level of lending compared to other countries where MCF operates; Tanzania is lower relative to Kenya and Ghana, and above that of Nigeria. Most FIs report that MCF has not provided consistent training nor brought the expected number of credit worthy health facilities. In one instance (BOA) MCF referrals were mainly smaller providers taking small loans experiencing repayment challenges. Larger loans were difficult to collateralize. MCF indicated that the banks are not being responsive and flexible in their loan appraisal process and that high turnover among bank staff diminished the effectiveness of any training provided.

4. Health Sector Equipment Suppliers

Mokasi Medical Systems (MMS) is the Tanzania authorized distributor of Philips. MMS reported that the private health sector is in ascendance with strong interest of late. Clients include medium to large private facilities, and the public sector. Purchasing is reportedly down in the public sector but a new DANIDA funded project at 27 public hospitals was noted. MSS requires a track record in order to offer financing for smaller health facilities. On the lower end, doctors are seeking to open diagnostic clinics but lack financing. Sales are strong in diagnostic and operating theatre equipment. Currently MSS is not active in lab equipment, but planning to gear up over the next six months to serve the laboratory segment.

MMS's primary role is a distributor so it only provides limited short-term financing to select clients. Initial pricing for equipment is without financing. Price includes training, installation, and a 1-year warranty. Then they look at financing options. MMS offers clients an installment plan paid over 5-6 months. MSS is also exploring partnering with banks and leasing companies – although doubts were expressed about the fairness and transparency of the vendor selection and procurement process utilized by these institutions.

Philips is an NHIF/MEFI authorized supplier. Clients and NHIF come to Philips jointly to finance and procure equipment purchases. This business was noted as not being very big for Philips.

GE Healthcare operates in Tanzania providing ultrasound, CT Scan and MRI equipment primarily to hospitals, but also smaller facilities both private and public. GE reported a good pipeline for its equipment, and that there is a big drive for private sector involvement in the health sector. Interest from Indian providers seeking to invest in Tanzania was also noted. GE is working with EFTA leasing.

In 2012, GE piloted an innovative handheld ultrasound scanner starting at US$ 4,000 in Tanzania with support from the Millennium Challenge Corporation (MCC). Designed specifically

for the Africa marketplace, the device was first piloted in Ghana. Initially, clinicians creatively used smart phones to take photos of the device screen and then transmit to specialists using applications such as WhatsApp. GE has since improved the device with storage and patient data and believes it has strong potential with midwives and in rural settings, provided there is sufficient training.

GE reported that in Ghana, the device is now being rolled out to all rural hospitals and distribution in Nigeria and Ethiopia will follow. In Tanzania, discussions with MOHSW to roll out the device stalled during the last election cycle, but GE is re-introducing the idea. GE has also linked up with the NGO Voluntary Service Overseas (VSO), which purchased the device for use in southern cities of Mtwara and Lindo. Hospitals and clinics in Tanzania have expressed interest to GE, but procurement was a challenge.

Another piece of equipment that GE offers is a natural gas engine generator that can run continuously and is 40% less costly than its diesel equivalent. GE believes the energy situation in Tanzania (expensive and inconsistent electric supply and abundant natural gas) makes this an attractive replacement for diesel back-up generators in hospitals.

B. Financial Institution Attitudes toward the Health Sector

1. Perception and knowledge about the sector

Most FIs interviewed are lending to the health sector in an opportunistic manner and are usually taking a transactional approach to lending. None of the FIs are targeting health care businesses as a specific market segment either through direct marketing or community outreach. There is no tracking at a granular level in the sector; for example, lending to pharmacies is often categorized as “trader” or retail sector. No FIs imparted any specific internal market research effort or industry analysis focused on the health sector.

Only one of the FIs interviewed, EFTA, reported a specific product offering for the health sector. CRDB is reportedly planning to hire a consultant to review their lending products to assess whether there is a need to develop a health sector-specific product. Banks with long-term health sector clients are developing more tailored loan structures with favorable terms. Microlenders offer services and terms amenable to very small facilities (dispensaries, labs, etc.), with start-up potential in certain cases.

2. Key Constraints

For larger FIs, strict underwriting policies regarding collateral requirements, higher interest rates to offset risk, and short-term tenors are key constraints.[11] Even FIs utilizing credit enhancements from guarantee facilities such as MCF were not able to overcome these constraints substantively over time. Banks are also leery of perceived social risks of the sector (foreclosing on a hospital), accentuated in the case of lending to faith based providers (foreclosing on property owned by a congregation or diocese).

Smaller FIs have more flexibility in underwriting and terms due to their social mission. However, the smaller FIs are constrained by high costs of capital to finance borrowing often with currency

[11] It is unclear whether the collateral requirements are strictly enforced by the BOT or reflect internal policies of the financial institutions. It is the team’s impression that there is more leeway in the BOT guidance than as currently interpreted by banks.

and tenor mismatches presenting exchange rate risks in the case of the former, and restricted loan sizes in the case of the latter.

FIs have limited institutional knowledge of the sector, particularly among credit and risk officers. While this context is typical of SME lending, the social nature of health service provision coupled with complex revenue streams and layered payments from user fees, claims reimbursements, presents unique challenges in appraising loans in segments small and large. Smaller and more rural dispensaries, clinics, and centers have very low record keeping and bookkeeping capacity. Loan officers are required to reconstruct cash flows in order to assess debt service capacity. Moreover, FI staff are usually accustomed to dealing with entrepreneurs so dealing with health providers that have a clinical background and little or no business acumen can be challenging.

The combination of these constraining factors result in banks' perception of higher transaction costs, higher reputation risks, and lower returns for serving the health sector relative to other sectors.

3. Strategic positioning toward the health sector as a market segment

In general, despite these constraints, FIs do not have a negative view of the private health sector nor do they view them purely from a corporate social responsibility (CSR) perspective. Most FIs are currently working with private health providers to meet their financing needs, albeit in a limited, even ad-hoc manner. FIs expressed awareness of policies and programs to increase PPPs in social sectors such as health, and more generally, the effort to mobilize more domestic sources of finance in a climate of reduced donor funding. However, they lack internal capacity to effectively define and assess the market opportunity in the health sector.

As FIs seek new and growing sectors and regions, these broader business environment challenges and policy shifts could be leveraged to advance strategic interest in the health sector. Providing FIs with training and segmented market research briefs to define the sector, outline government policy, and market forces would be a useful resource for FIs to understand the opportunities and risks of the sector.

IV. Recommendations

Short-Term Recommendations – to be implemented in Year 2

1. Deliver targeted business training for private health providers

Targeted participants: Members of CSSC, PRINMAT, and MELSAT. Courses should be offered to different cadres of the health facility - senior management and board, and non-clinical staff like the business/administration manager and finance manager. Participant cohorts can also be further segmented depending on the type and size of facility if needed. The use of adult learning methodologies using interactive discussions, case study, and role plays also increase the effectiveness of the training and ensure a higher level of learning by participants.

Training modules should have two tracks:

a. Managing your health care facility like a business (using select modules from the Business for Health curriculum). Topics will include:

- Entrepreneurship
- Strategic planning and budgeting
- Basic bookkeeping
- Financial management – forecasting, modeling, scenario building

b. Understanding the financing options for your health care business. This will include

- Cost and benefits of donations, internal savings/reinvested surplus, supplier credit, bank credit, leasing
- How to analyze the different credit offerings by banks, suppliers, leasing companies
- Understanding bank lending procedures and requirements
- Understanding borrower's rights – negotiating terms and conditions, fees and charges, grace period, etc.
- Role play – Making your "elevator pitch" to banks

2. Design a coaching/mentorship program for training participants

Concurrently with the training, SHOPS Plus should put in place a coaching/advisory program to enable participants to put into practice the skills and knowledge they have gained in a classroom setting. An integral part of the program will be the action plan developed by each participant/facility that will serve as a basis for monitoring and targeted technical assistance towards their goal.

An internship or volunteer program can be set up to place business and finance students at a health facility to assist with specific tasks.

3. Explore options for institutionalization of training courses

SHOPS Plus should work with CSSC to strengthen the capacity of their Business for Quality unit to deliver the business curriculum. The project can build on the existing core four modules, and scale up the post-training technical support for CSSC-affiliated facilities that are still in the early stages of implementation. The project should also help to develop additional tools for post-training monitoring and technical assistance of facilities.

SHOPS Plus should work with all professional associations to integrate business and entrepreneurship skills as part of their Continuing Professional Development programs. The project can identify a pool of potential trainers that can undergo a Training of Trainers and certification process. These trainers can come from the association, a training institution or university, or a financial service provider that is interested in enhancing the customer experience through bundling of financial and non-financial services.

SHOPS should also research the interest and capacity of existing business and finance training institutions and universities to house the training curriculum. If possible, there should be linkages to existing pre-service or in-service training for medical professionals so that graduating clinicians can have a basic foundation in healthcare business and financial management, strategy, and entrepreneurship.

4. Provide technical support to CRDB for increased DCA utilization

APHFTA has been contracted by USAID to prepare a health sector assessment and conduct a workshop for CRDB senior management on health sector lending in an effort to increase DCA utilization. All activities under this contract are slated to conclude by October 2016. At that time, a follow-up meeting will need to be arranged between SHOPS Plus, USAID, and CRDB, to jointly discuss additional follow-up training and technical assistance needed by the bank. Potential activities can include:

- Supporting the bank in developing a sector specific value proposition. Sensitize CRDB in particular to the SafeCare and CSSC business of quality program, and how these approaches can be used to feed into their credit offering and analysis.
- Loan officer training: understanding the health sector and how to analyze and assess risk of a health care business, using case study approach.
- Technical assistance on pilot testing of health loan product, marketing and outreach
- Assistance in generating leads for loan applications and creating a loan pipeline.

5. Expand the definition of Qualifying Borrower in the DCA Agreement

The current agreement specifically states that loans will only be made to private for-profit health facilities. In order to enlarge the pool of qualified borrowers, SHOPS Plus recommends that USAID amend the agreement either to delete the word “for-profit” or to add “private not-for-profit health facilities” as a qualifying borrower.

6. Build awareness and knowledge about the private health sector in the financial sector

SHOPS Plus should organize a one-day orientation workshop on the health sector for interested non-DCA banks. This orientation should cover types/categories of facilities, government standards for private health facilities, revenue streams, and market demand for health services. A market assessment brief for each type of facility can be prepared to demonstrate the diversity and size of the health sector. The workshop can include a question and answer session with association representatives and/or a health facility manager to give financial institutions a first-hand perspective.

The workshop will give SHOPS Plus an opportunity to identify 3-5 financial institutions with whom it can collaborate more closely to build their capacity to serve the private health sector, whether through development of a loan pipeline or financial literacy training for providers.

Targeted participants should include:

- National Microfinance Bank
- Access Bank
- Covenant Bank for Women
- Bank M
- Pride Tanzania
- Bank of Africa
- Vaell (leasing company)
- Selfina (leasing company)

Medium-Term Recommendations – to be implemented after Year 2

1. Pilot potential partnerships and co-funding models with private medical provider associations

The assessment has identified several funding opportunities where SHOPS Plus could facilitate with project preparation and matchmaking with the appropriate financial partner.

- MEMS is in need of additional funding to enter into the regional pooled procurement initiative. SHOPS Plus should explore with NMB or CRDB regarding a potential wholesale loan to the company. Alternatively, USAID can also consider a portable guarantee for MEMS that it can use to "shop around" for commercial funds. Outside of its work in Tanzania, SHOPS Plus should explore this approach with other members of the regional pooled procurement initiative. Pending the SHOPS Plus ADDO study to be completed in October 2016, a similar approach can be used to capitalize Afya Microfinance for increased lending to ADDOs.
- The Pharmaceutical Society of Tanzania is interested in opening more pharmacies in rural areas. Potential financing partners can be Access Bank or Pride Tanzania—they are already lending to pharmacies and their expansion strategy is to work in under-served areas.
- Facility upgrade to expand laboratory and diagnostic services at maternity homes – PRINMAT and Covenant Bank for Women
- Work with PRINMAT and the PPP Working Group to explore the possibility of private providers operating non-utilized public sector dispensaries. The PPP would entail SLAs coupled with access to finance/project preparation.
- Identify potential lenders for financing the purchase and installation of solar panels (or alternative energy source) at rural facilities.
- Explore the possibility of bridge financing for construction and large equipment installations.

2. New product development

- Consider collaboration with PharmAccess to develop a SafeCare module that includes more robust criteria around business, accounting, and financial management for creditworthiness.
- Develop health sector specific credit scoring tools/enhancements that mitigate risk and reduce operational costs for FIs, segmented to various facility levels and types. Tie these to the above SafeCare enhancements.
- Conduct an analysis of NHIF reimbursements to determine whether significant delays in payment exist, the length of the delays, the number of providers affected, and the potential impact on providers' cash flow. The results of this analysis can help to identify a financing mechanism, such as factoring or a payment guarantee fund, to alleviate the risk of these delayed reimbursements.

3. Research and knowledge sharing

- Develop a quarterly newsletter to financial institutions to inform about transactions, policy changes, opportunities in the health sector, etc. If this information sharing product is deemed to be valuable, explore ways to institutionalize market information sharing in a more sustainable manner.
- Conduct research on the MEFI Loan Program to better understand the level of activity and performance of the program, crowding out of commercial credit, and viability from a policy standpoint.

4. Identify new opportunities for DCA

- Depending on the utilization rate of the existing health DCA by CRDB, following technical assistance, USAID can consider establishing a new facility or adding other FIs into the current facility. The mission may decide to discontinue the existing agreement with CRDB and transfer the funds to the new facility, or can create a new facility that will run parallel to the current one.
- Potential FI candidates include Access Bank, Covent Bank for Women, and Bank of Africa.

5. Public Private Partnership

- Based on the research above, explore working with the NHIF to insure MEFI is not crowding out private credit. Assess opportunities for closer alignment with PPP initiatives to ensure adequate financing. One mechanism could be to build a data analytics model based on NHIF/MEFI historical reimbursements to facilitate credit scoring by financial institutions. Another is to determine the feasibility of moving the management of the MEFI to a commercial bank with NHIF serving as a guarantor to lower the social risks of serving the sector.
- Examine existing SME guarantee facilities to determine whether there are opportunities to open a health sector window.

Annex. List of Contacts

Name and Title	Organization
Professional Medical Association	
Mr. David ISAYA, Business of Quality Coordinator	Christian Social Services Commissions (CSSC)
Keziah M. KAPESA, RNM, DHP, BScN, Board Chair	Private Nurses and Midwives Association (PRINMAT)
Mr. Michael KISHIWA, President	Pharmaceutical Society of Tanzania
Dr. Peter MADUKI, Executive Director	Christian Social Services Commissions (CSSC)
Novest Ludovick MATEE, Executive Secretary	Private Nurses and Midwives Association (PRINMAT)
Mr. Peter MWEVILA, Vice President	Medical and Laboratory Scientists Association of Tanzania (MelSAT)
Dr. Samwel OGILLO, Executive Director	Association of Private Health Facilities of Tanzania (APHFTA)
Private Health Facility	
Dr. Mark L. JACOBSON, MD, MPH, Executive Director	Arusha Lutheran Medical Center
Dr. KAUSHIK, Consultant Physician, CEO, Chair of APHFTA and Board member of NHIF	Shree Hindu Mandal Hospital

Name and Title	Organization
Radha PENNOTTI, Business Development Officer	Comprehensive Community Based Rehabilitation in Tanzania (CCBRT)
Financial Service Providers	
Mr. Kaisha Godwills BOGE, Head – Retail Banking	Bank of Africa
Jumanne BUNDALA	PRIDE Tanzania
Mr. Coy BUCKLEY, Chief Executive Officer	EFTA
Mr. Tim ELLIS, Chief Operating Officer	EFTA
Ms. Loelia KIBASSA, Senior Manager Business Banking	National Microfinance Bank (NMB)
Dr. Victoria KISYOMBE Founder & CEO	SERO Lease and Finance Limited (SELFINA)
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Ms. Shimimana NTUYABALIWE, General Manager	PRIDE Tanzania
Ms. Hedvig SUNDBERG, Managing Director	Access Bank Tanzania
Ms. Davikarani WILLIAMS, Head – Enterprise Banking	Bank of Africa

International Implementing Organization	
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Equipment Supplier	
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Mr. Mohammed HASHAM, Managing Director	Philips/PMSTZ
Mr. Araf SYKES, Regional Sales Manager Global Growth Operations	GE
Mr. Bernard KONGA, Acting Director General	NHIF
Donor Organization	
Ms. Leila AHLSTROM	USAID Development Credit Authority
Mr. Eric MSOFFE	GIZ
Mr. Gene PEUSE, Senior Public-Private Partnerships Advisor	USAID/Tanzania