



**USAID**  
FROM THE AMERICAN PEOPLE



# THE BANKING ON HEALTH PROJECT

## YEAR THREE ANNUAL REPORT

Submitted August 31, 2007



---

## 1. LIST OF ACRONYMS

CA	Cooperative Agency
CMS	Commercial Markets Strategies Project
CYP	Couple Years of Protection
BoH	Banking on Health Project
DC	District of Columbia
DCA	Development Credit Authority
FI	Financial Institutions
FP	Family Planning
GDA	Global Development Alliance
GMI	Global Microenterprise Initiatives, LLC
IQC	Indefinite Quantity Contract
IR	Intermediate Result
IRS	Internal Revenue Service
MCH	Maternal Child Health
MFI	Microfinance Institution
MoH	Ministry of Health
ODC	Office of Development Credit
PRH	Office of Population and Reproductive Health
PSP	Private Sector Program
PSP- <i>One</i>	Private Sector Partnerships One Project
RfP	Request for Proposals
RH	Reproductive Health
SME	Small and Medium Enterprise
SO	Strategic Objective
TA	Technical Assistance
ToT	Training of Trainers
UPHOLD	Uganda Program for Human and Holistic Development
USAID	United States Agency for International Development

---

## 2. TABLE OF CONTENTS

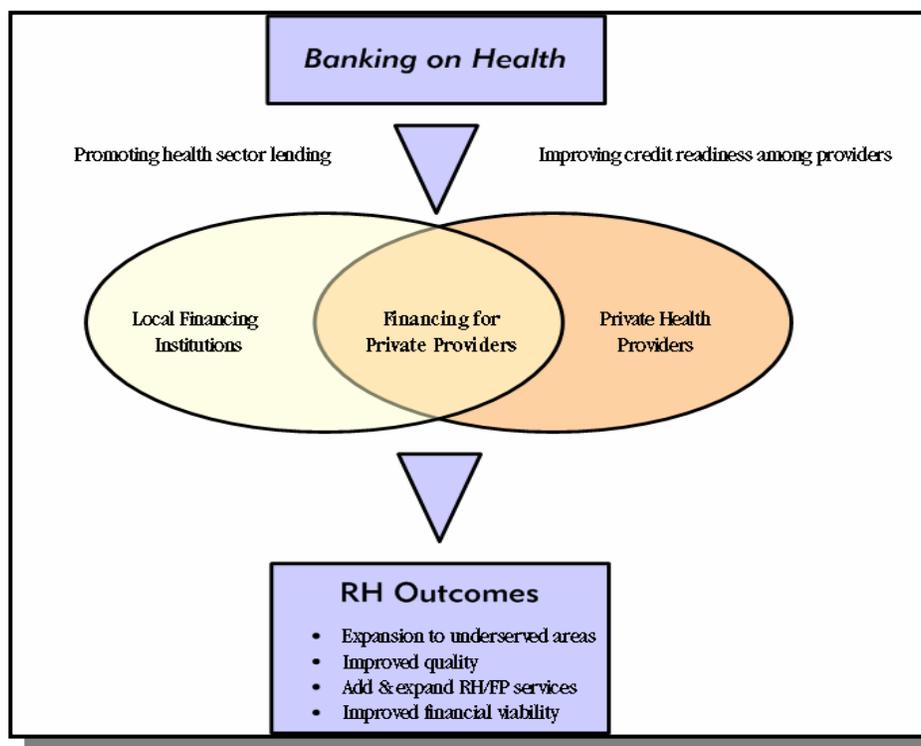
<b>1. LIST OF ACRONYMS</b> .....	<b>2</b>
<b>2. TABLE OF CONTENTS</b> .....	<b>3</b>
<b>3. INTRODUCTION</b> .....	<b>4</b>
<b>4. TECHNICAL ASSISTANCE TO INCREASE ACCESS TO FINANCING</b> .....	<b>10</b>
<b>5. MANAGEMENT OF THE SUMMA FOUNDATION</b> .....	<b>23</b>
<b>6. MONITORING, EVALUATION, AND DISSEMINATION</b> .....	<b>27</b>
<b>7. LEADERSHIP AND OVERSIGHT</b> .....	<b>30</b>
<b>8. TIMELINE OF CORE FUNDED ACTIVITIES AND OUTCOMES</b> .....	<b>31</b>
<b>9. FIELD SUPPORT FUNDED PROGRAMS</b> .....	<b>33</b>
<i>A. Nicaragua</i> .....	<i>33</i>
<i>B. The Philippines</i> .....	<i>36</i>
<b>10. BUDGET</b> .....	<b>42</b>

---

### 3. INTRODUCTION

Donors and governments have increasingly recognized the importance of strengthening the private sector as a strategy to achieve reproductive health (RH) and voluntary family planning (FP) outcomes. A major constraint to private health sector development has been limited access to financing. Financing is an essential input that assists the private sector in expanding the range and types of services, entering underserved areas, and making quality improvements. In order to address this problem, the United States Agency for International Development (USAID) designed the Banking on Health Project (BoH). The Banking on Health Project takes a two-pronged approach to increasing access to financing by (1) working with local financial institutions to promote health sector lending and (2) improving credit-readiness among private providers. Please refer to Figure 1 below for a visual depiction of this approach. In addition, the project is managing the existing Summa Foundation portfolio in order to maximize the return to USAID for future private sector RH programming.

**Figure 1: The Banking on Health Approach**



Several core principles guided our approach in Year Three:

- *Continue building linkages:* During Year Three, we focused on maximizing linkages and sharing our financial expertise with the broader public health community so that we are seen as a resource to be used extensively by USAID, other Private Sector Program (PSP) task orders and projects to complement private sector programming. BoH worked with missions in Romania, Ethiopia, Zambia, Uganda, Nigeria, Jordan, Peru, Nicaragua, and the Philippines and partnered with a number of USAID-funded projects.

- *Expand and deepen impact:* During the period, Banking on Health expanded impact by initiating work in three new countries, including Zambia, Jordan and Nigeria. BoH also deepened impact by continuing five on-going country programs in Romania, Peru, Nicaragua, Uganda and the Philippines.
- *Demonstrate success:* Recognizing that the Banking on Health Project is a new type of programming, we sought to demonstrate success in all of our country activities so that we can disseminate lessons learned about the importance of expanding access to financing to improve family planning outcomes.
- *Manage the Summa Foundation to maximize health and financial returns:* During Year Three, we maintained the sound governance and the strong financial performance of the Summa Foundation.

### 3.1. SUMMARY OF KEY SUCCESSES

During Year Three, Banking on Health had a number of key successes, which enabled it to meet the Year Three workplan objectives and successfully achieve the project outcomes that are listed below, thereby contributing to USAID's PSP Strategic Objective of *sustainable provision and use of quality private sector RH/FP and other health information, products and services increased.*

**Objective:** *The Banking on Health Project seeks to improve the ability of private health care businesses to access credit, thereby improving their capacity to deliver high-quality reproductive health and family planning services.*

**Outcome 1:** Improved financial viability of private health service providers

**Outcome 2:** Expansion of the range of services offered by private providers to include RH/FP services

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

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

By achieving each of these outcomes, the Banking on Health Project will directly contribute to the Private Sector Program's IR2 and IR3 by (1) increasing the supply of high-quality RH/FP products and services available through the private sector and (2) improving conditions for private sector involvement in RH/FP and other health products and service delivery.

Key successes during this period include:

#### Leveraged Commercial Funds

- BoH leveraged more than \$15 million in loans from local financial institutions to private reproductive health service providers in the Philippines, Romania, Nicaragua, Peru, and

Uganda.<sup>1</sup> To date the project has leveraged more than three times the value of its obligated funds from the financial sector.

- Banking on Health worked with Edyficar, a microfinance institution (MFI) in Peru, to launch “EdySalud” a health loan product targeted to midwives, ob/gyns and other reproductive health service providers. Edyficar’s health sector portfolio has grown by 75% since Banking on Health’s training in June 2006 and Edyficar has disbursed over \$1,196,542 to health providers during this period.
- In the year since BoH training, Uganda Microfinance Limited has increased its health sector loan portfolio by 40% and FINCA Uganda has tripled its health portfolio.
- BoH helped catalyze increased investment in the private health sector in Romania. Libra Bank has lent \$9,166,666 to the private health sector in the six months since Banking on Health training. In late 2006, Banca Transilvania, another bank that BoH is working with to enter the healthcare market, purchased a medical equipment leasing company in order to offer a range of financing choices and products to family doctors, who have been key to Romania’s RH/FP success story.
- In Nicaragua, the two banks that have a health sector DCA have lent approximately \$4,500,000 to the health sector since Banking on Health training, utilizing 75% of the DCA.

### **Expanded Country Programming with Core Funds**

- Conducted assessments in Ethiopia, Nigeria and Jordan and provided core funded technical assistance in Uganda, Zambia, Nigeria, Nicaragua, Peru, and Romania.
- Worked with USAID/Romania to develop a program to expand access to financing for family doctors to help sustain gains in family planning after the mission closes. Trained 140 family doctors from each of the eight regions of the country and built the capacity of a local NGO to continue the training in the future. Conducted workshops on loan product development and marketing to the small scale health sector for five financial institutions. Facilitated a roundtable meeting of policy makers, professional associations and other stakeholders to discuss Banking on Health’s research findings on small-scale health providers and distributors and to advocate for policy reform for the sector.
- In Uganda worked to scale-up opportunities for private reproductive health service providers, such as midwives, physicians, pharmacists and drug-shop owners, to access business support services and financing. Held three private health sector trade fairs in Kampala, Jinja, and Mbale that were attended by over 413 providers, financial institutions, pharmaceutical companies, medical equipment suppliers, provider associations, and representatives of the Ministry of Health, USAID and USAID-funded projects.
- Worked with USAID/Peru to engage the private sector as part of a graduation strategy. Trained 114 midwives and other participants in three workshops in Lima and Huancayo in basic business skills. Conducted 2 symposia for 850 ob/gyns in “Improving Your Private Practice” at the annual conference of the Peruvian Society of Obstetricians and Gynecologists. Trained five loan officers in Huancayo in lending to the health sector and provided technical support to Edyficar in launching a health loan product.

---

<sup>1</sup> This number significantly underestimates the total dollar value of funds leveraged as the project has only been able to collect monitoring data from less than 25% of the financial institutions that we have worked with.

- Collaborated with the PSP Jordan Project to adapt Banking on Health business training materials, conduct a training of trainers (ToT) with a local firm and pilot the training with 14 women doctors that are members of the PSP Jordan network. Conducted training/information sessions for three Jordanian financial institutions in lending to the private healthcare market.

### **Maintained Sound Management of the Summa Foundation**

- Managed loan portfolio and liquid assets totaling \$2,574,189; and began discussions with USAID on gifting funds.

### **Deepened Impact through Field Support Funds**

- Received total field support commitments of \$1,214,000 to complement core initiated activities to increase access to financing for private providers in the Philippines, Nicaragua and Peru. Leveraged additional mission support for programming that increases access to financing through the PSP Jordan and PSP-*One* in Nigeria.
- Used field support funds in Nicaragua to launch a pilot health insurance project through the Social Security Institute that will expand coverage of reproductive health, family planning and other health services for informal sector workers in Nicaragua. Microfinance institutions began selling the informal sector health insurance in December 2006. Sales, however, have been slow due to eroding buy-in from the Social Security Institute, following the change in government.
- Used field support funds in the Philippines to increase opportunities for private midwives to access business support and financing by hosting five business fairs for private midwives in five regions of the Philippines. A total of 1,216 midwives attended the fairs, as well as more than 30 financial institutions and more than 60 pharmaceutical companies and equipment suppliers.
- BoH worked with a midwife association in the Philippines to become a multi-purpose cooperative for the purpose of bulk purchases and savings mobilization for self-financing. In time, the cooperative may be eligible to access external funds through financial institutions for its membership.

## **3.2. LESSONS LEARNED**

During Year Three, the Banking on Health team learned several important lessons, which it will apply to future programming. Key lessons included:

- *Market research findings and recommendations can be valuable tools in policy dialogue to promote private health care providers' financial sustainability and ability to offer RH/FP services on a sustainable basis.* In Romania, a Banking on Health survey of more than 1,200 family doctors produced findings on the current service offerings, plans for the future, financial status and financing and training needs. These research findings and BoH recommendations served as a catalyst to bring together important stakeholders, including representatives of the Ministry of Public Health, the National Health Insurance House, professional associations, NGOs, donors, and research facilities, for a roundtable discussion. The timing is particularly salient as USAID prepares to leave Romania in 2008 and the Government of Romania is in the midst of a major review of the primary health care system.

- *Health sector business fairs can provide important linkages for private health providers.* BoH’s monitoring data is showing that private providers are finding the business fairs to be extremely useful, allowing them to meet new suppliers, make contacts with financial institutions and share information with their peers. 100 percent of providers that were surveyed following the Jinja trade fair in Uganda have followed up with a supplier or new contact they made at the fair and 84% have taken a loan since the fair.
- *Health sector business fairs need to be integrated within existing programs and connected with local stakeholder interest to maximize their effectiveness.* Banking on Health recognizes that in order to fully leverage the concept and investment of its business fairs it will have to strengthen its programming and develop tangible linkages with financial institutions and other stakeholders or resources. This can be achieved through conducting short workshops with financial institutions at the district level in advance of the fairs to focus their marketing; or by linking providers with specific business or other training resources outside of the event.
- *Partnering with strong and engaged bilateral projects can maximize the impact of BoH assistance:* In the case of Romania, the USAID funded Romanian Family Health Initiative and BoH are capitalizing on their respective strengths to the benefit of family doctors and other small-scale private providers and distributors of RH/FP. In the Philippines, slow-downs in a USAID bilateral affected the speed and effectiveness of BoH work in that country.

### 3.3. BUDGET SUMMARY

Over the 12 month period of Year Three, Banking on Health spent approximately \$1,318,613 on core-funded activities. This expenditure level represents 98% of the total Year Three core budget, leaving a balance of \$29,153. Please refer to Table 1 below.

In September 2006, the project received additional obligations for field support activities, including an additional \$400,000 from the Philippines, and \$19,000 from Peru. To date a total of \$1,214,000 in field support funds has been obligated to the Banking on Health Project. As of June 30, 2007, 100% of the obligated field support funds for both Peru and Nicaragua have been expended. Activities in the Philippines are still ongoing, with a total of \$84,231 remaining from the \$695,000 budget.

**Table 1. BoH Year Three Core Budget Summary (July 1, 2006 - June 30, 2007)**

	<b>Year Three Budget</b>	<b>Year Three Expenditures</b>	<b>Balance</b>
Technical Assistance	871,537	955,371	-83,834
Summa Foundation	182,290	94,160	88,130
Research, M&E, and Dissemination	116,224	60,470	55,754
Leadership and Oversight	177,715	208,612	-30,897
<b>Total Core Funds</b>	<b>\$1,347,766</b>	<b>\$1,318,613</b>	<b>\$29,153</b>

**Table 2. BoH Field Support Budget Summary (beginning of project to June 30, 2007)**

	Obligated Funds	Expenditures	Balance
Field Support Philippines	695,000	610,769	84,231
Field Support Nicaragua	500,000	500,000	0
Field Support Peru	19,000	19,000	0
<b>Total Field Support</b>	<b>\$1,214,000</b>	<b>\$1,129,769</b>	<b>\$84,231</b>

**Table 3. Obligated Funding Summary (as of June 30, 2007)**

	Funding Obligated	Cumulative Expenditures	Funding Balance
Core Funds	3,950,915	3,451,435	499,480
Field Support	1,214,000	1,129,769	84,231
<b>Total</b>	<b>\$5,164,915</b>	<b>\$4,581,204</b>	<b>\$583,711</b>

Out of the combined core and field support obligated amount of \$5,164,915, the project had expended \$4,581,204 by the end of June 2007. This leaves a balance of \$583,711 to begin work on the Year Four Workplan. It is estimated that this obligated balance will allow the project to implement activities for three to four months.

**Table 4. Ceiling Analysis (as of June 30, 2007)**

Ceiling	\$6,605,917
Core & FS Cumulative Expenditures	\$4,581,204
Year Four Budget (Core, Carry Over, & FS)	\$1,844,266
<b>Balance</b>	<b>\$180,447</b>

In anticipation of additional obligated funds, Table 4 is a snapshot of the project ceiling and Banking on Health's expenditures. Through June 2007 the project has had expenditures totaling \$4,581,204. Banking on Health has been burning funds at a higher rate than originally projected because it has received field support funds, which were not initially envisioned for the project. In Year Four, the project is anticipating a budget of \$1,844,266 (including core, field support, and carry over funds). At the end of Year Four, we are projecting that the project will only have a balance of \$180,447 left within the ceiling. Banking on Health will either need to raise its ceiling or close out earlier than anticipated.

---

## **4. TECHNICAL ASSISTANCE TO INCREASE ACCESS TO FINANCING**

### **4.1. OVERVIEW**

A major constraint to private health sector development has been limited access to financing. The Banking on Health Project takes a two-pronged approach to increase access to financing by (1) working with local financial institutions to promote health sector lending and (2) improving credit-readiness among private providers.

### **4.2. OBJECTIVES**

Banking on Health had a number of key objectives for Year Three in order to expand programming to increase access to financing. These objectives include:

- Continue existing technical assistance programs;
- Identify technical assistance opportunities;
- Initiate technical assistance activities;
- Develop training materials.

### **4.3. KEY ACTIVITIES AND OUTPUTS**

#### **4.3.1. CONTINUE EXISTING TECHNICAL ASSISTANCE PROGRAMS**

##### **Summary of Objectives**

- Continue providing core-funded technical inputs to the Philippines, Nicaragua, Peru, Uganda and Romania programs, if necessary depending on the availability of field support funds.

##### **Accomplishments**

- Banking on Health met its Year Three workplan objectives, using core funds to provide technical inputs to programs in Nicaragua, Peru, Uganda and Romania. No core funds were needed in the Philippines due to field support.

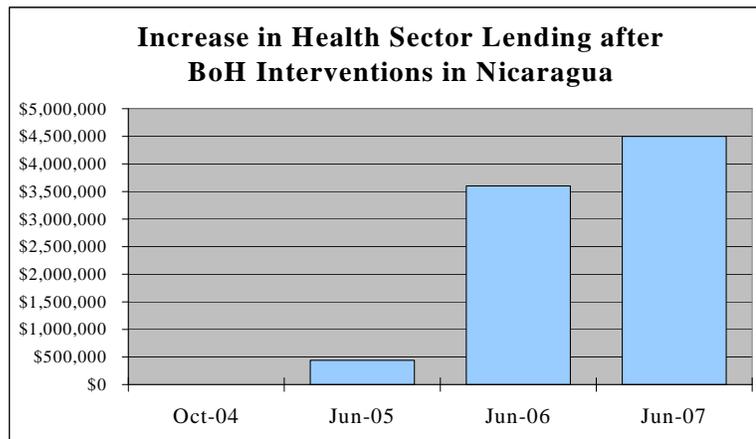
##### **Nicaragua**

During the period, Nicaragua underwent a change in government with the election of Daniel Ortega to the presidency in November 2006. As a result of this change, senior management within the Social Security Institute (INSS) has been replaced and there have been some concerns that support for previous Banking on Health programming, including both the microinsurance pilot and promotion of family planning services within the INSS system, is eroding. Banking on Health will continue to monitor this closely and work to rebuild relationships and support, where possible. Despite this more difficult environment, Banking on Health was able to achieve some results during the period, which are described below.

During Year Three, Banking on Health closed out field support-funded activities in Nicaragua, which are described below in Section Nine of this report. In addition, Banking on Health

provided limited core-funded technical inputs to strengthen programming to expand access to financing and support RH/FP service delivery through the Social Security Institute’s contracting out system with the private sector. Specifically, Banking on Health worked with the INSS and the DELIVER Project to set up a meeting of Empresas Médicas Previsionales (EMPs), which are providers that contract with the INSS, to distribute family planning guidelines, brochures, and posters and breast and cervical cancer posters and brochures that were developed by the Banking on Health Project with field support funds. Twenty one EMPs from various parts of the country participated in the meeting and thanked the project for its efforts. One EMP, AMOCSA, reported that it had ramped up its family planning program after noticing that deliveries increased significantly in September. AMOCSA credited its response to a new awareness after participating in the BoH trainings in cost accounting and understanding the costs and benefits of promoting RH/FP within a capitated system. Banking on Health will be conducting a follow-on survey of EMPs in the first quarter of Year Four, examining changes in access to finance and reproductive health and family planning services during the period. Findings will be reported in the Year Four Semi-Annual Report.

During the period, Banking on Health also monitored health sector lending by the two health sector DCA banks, BanPro and Finarca, that received core-funded training and technical assistance. In the two years since Banking on Health’s training, a total of approximately \$4.5 million has been disbursed in new loans to the health sector. Approximately 75% of the health sector DCA has been utilized. BanPro has been very



aggressive about entering this market. Finarca, the other health sector DCA bank, has not been very active. During the period, USAID/Nicaragua asked the Banking on Health Project to meet with Finarca because if it does not start utilizing the DCA, it will lose the guarantee coverage to BanPro. A Banking on Health consultant met with the Director of Business Development at Finarca and provided her with copies of Banking on Health’s training materials. The consultant also suggested that Finarca begin marketing directly to the EMPs. Without strong willingness from management, the institution is not likely to move forward on the DCA program.

## Peru

Banking on Health is pursuing two broad strategies to work with the private sector and promote reproductive health and family planning outcomes in support of USAID/Peru’s phase-out of Population funds. Banking on Health is training private providers in business skills and working with financial institutions to promote health sector lending. In terms of its provider strategy, Banking on Health began working in Peru with private midwives because they are an important source of family planning and reproductive health. During Year Two, Banking on Health designed and piloted “Expanding Your Business”, a training course for private midwives. During Year Three, Banking on Health continued training midwives in Lima and rolled the

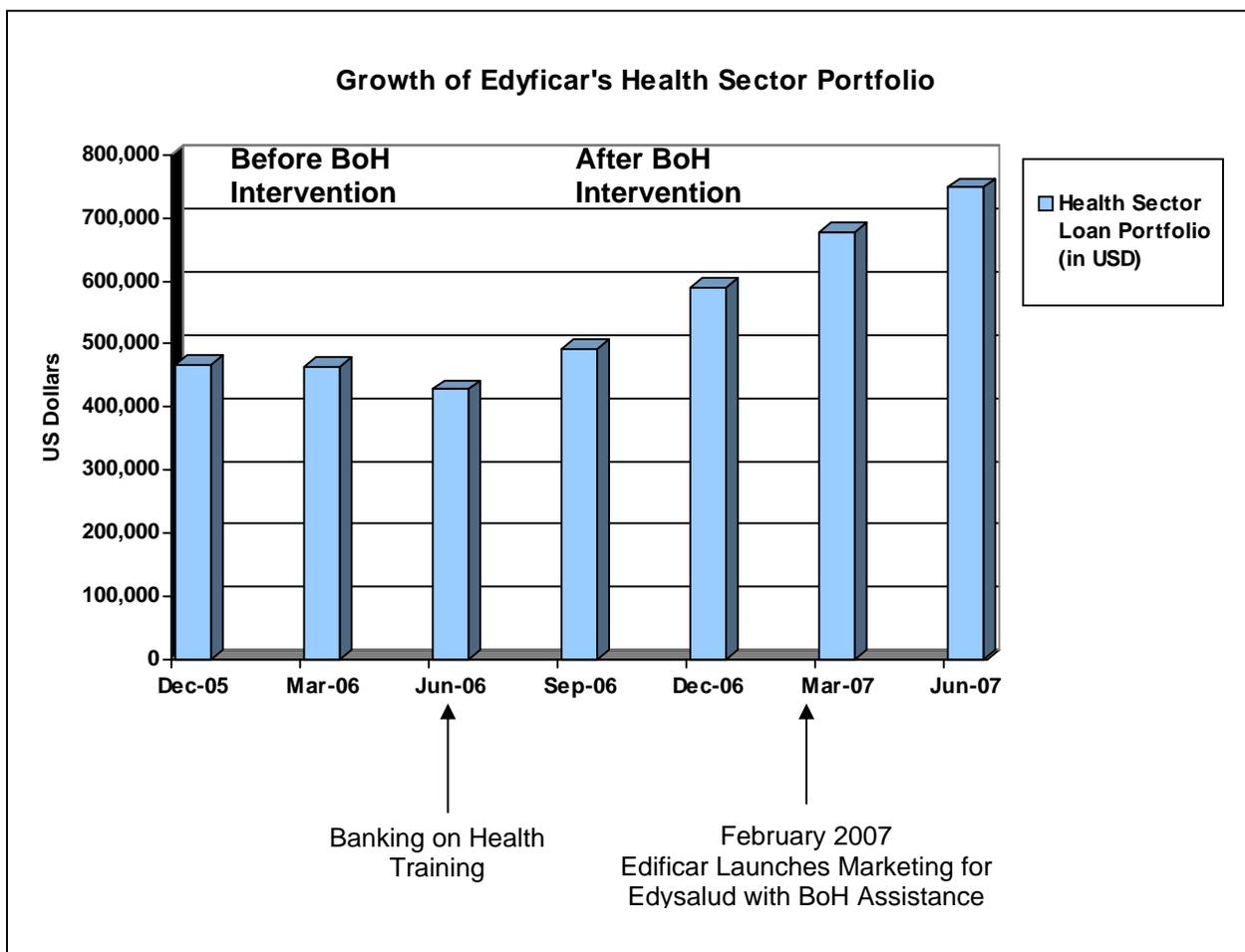
training out to Huancayo. Banking on Health partnered with Propyme (associated with the Universidad del Pacifico) in offering the midwife training. Banking on Health trained 114 private midwives and other participants in three workshops in Lima and Huancayo in basic business skills. The first two workshops were held over two days, with a half day follow-up session two weeks later. These workshops were organized with the assistance of the Colegio de Obstetricas and covered four modules: Creating Your Business Plan, Developing Your Marketing Plan, Analyzing Your Financial Data and Applying for a Loan. Approximately 34 participants attended the workshops. Participants completed pre and post tests, showing an average increase of 28 percent with the greatest learning of 37 percent in Analyzing Your Financial Data, followed by a 33 percent increase in Applying for a Loan. The third workshop was organized to coincide with a meeting of Redplan Salud midwives and was hosted by Pfizer, the multinational pharmaceutical company. With 80 midwives participating, this was the most well attended midwife training. The third workshop was condensed to a half day training covering, Analyzing Your Financial Data and Financing Your Investment. Participants completed pre and post tests and their scores increased by 36 percent from 47 percent in the pre-test to 83 percent in the post-test.

A lesson learned from this training experience is that rather than plan events in isolation, any training or networking activity in Peru should build on existing conventions or conferences. Banking on Health also felt that it was important to expand to other cadres because many private midwives are struggling from competition with doctors and the public sector. Accordingly, in February 2007 Banking on Health reached out to obstetrician/gynecologists (ob/gyns) by collaborating with the Peruvian Society of Obstetricians and Gynecologists (Sociedad Peruana de Obstretras y Ginecologicos) during its annual conference. Banking on Health conducted two symposia at the conference on “How to Improve Your Private Practice”. 850 ob/gyns attended the symposia. Banking on Health also conducted smaller workshops at the conference on business planning, financial management and financing that were attended by an average of 15 ob/gyns per workshop.

Banking on Health is monitoring its provider training in Peru through baseline and follow-on surveys. Follow-on surveys will be administered in July and August 2007 and results will be reported in the Year Four Semi-Annual Report.

During Year Three, Banking on Health also continued its work with financial institutions to promote health sector lending. To complement the midwife training in Huancayo, Banking on Health held a two day workshop for financial institutions on “Opportunities to Lend to the Private Health Sector”. Two institutions were invited to attend but only one, Caja Municipal de Huancayo, participated, sending five credit officers. The components of the training included sharing results from the market survey that was conducted by the USAID-funded PRAES Project in May 2006 and specific modules on Opportunities and Risks, Characteristics of Health Microenterprises, a Case Study and Site Visit. While the overall percentage of correct answers increased from 30 percent on the pre-test to 66 percent on the post-tests, there was room for further improvement. The most learning took place in Module 2, Characteristics of Health Microenterprises, and participants noted the Case Study was the most useful.

During the period, Banking on Health monitored the nine financial institutions that it trained in May/June 2006. Edyficar, a microfinance institution, has demonstrated the highest level of enthusiasm for building a health sector loan portfolio. During the period, Banking on Health provided technical assistance to Edyficar to develop a specialized health sector loan product called “EdySalud”, which it began actively marketing in February 2007. They are targeting this product to midwives, doctors, and medical suppliers, and are planning to negotiate agreements with equipment suppliers and pharmaceutical companies to finance their clients. In the year since the Banking on Health training, Edyficar has disbursed \$1,196,542 to the health sector. Its health sector portfolio has grown by 75% since baseline and there has been an increase of 193 active health sector loans. Please refer to the graph below for changes in Edyficar’s health sector portfolio.



### Philippines

Banking on Health received \$692,092 in field support funds in the Philippines for Year Two and Three activities so no core funds were needed during the period. Please refer to Section Nine below for a detailed discussion of Philippines activities.

## Romania

Romania is a model in the Europe and Eurasia region for the tremendous gains in women’s health over the past ten years. Family doctors are a major factor in the Romania success story.

There are currently 11,000 family doctors in Romania. Formerly Ministry of Public Health employees, these family doctors’ practices have been privatized and most are now contracted out to provide a basic package of health care through the National Health Insurance House. Through a process of health reform, family doctors are now allowed to provide family planning

“In 1989, we were let go, dropped, by the Ministry of Health into the water. And we didn’t know how to swim. Now, after 17 years, you are teaching us how to swim.”

- *Family Doctor from Calarasi, participant in Pilot Course held October 13 – 15, 2006*

counseling, prescriptions and distribute products. Approximately 5,000 doctors have been trained by USAID in family planning service delivery. Many of these doctors operate in rural and underserved areas. Despite their strategic role in the Romania success story, Banking on Health determined that these family doctors are “entrepreneurs by accident” and are struggling to remain viable and manage within the capitated system. Banking on Health designed a package of technical assistance to improve access to financing and business management skills in order to improve the viability of family doctors and help sustain the long-term gains that have been made in women’s health.

“This course will be useful for the new realities beginning in 2007, when Romania will access the EU.”

- *Family doctor in Timisuara, participant in November 24- 26, 2006 course*

In Romania, the use of core funds was maximized by targeting technical assistance and working with the USAID funded Romanian Family Health Initiative Project to roll out the training for family doctors. In Year Three, the project utilized a training needs assessment generated in Year Two to create the course

“Enhancing the Financial Health of the Medical Practice: The Key to Sustaining Reproductive Health and Other Services” for family doctors. In October 2006, Banking on Health trained 17 local trainers to conduct the course for family doctors. Trainers hailed from the USAID partner, Society for Education in Contraception and Sexuality (SECS), and from a bank known as the “Most Important Bank for the Medical Sector” – Libra Bank. The course was then offered in each of the eight regions of the country. 140 family doctors that have been trained in family planning participated in the training. There was a 36% increase in learning as a result of the course.

**Table 5. Enhancing the Financial Health of the Medical Practice Training Results**

	Pre-course	Post-course
Average number correct answers (out of 12)	6.10	10.49
Average score	51%	87%

The goal of the course is for participants to be able to assess the financial health of their medical practice and project future cash flow and income to be able to make informed decisions for continued sustainability and profitability. Each course included guest speakers from local

financial institutions. With the ending of USAID funding for these activities in 2007, Banking on Health has leveraged continued funding from three commercial banks that have offered to subsidize the future roll-out of this continuing education course for doctors.

In July 2007, a follow-up survey was conducted with a subset of the family doctors who participated in the trainings. Participants were contacted by SECS and 38 out of the total 140 doctors answered a questionnaire concerning changes to their practices since attending the training course. Of those 38 doctors, eight (21%) have taken a new loan or lease since the trainings, with at least \$72,983 in combined financing obtained. Five other doctors said they were still preparing their loan applications for the future. Seventy-three percent of the doctors said they have started implementing all of the tools that were taught in the training (income statements, action plans, balance sheets, and cash flow). Concerning the services they are offering, 20% said they have increased their provision of RH/FP products and services since the course, with the largest increases in the provision of oral contraceptives, condoms, and injectables. Among those family doctors offering IUDs, 17% began offering this service after attending the Banking on Health course. Additional monitoring activities are being structured to capture this data from the rest of the course participants and this information will be present in the Year Four Semi-Annual Report.

In addition to the training, Banking on Health conducted market research on the financing needs of private practice family doctors, ob/gyn practices, rural pharmacies, distributors and family planning clinics. This research was presented in February 2007 in a policy roundtable that was co-hosted with Romanian Family Health Initiative. Participants at the roundtable include key stakeholders, such as the Ministry of Health, the National Health Insurance House, doctors associations, financial institutions, USAID and the World Bank. The objective of the roundtable was to raise awareness and create a dialogue around the difficulties that family doctors and other important providers of RH/FP services face under the National Health Insurance system. Banking on Health will finalize and formally present its research findings to the Ministry of Health in Year Four. Banking on Health also used the research findings to develop a training for financial institutions entitled “Marketing and Product Development for the Small Scale Health Sector.” Banking on Health delivered this training in February 2007 through five workshops for three banks (Banca Transilvania, Libra Bank, and Raffeissen Bank) and two microfinance institutions (CHF/Express Finance and Opportunity Microfinance Romania). These workshops were attended by a total of 31 managers and loan officers. The objective of the workshops was to assist financial institutions to expand lending to the health sector.

As a result of Banking on Health’s work, there has been a significant increase in health sector lending. In late 2006, Banca Transilvania purchased shares in a medical equipment leasing company in order to offer a range of financing choices and products to family doctors, thereby growing its investment in the sector by \$550,000. Another bank, Libra Bank, has grown its health sector loan portfolio by \$9,166,666 since receiving Banking on Health support (a 23% increase in approximately six months). Libra Bank has also introduced new products to the sector, including a credit card for medical practitioners to finance their working capital needs and a working capital loan product for pharmacies, which are important family planning product outlets in Romania. One of the microfinance institutions that Banking on Health trained has entered into agreements with medical equipment suppliers to provide financing for doctors’ equipment purchases. Other major initiatives by these financial institutions to enter the

healthcare market, including specialized product launches and outreach campaigns, are planned for Year Four.

## Uganda

During Year Three, Banking on Health continued to scale-up efforts in Uganda to support access to financing for small-scale health providers and facilitate new business linkages. In Year Two Banking on Health conducted market research on the private health sector and trained three microfinance institutions, Uganda Microfinance Limited, FINCA and Post Bank, in entering the healthcare market. In Year Three, Banking on Health’s approach has centered on rolling out a series of Health Sector Trade Fairs at the district level that serve as a market place for private health providers to meet financial institutions, medical equipment and pharmaceutical suppliers, business support service providers, and representatives of the Ministry of Health and provider associations.

### Trade Fairs

Banking on Health hosted three trade fairs in Year Three in Kampala, Jinja and Mbale that were attended by approximately 413 private providers. A fourth fair will be held in Mbarara on August 17, 2007.

**Table 6. Attendance at Year Three Trade Fairs in Uganda**

Location	Number of Providers
Kampala	200
Jinja	93
Mbale	120
<b>Total</b>	<b>413</b>

“I have had the chance to interact with banks and pharmaceuticals and I have been able to access two loans so far. There has been so much change in my practice. I have added another room and bought a digital blood pressure machine.”

–Private Midwife, Mbale

The trade fairs are an attempt to break through the isolation and fragmentation that characterizes the health sector in Uganda. They serve as a forum where different cadres of private providers can access key inputs necessary to grow their businesses. The format of the fairs has remained more or less consistent and includes a series of panel presentations and an exhibition hall. Banking on Health has organized a voluntary steering committee to take ownership and provide ongoing technical and strategic direction for this event. This committee comprises key provider associations, including the Uganda Private Midwives Association (UPMA), the Uganda Private Medical Practitioners Association (UPMPA), Pharmaceutical Society of Uganda (PSU) and the Uganda Health Units Association (UPHA). The Ministry of Health Public-Private Partnership for Health (PPPH) office is also playing a key role in the Committee.

Overall, the response to the trade fairs has been very encouraging. More than 80% of providers at each fair found it to be “extremely useful.” Providers have valued the opportunity to meet new business suppliers and have been inspired by success stories of their peers. Exhibitors have enjoyed access to new clients and to learning about new technologies and trends in the field.

Banking on Health is monitoring the success of the fairs by asking participants to fill in a baseline survey. A follow-up survey is administered four months after each fair to randomly selected participants. The first follow-on survey was conducted in June with a randomly selected group of 25 participants who attended the Jinja fair in February, 2007.<sup>2</sup> Almost all the participants interviewed were midwives or nurses. On the whole, their response to the event was very favorable – 88% said it was “extremely useful” and *all* participants have followed up with a supplier or new contact they made at the fair. All providers would like to attend future trade fairs and over half felt it would be valuable to attend one every six months. Many respondents also suggested increasing the length of each fair to two days.

The trade fairs appear to be very successful in assisting providers to access financing by increasing contacts with financial institutions and by providing private providers with information on how financing can grow and improve their businesses. Eighty-four percent of providers that were interviewed have taken a loan since attending the Jinja fair in February. 73% of providers used their loans to finance supplies for their clinic, 27% for equipment and 14% for clinic expansion. The 20 providers that received loans took a total of \$11,865 for an average loan size of \$593 per provider.

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

–Uganda Microfinance Limited, Mbale

In terms of family planning services, 90% of providers at the baseline compared with 96% at the follow-up offered some type of family planning – counseling, oral contraceptives or long acting methods. Providers were asked about the number of family planning visits they have each month: at the baseline, only 32% of providers saw more than 20 clients each month; at the follow-up, 76% responded that they have

more than 20 family planning visits per month. While it is not possible to directly attribute this change to the Trade Fair, it is likely that by restocking their supplies through financing, providers were able to serve more clients.

### *Financial Institutions*

The trade fairs complement Banking on Health’s strategy of working with financial institutions to increase lending to the health sector. In Year Two, three microfinance institutions, Uganda Microfinance Limited, FINCA Uganda and Post Bank, participated in training on “Strategies for Entering the Private Health Care Market.” They have since recognized the potential of this sector, are starting to market to it strategically, and are utilizing Banking on Health’s Trade Fairs to grow their health sector portfolios.

Since attending the Banking on Health training in June 2006, UML has raised awareness of the health sector within their institution but has not formally rolled out the training to their staff at the branch level. Nonetheless, the value of their health portfolio has grown by over 40% in this time. In December 2006 UML had 176 health sector loans and an outstanding health sector

---

<sup>2</sup> A follow-up survey was not administered to providers in Kampala because the baseline instrument used at the first event did not include health service statistics.

portfolio of approximately USH 260 million or \$152,000. By May 2007 they disbursed approximately 35 new health sector loans and saw the value of their health portfolio increase by 46% to over USH 380 million, or \$224,000. The cumulative number of loans dropped in this same period to 170 loans, explained by the closing of almost all 46 Health Provider Credit (HPC) loans, which were administered by the Uganda Private Provider Loan Fund, between December 2006 and May 2007.

FINCA Uganda has taken a few significant steps to better understand and serve the health sector. They have researched the sector and developed health sector “market profiles” to facilitate lending to health providers. The profiles are specific to pharmacists and drug shops and tailored to different geographic regions. They provide loan officers with information about the particular client segment, including key assets, borrowing capacity, seasonality of income, and relevant licensing documents. Loan officers have been trained in using these profiles that will also be developed for other non-health niche markets in the future. The value of FINCA’s health sector portfolio has almost tripled between November 2006 and April 2007. FINCA Uganda’s portfolio increased from 53 active health loans, totaling USH 96 million or \$57,000<sup>3</sup> to 69 health loans and a total disbursed principal of USH 255 million or \$150,191.

Post Bank has recently shown an interest in targeting or at least paying more attention to the health sector. They have participated in two Banking on Health Trade Fairs that have allowed them to learn about the characteristics of health sector borrowers and the potential presented in this market. Post Bank recently provided Banking on Health with a first estimate of their health sector portfolio since attending the training in June 2006. As of April 2007 they had 22 outstanding loans to the sector and a remaining balance of USH 38 million or \$22,000. The figure likely underestimates their total portfolio since it was conducted through a manual recount by each branch/credit officer. They have since instituted a code to automatically track health sector loans.

#### **4.3.2. IDENTIFY TECHNICAL ASSISTANCE OPPORTUNITIES**

##### **Summary of Objectives**

- Conduct assessment visits to at least one to two countries.
- Continue exploring the possibility of conducting a health sector value chain analysis in collaboration with PSP-*One* and an EGAT-funded project.

##### **Accomplishments**

- Banking on Health exceeded its Year Three Objectives, conducting assessments in Jordan, Nigeria and Ethiopia. BoH reviewed and provided technical feedback on a health

---

<sup>3</sup> The Year 3 Semi-annual report included baseline figures submitted by FINCA in July 2006, which were calculated on a different scale and interpreted incorrectly. Per this baseline, FINCA had 187 clients in the health sector and a total disbursement of USH 891 million or \$524,820 as of July 2006. FINCA reported the *total cumulative* number and amount of health sector loans at their baseline, and since November 2006 is only reporting on their portfolio of *active* loans.

sector value chain analysis that was conducted in Bangladesh and made a presentation on health sector value chain analysis at the Private Sector Working Group.

During Year Three, Banking on Health worked with the PSP Project for Women's Health in Jordan (PSP Jordan) to conduct an assessment of business training and financing needs of women doctors that are participating in a health network. Under the auspices of PSP Jordan, participating doctors, mostly general practitioners and ob/gyns, receive outreach referrals, vouchers for high risk clients and training in family planning, breast cancer and quality assurance. The assessment visit was paid for by PSP Jordan with limited technical input paid for by Banking on Health core funds. The assessment team recommended that PSP Jordan support the development of the network and offer business training to network doctors and that Banking on Health facilitate access to financing for network doctors. Banking on Health and PSP/Jordan began implementing recommendations in March 2007 and this will be discussed below in Section 4.3.3.

Additionally, in 2006 the USAID-funded PSP-*One* Project conducted an assessment of the private sector in Nigeria for the provision of reproductive health/family planning products and services. Banking on Health staff were asked to conduct a follow-up assessment on the availability of financing for private family planning/reproductive health providers. The assessment visit was paid for by PSP-*One* with technical input from Banking on Health core. A key finding was that lack of access to financing is constraining the private sector to expand and improve quality, reproductive health services. As Nigeria rolls-out its National Health Insurance Scheme and contracts with the private sector, there is a real opportunity to work with the private sector to expand public health outcomes. Based on this finding, Banking on Health designed and is implementing a project in collaboration with PSP-*One* to increase access to finance. This is described below in Section 4.3.3.

In June 2007, Banking on Health was asked by USAID/Ethiopia to conduct a country assessment of access to financing for the private health sector and to explore the potential for a health sector DCA. The team found that access to financing is a constraint and recommended a program that will:

- Work with banks to promote health sector lending through training, market referrals and a \$15 million Development Credit Authority guarantee.
- Provide training to private providers in basic business skills.
- Promote multi-sectoral linkages.

In Year Four Banking on Health will follow-up with USAID/Ethiopia to determine interest in implementing the recommendations. During the period, Banking on Health also contacted missions in Egypt and Georgia about potential opportunities to work with the private health sector. BoH will follow-up with the missions in Year Four.

Finally, during the period Banking on Health continued exploring the benefits of conducting a value chain analysis in the health sector. Banking on Health reviewed and provided technical feedback on a health sector value chain analysis that was conducted by Action for Enterprises, an EGAT-funded, not-for-profit. Banking on Health also presented an overview on value chain

analysis to the Private Sector Working Group. Additional work in value chain analysis will be contingent on approval from the CTO team.

### **4.3.3. INITIATE TECHNICAL ASSISTANCE ACTIVITIES**

#### **Summary of Objectives**

- Design and implement a package of technical assistance that includes structuring a DCA guarantee and bank and provider training, if appropriate, in at least one to two new countries.

#### **Accomplishments**

- Banking on Health exceeded its Year Three workplan goals. The team designed and began implementing technical assistance in Zambia, Nigeria and Jordan during the period.

#### **Zambia**

In Year Two, Banking on Health conducted an assessment in Zambia with *PSP-One* to identify strategies for the private sector to alleviate human resource constraints and contribute to national family planning and HIV/AIDS goals. Banking on Health recommended a program that 1) works with local financial institutions to promote health sector lending and 2) works with private providers to improve business skills and ability to access financing. USAID/Zambia concurred with these recommendations and in October 2006 Banking on Health conducted a design trip to Zambia. During this visit, the team identified market research firms and consultants, conducted an assessment of commercial banks/microfinance institutions to identify partners for the project, met with local business training organizations. The team also met with health provider groups to further discussion of possible collaboration. Implementation of the project design started in April 2007 with the initiation of the market research survey of the financial management practices and access to finance needs of private medical providers. Survey results are expected in August 2007 and will be presented in workshops to medical provider organizations, health policy officials and financial institutions in Year Four. A business trainer has been identified and provider training will commence as well in the Year Four.

#### **Nigeria**

In June 2006, USAID/Nigeria requested that the *PSP-One* Project conduct an assessment of the private sector in Nigeria for the provision of reproductive health/family planning products and services. The primary purpose of the assessment was to identify ways for USAID and other stakeholders to engage the private sector to achieve Nigeria's reproductive health goals. One of the key findings of this assessment was that lack of access to financing is constraining the ability of the private sector to expand and improve quality, reproductive health and other priority health services. As a result, in late 2006 Banking on Health in collaboration with *PSP-One* conducted an assessment of the appetite of commercial banks for private health sector credit-enhancement instruments as well as identification of the constraints to health sector lending and the role that a DCA guarantee could play in mitigating those constraints. Since then Banking on Health has been working collaboratively with *PSP-One* to develop aspects of a financial management/access to finance training program for private providers, including the development of the curriculum. In August 2007 Banking on Health will deliver a train the trainer workshop and two pilot

trainings for private providers. A master trainer was hired who will be providing most of the initial financial management/access to finance training for private health providers. Banking on Health also provided technical input to the development of a market research study that is being implemented by PSP-*One*. Findings are expected in the first quarter of Year Four and will be used to design curriculum for financial institutions on entering the healthcare market. Banking on Health will work with PSP-*One* to train financial institutions in the Year Four. During the period, Banking on Health began talking with Nigerian financial institutions about lending to the health sector and facilitated introductions to the market. As a result of this work, the Abuja chapter of the community pharmacists association has negotiated a loan facility with Fidelity Bank that applies to all community pharmacist chapters across the country using a group guarantee feature. This loan facility will come on-line in Year Four.

### **Jordan**

Banking on Health recently started working with the PSP Jordan to facilitate access to financing for a network of women doctors who receive services from the PSP Jordan Project. The implementation of Banking on Health activities in Jordan is closely tied with business management support being provided to the same group of network doctors through the PSP Jordan Project. Most doctors in the network are general practitioners and provide routine check-ups, reproductive health services (including ante and post-natal care, and breast and cervical cancer screenings), family planning services (IUDs, injectables, oral contraceptives and condoms) and pediatric services. Banking on Health worked with PSP Jordan to adapt its curriculum on financial management to the needs of the network doctors. PSP/Jordan pilot tested the curriculum in June 2007 with 14 doctors from Amman. Results from a pre-and post knowledge test showed a 9% increase overall, with the largest increase, 16.5%, in knowledge of Financial Reporting. PSP Jordan plans to roll out the training to 85 doctors by May 2008.

In addition to supporting the PSP Jordan training, Banking on Health identified three financial institutions that were interested in increasing lending to the sector, and will continue discussions with at least two of these in the future. In June 2007 Banking on Health conducted short information and training sessions with the Bank of Jordan, a commercial bank, and two microfinance institutions, Tamweelcom and National Microfinance Bank. These sessions provided the institutions with an overview of the private health sector in Jordan and the opportunities posed by different borrower segments within the sector. Banking on Health has directly linked these institutions with doctors in the PSP Jordan Network by inviting them to attend the Access to Finance module in the doctor's business training. In general, the financial institutions are enthusiastic about further exploring this market and increasing their portfolio in this sector. While they have a small number of health sector clients, none of the institutions are explicitly targeting this market.

### **4.3.4. DEVELOP TRAINING MATERIALS**

#### **Summary of Objectives**

- Develop at least one to two additional bank and provider training modules.
- Develop tools as appropriate for banks and providers.

## Accomplishments

- Banking on Health exceeded its Year Three workplan objectives. It developed four trainings workshops for providers and financial institutions in Romania, Jordan and Peru and three shorter information sessions for financial institutions in Jordan and ob/gyns in Peru.

During the period, Banking on Health developed the following materials:

- *Training– Enhancing the Financial Health of the Medical Practice: The Key to Sustaining Reproductive Health and Other Services:* a three day training workshop for family doctors in Romania that covered financial reporting, analyzing financial statements, access to financing and financial planning.
- *Training– Marketing and Product Development for the Small Scale Health Sector:* a one-day training workshop for lenders, credit risk managers, and marketing professionals of banks and microfinance institutions interested in marketing effectively to the small scale medical sector in Romania.
- *Training– How to Improve Your Private Practice:* a one and a half day workshop for private ob/gyns in Peru that covered business planning, financial management and financing.
- *Training– Improving the Financial Health of a Private Medical Practice:* a four day training workshop for women doctors in Jordan that covered financial reporting, analyzing financial statements, service mix and pricing, business planning and goal setting, access to financing and working in a network.
- *Information Session– The Private Health Sector in Jordan:* The three hour session provides financial institutions with an overview of the private health sector in Jordan and the opportunities posed by different borrower segments within the sector.
- *Information Session– How to Improve Your Private Practice:* A one hour information session for private ob/gyns in Peru for key factors to consider in order to improve their business and financial management.
- *Information Session– Developing Your Marketing:* A one hour information session for private ob/gyns in Peru that covered the four “Ps” of marketing.

---

## **5. MANAGEMENT OF THE SUMMA FOUNDATION**

### **5.1. OVERVIEW**

In addition to providing technical assistance to increase access to financing in developing countries, the Banking on Health Project is responsible for managing the Summa Foundation until all loans are repaid and funds are transferred back to USAID.

### **5.2. OBJECTIVES**

Banking on Health had a number of key objectives for managing the Summa Foundation in Year Three. These included:

- Manage the Summa Foundation assets;
- Provide sound governance; and
- Ensure financial reporting and accountability.

### **5.3. KEY ACTIVITIES AND OUTPUTS**

#### **5.3.1. MANAGE SUMMA FOUNDATION ASSETS**

##### **Summary of Objectives**

- Update portfolio reports;
- Manage delinquency;
- Conduct monitoring trips to at least two countries with outstanding Summa loans;
- Provide technical assistance to at least one Summa borrower;
- Monitor Wachovia account on a daily basis;
- Continue prudential management of liquid funds; and
- Work with USAID to determine schedule for returning funds.

##### **Accomplishments**

- Banking on Health has met its targets in Year Three. Portfolio reports are up to date. The delinquency rate was approximately 11.36% over 30 days as of June 30, 2007. Monitoring trips have been conducted to two countries with Summa Foundation loans, including Uganda and Nicaragua. BoH provided technical advice to Benba Enterprises in Uganda and Salud Integral in Nicaragua.

##### **Summa Foundation Portfolio**

Throughout Year Three, Banking on Health successfully managed the Summa Foundation loan portfolio and liquid assets. As of June 29, 2007, Summa's assets totaled \$2,574,189; \$2,256,078 in checking accounts at Wachovia Bank; one CD valued at \$106,883; and \$211,228 in outstanding loans.

As of June 30, 2007, portfolio reports were up to date, indicating a delinquency rate of 11.36% over 30 days. During the year, a total of \$448,513.43 was repaid, including \$407,948.99 in

principal and \$40,564.44 in interest. Delinquency rates rose during the year due to the diminishing outstanding portfolio, but they pose no significant risk of loss. During the period, three borrowers repaid their loans. There are currently four loans outstanding.

### Monitoring

Several borrowers experienced cash flow problems during the period, including Salud Integral and Benba Enterprises. These loans were monitored closely although management believes that the risk of loss is not significant. BoH conducted monitoring visits to two countries, including Uganda and Nicaragua. During the period, Banking on Health provided informal technical assistance to Benba Enterprises and Salud Integral in order to get them back on track in terms of loan repayments.

### Management of Liquid Funds

As of June 29, 2007, Summa held \$2,362,961 in liquid assets at Wachovia Bank, of which \$2,256,078 is in checking accounts and \$106,883 is in a CD. The Banking Health Project monitors these funds on a frequent basis. The table below highlights the breakdown of Summa's liquid funds:

**Table 7. Breakdown of Liquid Funds\***

Instruments	Annual Yield	Original Amount Invested (Since 9/2005)	Market Value
Non-Profit Checking Account	0%	N/A	\$44,512.94
Advantage Checking Account	4.90%	N/A	\$2,211,564.66
CD2	4.06%	\$100,000.00	\$106,883.20
<b>Total</b>			<b>\$2,362,960.80</b>

\*As of June 29, 2007

It should be noted that Summa follows a conservative investment strategy that prioritizes the preservation of capital while allowing for some growth but with a minimum risk of loss. Liquid funds were placed in CDs following Summa's recommendation to USAID and the approval of its board of directors in August 2005. In the summer of 2006, Summa management advised the board that when the CDs matured, the funds would be deposited into Summa's Advantage checking account, which currently has a higher annual yield than the CDs due to the inverted yield curve prevailing in the United States. Summa will continue to monitor the returns on the CDs and checking account and invest funds in whichever vehicle brings the highest rate of return.

In February 2007, discussions between USAID and the Summa Foundation began concerning the gifting of funds from Summa to USAID. Abt Associates initially expressed concerns with a possible appearance of a conflict of interest with the funds returning to USAID to then be used to fund the Banking on Health Project. USAID decided that the gifted funds would not directly feed into the Banking on Health Project, but would instead be used by the Office of Population and Reproductive Health to fund family planning activities (as stated in the June 27, 2007 letter from Scott Radloff requesting the gifting of funds). Abt's General Counsel stated that he saw no

conflict of interest in this proposed transfer of funds. The Summa Foundation Board will meet in July to discuss the gift request in detail and to plan for the possible transfer of funds.

### 5.3.2. PROVIDE SOUND GOVERNANCE

#### Summary of Objectives

- Conduct at least one board meeting
- Keep board informed on performance of Summa Foundation

#### Accomplishments

- Banking on Health met most of these objectives by keeping the board informed on operations. The annual board meeting, however, was delayed to the first quarter of Year Four.

During this period, Banking on Health kept the board informed, providing a subset with year-end financial statements and updating the board on the status of the gift. The board originally planned to meet earlier in the summer, but due to delays in the completion of the draft audit report by Goodman & Co, the annual meeting was delayed and is scheduled for August 2007. BoH continues to keep the board informed of all activities and issues regarding the Summa Foundation.

**Table 8. Summary of Summa Loans as of June 30, 2007**

Borrower	Expected Repayment Date	Amount Approved	Amount Disbursed	Amount Outstanding*
Uganda Private Providers Loan Fund	12/31/06	\$300,000	\$275,000	\$37,284.70
Clinica Materno Infantil San Angel in Nicaragua	Repaid	\$165,000	\$120,000	\$0
GSMF International ( <i>GSMF</i> )	Repaid	\$76,800	\$76,800	\$0
Reproductive Health Association of Cambodia ( <i>RHAC</i> )	Repaid	\$150,000	\$150,000	\$0
Bushenyi Medical Center ( <i>BMC</i> ) in Uganda	Repaid	\$25,000	\$25,000	\$0
San Pablo Hospital Complex ( <i>SPHC</i> ) in Peru	Repaid	\$1,000,000	\$1,000,000	\$0
Instituto Centroamericano de la Salud ( <i>ICAS</i> ) in Nicaragua	Repaid	\$100,000	\$100,000	\$0
Mujeres en Desarrollo Dominicana ( <i>Mude</i> ) in Dominican Republic	Repaid	\$300,000	\$300,000	\$0
C&J Medicare in Ghana	Repaid	\$200,000	\$200,000	\$0
Hospital Salud Integral in Nicaragua	10/31/07	\$250,000	\$250,000	\$47,464.72
SuMedico in Nicaragua	12/31/07	\$225,000	\$225,000	\$24,804.29
Benba Enterprises in Uganda	12/31/07	\$250,000	\$250,000	\$101,674.04
Prime Cure in South Africa	N/A	\$800,000	\$0	\$0
The ADDO Drug Shop Loan Fund in Tanzania	Repaid	\$300,000	\$51,232.31	\$0
<b>Total</b>		<b>\$4,141,800</b>	<b>\$3,023,032.31</b>	<b>\$211,227.75</b>

### **5.3.3. FINANCIAL REPORTING AND ACCOUNTABILITY**

#### **Summary of Objectives**

- Manage outside accounting firm to ensure monthly bookkeeping
- Complete monthly and year end financial statements
- Conduct annual 2006 audit and submit audited financial statements to USAID
- File Maryland registration and personal property tax return
- File 2006 Federal Form 990 with IRS
- Maintain registration in the Commonwealth of Virginia
- Maintain professional liability insurance

#### **Accomplishments**

- Banking on Health has successfully met, or is in the process of completing, the Year Three workplan objectives. Monthly bookkeeping and 2006 year-end financial statements were completed. The 2006 audit was initiated and will be finalized in Year Four. Virginia and Maryland registration and the professional liability insurance are up-to-date. The Maryland property tax form was filed and federal tax forms will be filed by August 15, 2007.

Each month Banking on Health provides Gelman Rosenberg and Freedman, Summa's external accounting firm, with a loan repayment report. Gelman then prepares monthly financial statements including balance sheet, profit and loss statement, journal, and a general ledger based on Generally Accepted Accounting Principles (GAAP). During the period, Gelman also prepared the 2006 year-end statements that were provided to the auditors and two of Summa's board members.

The annual audit of the Summa Foundation was undertaken this year by Goodman & Co (formerly KWS). The audit was initiated in January 2006, but due to delays in receiving confirmation letters from borrowers, the audit has not been finalized. The draft audit is expected at the beginning of Year Four and the findings will be discussed at the annual board meeting in late August. As a result of the delay in the audit, Summa requested an extension on its tax returns. The federal tax return will be prepared and submitted by August 15, 2007. The Maryland property tax return was filed and Maryland and Virginia registrations are up-to-date.

---

## **6. MONITORING, EVALUATION, AND DISSEMINATION**

### **6.1. OVERVIEW**

In addition to providing technical assistance and managing the Summa Foundation's assets, the Banking on Health Project monitors the success of its interventions, reports results to USAID, disseminates lessons learned and shares its technical expertise within the PSP IQC and beyond.

### **6.2. OBJECTIVES**

Banking on Health had a number of key objectives for Year Three, including:

- Provide USAID with semi-annual Summa Foundation monitoring reports;
- Implement baseline and follow-on surveys for Banking on Health interventions and report data in the semi-annual and annual reports and through the PSP Performance Monitoring Plan;
- Work with PSP-*One* to research BoH interventions; and
- Participate in leadership activities to share technical expertise, findings and raise the visibility of the project.

### **6.3. KEY ACTIVITIES AND OUTPUTS**

#### **6.3.1. MONITOR SUMMA FOUNDATION AND BANKING ON HEALTH INTERVENTIONS**

##### **Summary of Objectives**

- Update and submit semi-annual monitoring reports covering Summa Foundation loans
- Design monitoring plans for new interventions
- Collect baseline data for new interventions and follow-on data for existing programs
- Report data in semi-annual and annual reports and through the PSP Performance Monitoring Plan

##### **Accomplishments**

- During the period, Banking on Health submitted one Summa Foundation semi-annual monitoring report and contributed data to the PSP IQC Performance Monitoring Plan. Banking on Health also collected monitoring data on interventions.

During Year Three, Banking on Health submitted the Summa Foundation Semi-Annual Monitoring report for the period ending March 31, 2006. Banking on Health also finalized indicators for the PSP IQC Performance Monitoring Plan and submitted data from activities during Year Two, as well as began gathering the data that will be submitted for Year Three in October 2007. Banking on Health worked with local partners in Uganda, Romania, Jordan, the Philippines, Peru, and Nicaragua to collect monitoring data.

## 6.3.2. RESEARCH AND DISSEMINATION

### Summary of Objectives

- Work with PSP-*One* in Nicaragua on the EMP research study and monitoring and evaluation of the informal health insurance pilot;
- Explore the possibility of leveraging PSP-*One* and other resources to evaluate an additional BoH intervention;
- Share the project's financial expertise by participating in PSP-*One*'s leadership fora;
- Continue updating the Banking on Health page on the PSP-*One* website;
- Demonstrate leadership and raise visibility by submitting abstracts and participating in several conferences, such as the Global Health Conference and the American Public Health Association (APHA) conference;
- Work with USAID to expand knowledge of access to financing as a private sector strategy by developing a training module for a NEP course, if requested;
- Develop one to two case studies and/or write-ups on Banking on Health interventions; and
- Conduct one to two brown bag presentations for USAID and the broader CA community to disseminate successful interventions.

### Accomplishments

- Banking on Health and PSP-*One* are collaborating together on a research study in Nicaragua. Banking on Health participated in the Private Sector Working Group and the Sustainability Action Group. Banking on Health conducted presentations at the APHA conference, Global Health Conference, and the Global Health Mini University. Banking on Health held one brownbag presentations highlighting its work in Romania. BoH updated its page on the PSP-*One* website and submitted two articles for the PSP-*One* e-newsletter.

During the year, Banking on Health worked to disseminate information about the project and how access to financing can be used to achieve sustainable family planning and reproductive health outcomes in the private sector. A key component in the BoH dissemination strategy is to evaluate at least one of its interventions. Banking on Health is working with PSP-*One* to develop a research study to evaluate the promotion of family planning services within Nicaragua's Social Security Institute. Banking on Health is also working with PSP-*One* to evaluate the pilot microinsurance project that it worked with the Nicaraguan Social Security Institute to design and launch with field support funds. Banking on Health also worked with PSP-*One* to explore the possibility of evaluating its work in Romania. Unfortunately, PSP-*One* cut the Romania study from its research agenda due to budget constraints.

Banking on Health also held a number of presentations in order to disseminate information about its work. In October 2006, Banking on Health conducted a session at the Global Health Mini University on "Strategies for Building RH/FP Champions: The Role of Private Midwives". Banking on Health made a presentation to the Private Sector Working Group on value chain analysis in the health sector. In December 2006, Banking on Health presented "Mobilizing

Commercial Finance to Grow Private Sector Provision of Reproductive Health Services” as part of the poster presentation session at the APHA annual conference. The BoH team also presented three roundtable sessions at the 2007 Global Health Conference (GHC): “Partnerships to Invest in Reproductive Health in Nicaragua”, “Linking Private Midwives and Financial Institutions through Business Fairs”, and “Sustaining the Financial Health of Romanian Medical Practices”.

---

## **7. LEADERSHIP AND OVERSIGHT**

### **7.1. OVERVIEW**

In addition to the technical, monitoring and dissemination activities implemented during the first half of Year Three, the Banking on Health Project also maintained management and reporting systems and continued to develop staff capacity in order to successfully fulfill USAID's objectives.

### **7.2. OBJECTIVES**

Banking on Health had a number of key objectives to ensure leadership and oversight. These included:

- Maintain systems for providing financial and contractual oversight for the Banking on Health team;
- Continue training staff and maintaining management oversight to ensure technical excellence and quality control; and
- Meet all programmatic and financial reporting requirements.

### **7.3. KEY ACTIVITIES AND OUTPUTS**

#### **7.3.1. MAINTAIN OVERSIGHT TO MEET PROGRAMMATIC OBJECTIVES AND REPORTING REQUIREMENTS**

##### **Summary of Objectives**

- Maintain financial and contractual review mechanisms;
- Continue training and managing staff to maximize their contribution to increasing access to finance in the health sector; and
- Provide USAID with semi-annual program and financial reports.

##### **Accomplishments**

Banking on Health met its targets by maintaining sound financial and contractual review mechanisms, ensuring timely invoicing and financial reporting. Quarterly pipeline reports were submitted to USAID during the year. Banking on Health also submitted its Year Two Annual Report, Results Review, Year Two Management Review, Year Three Mid Term Management Review and Year Four Workplan on time. During the period, Banking on Health experienced some staff turnover with one of the Banking and Business Managers and the Project Manager/Administrator leaving. New staff were identified, recruited and are being trained. As a result, there has been minimal disruption to programming.

## 8. TIMELINE OF CORE FUNDED ACTIVITIES AND OUTCOMES

**Table 8. Technical Assistance to Increase Access to Finance**

Activities/Steps	Q1	Q2	Q3	Q4
Conduct follow-on assistance in the Philippines, Nicaragua, Peru, Romania and Uganda, if field support funds are not obtained.	√	√	√	√
Identify technical assistance opportunities <ul style="list-style-type: none"> <li>Assessment trips to one to two countries.</li> </ul>		√		√
Design and implement a package of technical assistance in at least one to two new countries <ul style="list-style-type: none"> <li>Initiate TA in Zambia, Jordan and Nigeria</li> </ul>	√	√	√	√
Develop additional bank and provider training modules	√	√	√	√
Develop tools as appropriate for banks and providers			√	√

√: Completed X: Not Completed

**Table 9. Management of Summa Foundation**

Activities/Steps	Q1	Q2	Q3	Q4
Manage the Summa Foundation's Assets <ul style="list-style-type: none"> <li>Collect loans and account for repayment</li> <li>Monitor loans and conduct two monitoring/TA visits</li> <li>Manage liquid funds</li> </ul>	√ √ √	√ √ √	√ √ √	√ √ √
Governance <ul style="list-style-type: none"> <li>Hold annual meeting</li> <li>Keep board updated</li> </ul>	√	√	√	X √
Financial reporting and accountability <ul style="list-style-type: none"> <li>Complete monthly and year end financials</li> <li>Conduct annual audit</li> <li>Submit tax returns</li> </ul>	√	√	√ √	√ X X

**Table 10. Monitoring, Evaluation, and Dissemination**

Activities/Steps	Q1	Q2	Q3	Q4
Monitor interventions				
<ul style="list-style-type: none"> <li>• Prepare Summa Foundation semi-annual report</li> <li>• Design monitoring plans for new interventions</li> </ul>	√	√ √	√ √	√
Research and dissemination				
<ul style="list-style-type: none"> <li>• Explore research opportunities.</li> <li>• Share the project's financial expertise by participating in <i>PSP-One's</i> leadership fora.</li> <li>• Continue updating the Banking on Health page on the <i>PSP-One</i> website.</li> <li>• Demonstrate leadership and raised visibility by submitting abstracts and participating in several conferences, such as the Global Health Conference and the APHA.</li> <li>• Work with USAID to expand knowledge of access to financing as a private sector strategy by developing a training module for a NEP course, if requested.</li> <li>• Develop one to two case studies and/or write-ups on Banking on Health interventions.</li> <li>• Conduct one to two brown bag presentations for USAID and the broader CA community to disseminate successful interventions.</li> </ul>	√ √	√ √	√ √	√       X

**Table 11. Leadership and Oversight**

Activities/Steps	Q1	Q2	Q3	Q4
Maintain financial and contractual review mechanisms	√	√	√	√
Continue training and managing staff	√	√	√	√
Meet programmatic and financial reporting requirements	√	√	√	√

---

## 9. FIELD SUPPORT FUNDED PROGRAMS

### A. NICARAGUA

#### OVERVIEW

In its first year of activities in Nicaragua, the Banking on Health Project used core funds to strengthen the private sector's ability to contribute to positive public health outcomes. A key component of this work was strengthening the Social Security Institute's (INSS) contracting out system. The INSS contracts out a basic package of primary health care services to *Empresas Médicas Previsionales* (EMPs). Approximately three-quarters of the EMPs are private sector providers. In Year One Banking on Health worked to increase access to financing for EMPs and strengthen reproductive health and family planning outcomes within the capitated system. Despite creating interest from both the EMPs and the INSS in investing in family planning and reproductive health services, the Banking on Health Project identified a number of barriers to maximizing impact. The INSS did not have any clinical guidelines or system for monitoring the provision of preventive health services, including family planning. Most of the EMPs did not have formal systems in place for promoting family planning and other preventive services. While EMPs recognized the potential cost savings of promoting family planning within the capitated system, they lacked adequate cost accounting systems to be able to measure this. Furthermore, the INSS system only covered formal sector workers. Accordingly, there are access issues for informal sector workers and other underserved populations, particularly in rural areas. Banking on Health responded to these barriers by designing a field support-funded program to:

- Increase the availability of family planning services in rural and underserved areas by supporting small-scale providers of family planning services;
- Reduce high-risk and unintended pregnancies and maternal and infant mortality rates as well as the incidence of breast and cervical uterine cancers within the INSS system;
- Improve the promotion of quality, preventive services at EMPs as a cost containment strategy; and
- Increase access to health services for lower income groups by expanding social security coverage to the informal sector.

#### OBJECTIVES

Banking on Health had three key objectives for Nicaragua field support activities:

- Work with the INSS to promote family planning and reproductive health service delivery;
- Train EMPs in cost accounting to strengthen financial performance and the promotion of family planning and other preventive services in the capitated system; and
- Work with the informal/microfinance sector to expand positive health outcomes in Nicaragua;

## **KEY ACTIVITIES AND OUTPUTS**

The majority of Banking on Health's activities in Nicaragua was completed in Year Two. During the first half of Year Three, Banking on Health wrapped up a few outstanding activities and closed out programming, providing USAID Nicaragua with a CD of all project documents.

### **Summary of Objectives**

Remaining activities in Year Three included:

- Finalize printing of clinical guidelines and information and education materials for EMPs on promoting and providing voluntary family planning services and on treating and preventing breast and cervical uterine cancers; and
- Work with the INSS to launch informal sector health coverage.

### **Accomplishments**

During the period, Banking on Health worked with the INSS to wrap-up technical assistance to EMPs to promote reproductive health and family planning service delivery. As a follow-on to the trainings that Banking on Health conducted for the INSS and EMPs in Year Two, BoH printed the clinical guidelines and information and education materials on promoting and providing voluntary family planning services and on treating and preventing breast and cervical uterine cancers. Banking on Health worked with the INSS to distribute the materials to the EMPs.

During the period, Banking on Health also worked with the INSS to launch health coverage to informal sector workers, using microfinance institutions as agents to sell the insurance. During Year Two, Banking on Health worked with the INSS to assess the feasibility and design the pilot project and obtain political buy-in. In Year Three, Banking on Health used the balance of its field support funds in Nicaragua to assist the INSS to launch the project. In July 2006, Banking on Health worked with the INSS to develop and conduct a three-day training for 38 loan officers and branch managers of three microfinance institutions, Procredit, Findesa, and ACODEP, that are participating in the pilot. The training covered a broad range of information about the INSS product, coverage and eligibility; the specific process for subscribing new clients; and strategies for selling this product. Banking on Health conducted a pre and post test to measure changes in knowledge as a result of the training. On average test scores increased from 36.8% to 59.1%. During the period, Banking on Health also worked with a local consulting firm to develop a questionnaire to monitor and evaluate the pilot project. The monitoring and evaluation will be conducted by PSP-*One*. Banking on Health also provided advice and troubleshooting to the MFIs and the INSS to get the project launched. In December 2006 the microfinance institutions officially began selling health insurance to informal sector workers. In the second half of the year, sales were slow. Due to the change of government, the INSS has not been focused on the program and there has been some erosion of support. Banking on Health will continue to monitor this situation closely and do what it can to build support for the project.

**Table 12. Field Support Nicaragua Budget**

Activity	Budget	Expenses (06/30/07)	Balance
TA to INSS in FH/FP	154,787	187,865	-33,078
TA to EMPs in Cost Accounting	131,660	89,913	41,747
Assessment to Expand Coverage to Informal Sector	92,952	67,816	25,136
Expand Access to Finance to Small-Scale Providers	120,601	59,259	61,342
Informal Health Insurance Pilot*	0	95,147	-95,147
<b>Total</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>

\*USAID Nicaragua approved a revised workplan and budget to launch the informal health insurance pilot.

**Table 13. Nicaragua Activities**

Activities/Steps	Q1	Q2	Q3	Q4
Work with the informal/microfinance sector to expand positive health outcomes in Nicaragua				
• Conduct training to 3 MFIs in selling the health insurance product.	√			
• Work with INSS to launch informal sector health coverage.	√	√		
• Work with local firm to develop monitoring and evaluation questionnaire.	√			
Work with the INSS to promote RH/FP service delivery				
• Finalize printing of clinical guidelines and information and education materials for EMPs on promoting and providing voluntary family planning services and on treating and preventing breast and cervical uterine cancers.	√			

## **B. THE PHILIPPINES**

### **OVERVIEW**

The Banking on Health Project received \$695,000 in field support funds to assist private practice midwives throughout the country to expand and improve the delivery of sustainable reproductive and other health services by accessing appropriate, timely financing and technical assistance. Since February 2005, the project has worked closely with the USAID mission to meet this goal. This work feeds directly into USAID/Manila's strategic objective "Desired Family Size and Improved Health Sustainably Achieved." The BoH strategy addresses the barriers to accessing financing by providing strategic technical inputs to the USAID mission, existing projects and local entities and leveraging locally available resources to promote the growth of private practice midwife businesses at all stages of development. In the first half of Year Three, this work was implemented with the assistance of a resident advisor based in Manila. Banking on Health completed most of its field support activities in the first half of Year Three and will close out the project in the first half of Year Four.

### **OBJECTIVES**

Banking on Health had two key objectives in the Philippines in Year Three:

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

### **KEY ACTIVITIES AND OUTPUTS**

#### **IMPROVE MIDWIVES' FINANCIAL MANAGEMENT ABILITIES, INCLUDING PLANNING AND MANAGING SAVINGS, AND ACCESS TO EXTERNAL FINANCING**

##### **Summary of Objectives**

- Increase opportunities for midwives to access business support and financing to improve the quality and capacity of their private practices to deliver RH/FP services.
- Develop the capacity of midwife associations to offer support for private practice midwives interested in improving and growing their practices on a sustainable basis.
- Develop business training to be provided to midwives through the USAID-funded PRISM Project.

##### **Accomplishments**

- During the period, Banking on Health completed most of its workplan objectives, increasing opportunities for private midwives to access business support and financing through business fairs, developing business training to be rolled out by the PRISM

Project, building the capacity of midwife associations to support private members, and providing key technical inputs to the PRISM Project.

### **Increase Opportunities for Private Midwives to Access Business Support and Financing**

In the Philippines, the private midwife sector is fragmented and dominated by small practices that are isolated and lack access to market information, financing, business linkages and technical health updates. The Banking on Health Project identified an opportunity to address some of the constraints by sponsoring business fairs. The business fairs provided a venue for midwives to access representatives of business and financial services, meet equipment and pharmaceutical suppliers, and receive technical updates and information from the Department of Health. During the period, five business fairs were held in locations throughout the Philippines (Manila, Davao, Cebu, Iloilo, and Pampanga). A total of 1,216 midwives attended the fairs, as well as more than 30 financial institutions and more than 60 pharmaceutical companies and equipment suppliers. The purpose of the midwife business fairs was twofold; first to create awareness, inspiring and motivating midwives to pursue or expand their private practice businesses; and second, to develop linkages among the midwives, financial institutions, technical providers, and commercial health suppliers.

### **Develop Business Training and Resources for Private Midwives**

In addition to isolation, private midwives are also constrained by limited business skills and limited access to tools and materials that can help grow and improve their practices. During the period, the Banking on Health Project developed training and other resources for midwives, include a growth monitoring tool, a directory of financial institutions and a list of private practice midwife and birthing home clinic requirements.

BoH is advising the PRISM Project's business training initiatives for private practice midwives. In this context, BoH has created basic and advanced business skills training courses to be provided to home-based and clinic-based midwives after BoH provides a training of trainers (ToT) course to PRISM funded training organizations in the first half of Year 4. Topics covered in the training include basic business management concepts, marketing family planning products and services, financial management and access to finance. During the period, Banking on Health worked with the PRISM Project to develop a scope of work and selection criteria for Business Skills Trainers. Banking on Health recommended that the PRISM Project access cost-effective, technically qualified trainers with regional presence. Training organizations will be based in the regions where the training will be held. In the first half of Year Four, Banking on Health will return to the Philippines to conduct a ToT for PRISM staff and selected training organizations. The ToT will cover participatory learning and review the basic and advanced business materials that were developed by Banking on Health. The PRISM Project will be responsible for rolling out the training to private midwives in 2007 and thereafter.

Banking on Health also developed a standard system for private midwives to monitor business growth, packaging it as the Enterprise Growth Monitoring Tool (EGMT) and daily accounting worksheet. This tool provides midwives with a means to track financial and non-financial business growth and the source of that growth, including the sales of family planning products. Banking on Health field tested this tool in two regions of the Philippines. The tool was finalized

during the second half of Year Three and is now incorporated in the PRISM business training for midwives.

Lastly, BoH compiled several resource directories to help midwives that are interested in starting, improving, and growing their private practices. BoH developed a directory of equipment, training, facility and business registration requirements for private practice midwives and for the establishment of Department of Health accredited birthing homes. The directory includes market prices for each of the requirements. In addition, Banking on Health created local directories of suppliers of equipment, family planning products, and other supplies as well as a directory of financial institutions with loan products suitable to the needs of midwives. This information is currently not readily accessible to individual midwives. These resources will be used in business trainings and disseminated through midwife associations to help midwives to set business goals and understand and meet quality requirements. These directories can easily be updated by the midwife associations in the future so that they remain current.

### **Develop Capacity of Midwife Associations to Offer Support to Private Practice Members**

During the period, Banking on Health worked with local midwife associations as another strategy to connect private midwives and develop long-term sustainable resources to support the development of the private midwife sector in the Philippines. In Year Two, Banking on Health conducted an assessment of private midwife associations in the Philippines and made recommendations to improve their capacity. During Year Three, Banking on Health followed-up these recommendations by providing technical assistance to the Integrated Midwives Association of the Philippines (IMAP), the national association that has the largest number of private practice members and the greatest potential for assisting these members, as well as to two regional associations, including the Cebu chapter of IMAP, and the United Midwives Association of Quezon City. Banking on Health presented the findings from its market research on private midwives' financing and business training needs at the IMAP national convention so that midwives could have a better understanding of the support services that are required. Complementing this, Banking on Health provided guidance to IMAP and the two regional associations on managing business growth activities to support private practice midwives. These activities include training, relations with financial institutions (referral systems for loan applicants, "midwife mapping" using membership lists), and cooperatives. BoH also provided technical assistance on managing association finances and financial sustainability to select association chapters.

BoH conducted a participatory strategic planning exercise designed to increase understanding of the needs of private practice members and how they correlate to the mission and core competencies of the association. As a result of this work, IMAP held regional and national meetings, which resulted in the adoption of a new five year strategic plan that makes support for private practice members a central role in the activities of the association, including the appointment of a "private practice champion" and the establishment of IMAP run accredited clinics to provide quality RH/FP and maternal child health services that could serve as a model to private practice members.

It should be emphasized that due to funding constraints, Banking on Health was only able to begin to build the capacity of the midwife associations to provide sustainable support to their

private members. In the future the midwife associations will need additional support before they are fully capable of assisting their private members.

### **Provide Technical Inputs to the PRISM Project**

Banking on Health implemented all of its activities in the Philippines in close collaboration with the PRISM Project. Part of Banking on Health's mandate in the Philippines is to provide technical support to the PRISM Project. Banking on Health provided all resources that were developed during the period to PRISM project management for their continued use and incorporation into future trainings. These include the results of BoH Survey of Private Practice Midwives' Training and Financing Needs, the Completed List of Requirements for Private Practice Midwives and Birthing Homes as well as the Directory of Financial Institutions and Suppliers. In addition, Banking on Health developed and revised the basic and advanced business training courses, which will be rolled out by PRISM in Year Four.

## **STRENGTHEN FINANCIAL INSTITUTIONS' RECEPTIVENESS AND ABILITY TO PROVIDE TIMELY, APPROPRIATE SMALL BUSINESS LOANS TO PRIVATE MIDWIVES**

### **Summary of Objectives**

- Advise Opportunity Microfinance Bank on issues related to DCA utilization.
- Introduce new banks, MFIs and credit cooperatives to the midwife business model and attract new lenders to this market segment.
- Encourage SB Corporation on issues related to guarantees and wholesale lending to support lending to midwives.

### **Accomplishments**

- Banking on Health completed most of its workplan objectives during the period. Banking on Health encouraged OMB to expand the definition of qualified borrower to midwives outside of the WPFI network. More than 25 institutions that had not previously lent to midwives participated in the Midwife Business Fairs held in five regions of the country. Banking on Health assisted in the development of a midwife cooperative that may be eligible for wholesale funding from SB Corporation in the future.

### **Support to OMB for Utilization of the DCA**

In the first half of Year Three, OMB management indicated interest in expanding the loans covered under the DCA guarantee to include those midwives who are not in the WPFI network. Banking on Health provided OMB with a list of minimal clinic requirements so that OMB feels more confident in evaluating loan applicants and invited OMB to the two Luzon-based midwife fairs so that it would gain more exposure to the non-WPFI midwife market. Unfortunately, little progress has been made in the process of expanding the DCA and no new loans were disbursed under the DCA during Year Three. This is primarily due to fact that WPFI stopped referring midwives to OMB, while it was going through some structural difficulties in 2006.

### **Assist Additional Financial Institutions to Enter the Private Midwife Market**

During the period, Banking on Health pursued several strategies to assist additional financial institutions to enter the private midwife market, including providing financial institutions with

market research on private midwives, hosting the business fairs and providing training and technical assistance. Banking on Health identified at least three financial institutions in the regions that were identified as priority by USAID. These include the National Capital Region, Regions 6 and 7 (both in Visayas) and Region 11 (Mindanao). BoH provided these financial institutions with the findings of the market research on private midwives' financing and business training needs. In addition, Banking on Health invited more than 30 financial institutions to participate in the five business fairs held in five different regions of the country in the first half of Year Three. Most of these had never lent to midwives in the past. They made themselves available at these fairs as speakers and to answer questions and provide information to midwives in a supportive, non-intimidating environment.

Banking on Health also supported financial institutions to enter the market through training. In Year Two, Banking on Health developed a case study for the USAID-funded Microenterprise Access to Banking Services (MABS) Project. BoH worked with MABS during Year Three to incorporate the case study into their lender training for rural bankers in Year Three. "Case Study: Christina Gomez, Midwife" will be in the e-learning modules being developed by the project for more than 200 rural banks participating in the MABS project, located both in highly populated and remote areas of the country. This case study will be rolled out through the MABS training over the next year.

As a result of this work with financial institutions, two new institutions, a microfinance institution and a credit cooperative, began lending to midwives during the period. Banking on Health expects lending to midwives to increase significantly over the next six months as a result of the business fairs, and follow-up work and training with midwives and financial institutions to be carried out by the PRISM Project. Monitoring is ongoing.

### **Encourage SB Corporation to Support Lending to Midwives**

During the period, Banking on Health worked with SB Corporation, a state-owned financial institution, to facilitate lending to midwives. Banking on Health provided SB Corp with the market research on midwives' financing and training needs. SB Corp prefers wholesale lending to credit cooperatives rather than lending directly to midwives. Accordingly, Banking on Health worked with SB Corp to identify the technical assistance needs of midwives that are interested in establishing credit cooperatives with the intent to borrow from SB Corp. As a result of this technical assistance, one midwife association has become a multi-purpose cooperative for the purpose of bulk purchases and savings mobilization for self-financing. In time, the cooperative may be eligible to access external funds for SB Corp.

**Table 14. Philippines Field Support Budget**

<b>Philippines Field Support Budget</b>	<b>Budget</b>	<b>Expenditures</b>	<b>Balance</b>
Capacity Building	173,750	162,935	10,815
Credit Readiness	417,000	427,019	-10,019
Technical Support to PRISM	104,250	20,815	83,435
<b>Total</b>	<b>\$695,000</b>	<b>\$610,769</b>	<b>\$84,231</b>

**Table 15. Philippines Year Three Activities**

Activities/Steps	Q1	Q2	Q3	Q4
Provide private sector midwives with the skills needed to identify financing needs, successfully apply for financing, and manage loan payments.				
• Conducted 5 midwife business fairs for more than 1,200 private practice midwives	√	√		
• Provided strategy and capacity building technical assistance to largest midwife association in country	√	√		
• Conduct Training of Trainers (TOT) to develop trainers of private midwives.				X
• Disseminate information on banks' lending guidelines to midwives.	√	√		
• Review and provide input for SOW and selection criteria for PRISM Business Skills Trainers.		√		
• Provide results of BoH Survey of Private Practice Midwives' Training and Financing Needs to PRISM project management for their use.	√			
• Contribute Directory of Financial Institutions for Midwives to PRISM for use and distribution in trainings for private practice midwives.	√			
• Provide midwives, through PRISM, with a standard system for monitoring business growth.				√
• Provide TA to midwife associations seeking co-op status for FP product purchases and distribution and/or for access to credit for members.	√	√		
• Vet locally available training programs on microfinance lending and credit union management for midwife associations.	√	√		
• Create up-datable directory of financial institutions for midwife associations at the local and national levels.	√			
Strengthen Financial Institutions' ability to provide timely, appropriate small business loans to private midwives.				
OMB				
• Included OMB in regional midwife fairs, provided guidance on lending to non-WPFI midwives	√	√		
Other Financial Institutions				
• Provided MFIs, banks and credit coops with market information on midwives	√	√		
• Included more than 30 institutions in midwife business fairs throughout the country	√	√		
Project Monitoring & Evaluation				
• Designed project monitoring and evaluation tools including course evaluations; knowledge/skill assessments; and long-term results monitoring/evaluation tools.	√			
• Implement the above project monitoring and evaluation tools,	√	√		√