



USAID
FROM THE AMERICAN PEOPLE



THE BANKING ON HEALTH PROJECT

YEAR FOUR ANNUAL REPORT

Submitted August 15, 2008



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
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

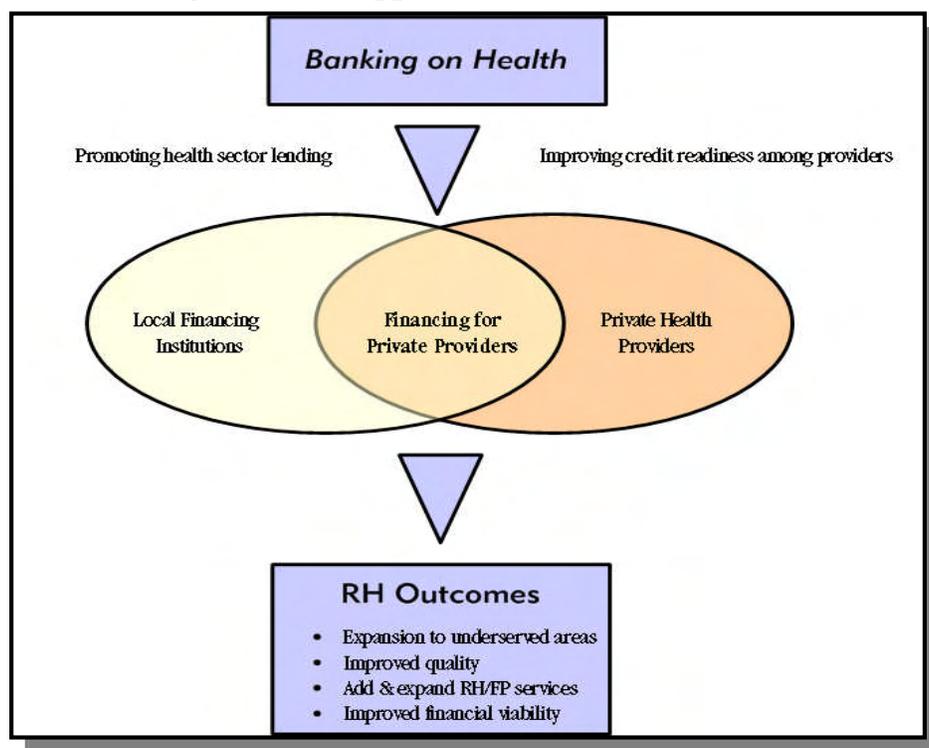
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3. INTRODUCTION

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 Four:

- *Continue building linkages:* In Year Four, Banking on Health was successful in building linkages to establish itself as a resource to be used extensively by USAID and the broader public health community. To date Banking on Health has provided advisory services to ten missions and has collaborated with a number of projects, including the Romania Family Health Initiative, PRISM in the Philippines, AFFORD in Uganda, the Health Services and Systems Program (HSSP) in Zambia, the Cooperation in Health Systems

Transformation Project (CoReform) in Georgia, PSP-One in Nigeria and PSP Ethiopia to share our financial expertise and complement private sector programming.

- *Expand and deepen impact:* During the year, Banking on Health deepened impact by continuing on-going country programs in Romania, Uganda, Zambia, Nigeria, Jordan and the Philippines; continued monitoring in Peru and Nicaragua; initiated a program in Ethiopia; and conducted a country assessment in Georgia.
- *Demonstrate success:* As Banking on Health begins the final phase of the project, it is increasing efforts to demonstrate success and share lessons learned. The Self Assessment was completed in February 2008 as part of the project's Mid Term Evaluation.
- *Manage the Summa Foundation to maximize health and financial returns:* During Year Four, we have maintained the sound governance and the strong financial performance of the Summa Foundation, collecting the last outstanding loan.

3.1. SUMMARY OF KEY SUCCESSES

During Year Four, Banking on Health had a number of key successes, which enabled it to meet the Year Four 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 assisted in leveraging more than \$90 million in loans from local financial institutions to private providers in the Philippines, Romania, Nicaragua, Peru, Uganda and Nigeria. To date the project has assisted in leveraging almost 14 times the value of its ceiling from the financial sector. Please refer to Table One for a breakdown of these funds by type of financial institution ownership and by a comparison of funds under DCA guarantee versus no guarantee.

Table 1. Cumulative Funds Leveraged by BoH by Source and Type over Project Life

Type of Financial Institution	Funds under DCA Guarantee	Funds not under DCA Guarantee	Total
State-Owned Financial Institution	\$0	\$41,109	\$41,109
Privately-Owned Financial Institution (Commercial and Microfinance)	\$3,756,575	\$86,885,768	90,642,343
Total	\$3,756,575	\$86,926,877	\$90,683,452

- As a result of Banking on Health technical inputs, a number of financial institutions in Uganda have made significant progress in reaching out to the health sector. Uganda Microfinance Limited's health sector portfolio has increased four-fold since BoH training in 2006. FINCA Uganda's portfolio has tripled since the 2006 training and Stanbic Bank has recently announced a major health sector initiative after participating in BoH trade fairs.
- The technical assistance delivered in Romania in Years Three and Four catalyzed a dramatic increase in health sector lending, significant changes within the financial sector, and the opening of channels of communication between the medical and financial sectors. Partner financial institutions have lent almost \$83 million to the health sector since Banking on Health technical assistance. One of the partners, Banca Transilvania, launched a major health sector initiative, which includes six specialized health sector branches and a dedicated sales force of 80 new employees to market newly developed health sector financial products nationwide. Libra Bank has also been very enthusiastic, launching new products for the health sector.

Expanded Country Programming with Core Funds

- During the period, BoH provided core funded technical assistance in Jordan, Uganda, Zambia, Nigeria, Ethiopia, Nicaragua, Peru, and Romania. Banking on Health also conducted a new country assessment in Georgia.
- During the period, BoH monitoring data revealed an expansion of reproductive health and family planning services among providers that have participated in a BoH training or trade fair. In Nicaragua family planning service delivery tripled during the intervention period at the Empresas Médicas Previsionales (EMPs), which are providers contracted by the Social Security Institute, with an increase in the provision of every method except implants. In Romania 26% of surveyed providers said they increased their provision of reproductive health and family planning services since attending the BoH training. In Uganda there was a

6.7% increase in providers who offer family planning services among providers that attended a BoH trade fair. There was also a 54% increase in the number of reported family planning visits.

- During Year Four, 1,091 providers attended four trade fairs in Uganda and Zambia.
- During the period, Banking on Health assisted USAID missions in Zambia and Ethiopia to structure DCA guarantees for loans to health providers. If these guarantees are approved in Year Five, they are likely to expand access to financing for private providers in these countries.
- BoH completed market research in Zambia and Nigeria, trained 18 financial institutions in Uganda, Zambia, and Nigeria to expand health sector lending and trained a total of 897 providers in business skills in Uganda, Zambia and Nigeria.

Maintained Sound Management of the Summa Foundation

- During the period, Banking on Health gifted \$1,441,000 to USAID and all outstanding loans disbursed by the Summa Foundation were repaid.

Deepened Impact through Field Support Funds

- BoH 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. By Year Four only the Philippines program was still operational. During the period, BoH developed two business training courses for midwives and conducted a training of trainers for three NGOs selected by the bilateral PRISM Project in the Philippines. PRISM will be responsible for the roll-out of the courses through the NGOs whose trainers attended the BoH training. By the end of the year, Banking on Health had completed all planned activities in the Philippines.

3.2. LESSONS LEARNED

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

- *In some cases, training is not enough to stimulate health sector lending.* In Uganda, training of financial institutions and market research was not enough to stimulate health sector lending in a significant way. The trade fairs have been instrumental in connecting providers to financial institutions and convincing financial institutions that the health sector is an attractive market.
- *Health sector business fairs may expand access to finance and contribute to increased family planning service provision and require follow-up with providers and exhibitors to maximize impact.* Preliminary monitoring data from Uganda is showing that trade fairs not only help expand access to finance and increase contacts with suppliers but may also lead to an increase in family planning service provision. Trade fairs may offer some of the benefits of networks without some of the problems and should be researched more rigorously in order to determine impact. During the Year, Banking on Health determined that trade fairs require follow-up with both providers and exhibitors to maximize impact.

- *Relatively limited technical assistance to financial institutions is capable of catalyzing dramatic increases in health sector lending.* Banking on Health remains surprised by the level and responsiveness of financial institutions to limited amounts of technical input, including market research, opportunities to network and training. Commercial banks appear to be able to react to the market opportunities much faster than microfinance institutions. In Uganda, microfinance institutions have made slow progress towards health sector lending over a period of several years, whereas the commercial banks appear to be responding much more quickly. This pattern appears to be repeating itself in Romania as well.

3.3. BUDGET SUMMARY

Over the course of Year Four, Banking on Health spent approximately \$1,351,273 on core-funded activities. This expenditure level represents 103% of the total Year Four core budget or 77% of the Year Four core budget with carry-over from previous years. Please refer to Table Two below.

Table 2. BoH Year Four Core Budget Summary (July 1, 2007 –June 30, 2008)

	Year Four Budget (w/ Carry Over)	Year Four Expenditures	Balance	Percent Expended
Technical Assistance	1,303,922	934,890	369,032	72%
Summa Foundation	102,173	85,158	17,015	83%
Research, M&E, and Dissemination	153,515	135,597	17,918	88%
Leadership and Oversight	200,425	195,628	4,797	98%
Total Core Funds	\$1,760,035	\$1,351,273	\$408,762	77%

Table 3. BoH Field Support Budget Summary (beginning of project to June 30, 2008)

	Obligated Funds	Expenditures	Balance
Field Support Philippines	695,000	694,915	85
Field Support Nicaragua	500,000	500,000	0
Field Support Peru	19,000	19,000	0
Total Field Support	\$1,214,000	\$1,213,915	\$85

By the end of the period, almost all field support funds were spent after country programming ended in the Philippines, leaving a remaining balance of only \$85. Out of the combined core and field support obligated amount of \$6,464,915, the project had expended \$6,016,624 by the end of June 30, 2008. This leaves a balance of \$448,291 to carry-over into Year Five.

Table 4. Obligated Funding Summary (as of June 30, 2008)

	Funding Obligated	Expenditures	Balance	Percent Expended
Core Funds	5,250,915	4,802,709	448,206	91%
Field Support	1,214,000	\$1,213,915	85	99.9%
Total	\$6,464,915	\$6,016,624	448,291	93%

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 Four in order to expand programming to increase access to financing. These objectives included:

- 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 technical assistance programs in Nigeria, Zambia, Uganda, Romania, Jordan, Peru and Nicaragua, as appropriate.

Accomplishments

- Banking on Health met its Year Four workplan objectives, using core funds to monitor programs in Nicaragua and Peru and provide technical inputs to programs in Nigeria, Zambia, Uganda, Romania and Jordan.

Nicaragua

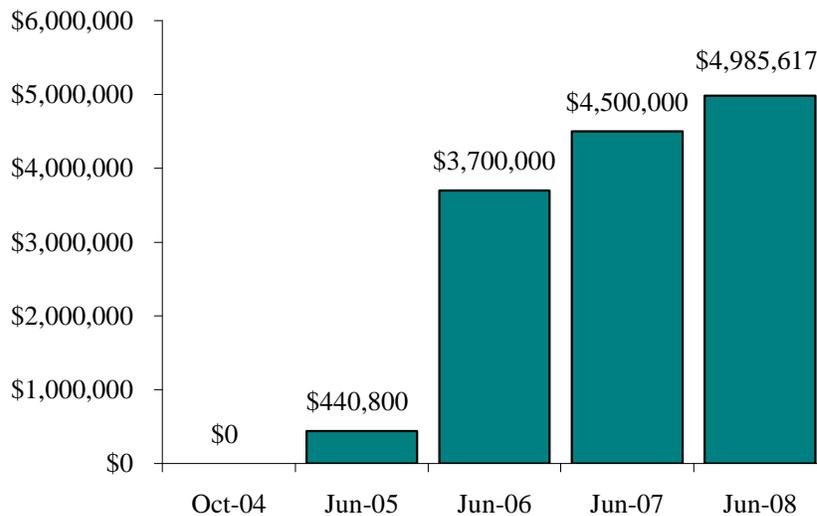
In Nicaragua Banking on Health has been working with the Social Security Institute (INSS) to strengthen reproductive health outcomes within a capitated system. Using a combination of core and field support funds, from 2004 to 2006 Banking on Health implemented a number of activities, including training two health sector DCA banks (BanPro and Finarca) in lending to the private health sector, training the Social Security Institute and Empresas Médicas Previsionales, or contracted providers, in understanding the costs and benefits of investing in reproductive health and family planning, training EMPs in business management, mergers and acquisitions and cost accounting, developing clinical guidelines and training the INSS and EMPs in family planning and breast and cervical cancers and helping to design and launch an informal sector microinsurance product. Most project activities were completed at the beginning of Year Three. At the beginning of Year Four, Banking on Health worked with a local research firm to conduct

a follow-on survey with 25 private EMPs. The baseline had been conducted in April 2004. The survey findings indicate that the project is yielding important results. A few key results are highlighted below.

Financial Institutions

As a result of Banking on Health’s technical assistance, the two banks began lending to the health sector and utilizing the DCA guarantee in 2005. By June 2008, a total of \$4,985,617 had been lent to the health sector of which \$3,751,393 was under guarantee and \$3,471,224 was lent to EMPs. \$200,000 of these funds was lent to Profamilia Nicaragua, the reproductive health and family planning NGO that BoH provided technical assistance to in business planning and access to finance. To date approximately 75 percent of the DCA guarantee has been utilized.

Figure 2: Cumulative Growth in Health Sector Lending in Nicaragua after Banking on Health Interventions



Business Training

During the initial assessment in Nicaragua, BoH determined that some consolidation of contracted providers in the sector was necessary in order to improve their viability. BoH included a session on mergers and acquisitions in its business training. Following the Banking on Health training, three small EMPs merged, obtaining a loan of \$1,307,000 to construct a larger facility for the new entity. At the time of the baseline, only 36 percent of respondents reported that they had more than 5,000 insured, which is the number considered necessary to be profitable. During the follow-up, 60 percent had more than 5,000 insured, indicating that there has been consolidation in the sector and a movement towards improved viability.

Microinsurance Product

Following Banking on Health’s technical assistance and advocacy, the Social Security Institute launched a pilot microinsurance product for informal sector workers in December 2006. Unfortunately, the launch of the pilot occurred at the same time that Nicaragua underwent a

change in government with Daniel Ortega returning to power. As a result of this change, senior management within the Social Security Institute has been replaced and there has been some erosion of support for Banking on Health programming, including the microinsurance pilot. The Social Security Institute has not actively marketed the product. By September 2007, only 957 informal-sector workers had signed up for the insurance of which 739 were subsidized as part of a PSP-*One* evaluation of the pilot. Clearly the change in government has reduced the potential for impact for the pilot. The Social Security Institute has decided to take a wait and see approach and will decide whether it wants to actively support a nation-wide roll-out of the product pending results from the PSP-*One* evaluation.

Reproductive Health and Family Planning Results

During the period, a number of important reproductive health and family planning results have been achieved. Following Banking on Health training in understanding the costs and benefits of investing in reproductive health, EMPs with the support of the INSS, agreed to extend coverage of family planning services to the spouses of formal-sector workers, improving access for approximately 100,000 new lives. The Social Security Institute also agreed to increase the capitation rate in order to more fully cover preventive services, such as voluntary family planning counseling and the provision of family planning information. In addition, the INSS asked BoH to develop guidelines on promoting and providing family planning services.

In a follow-up study of the 25 private EMPs, there were dramatic increases in family planning service provision, including an important expansion of new or first time users. In 2004, family planning visits accounted for only 16 percent of the total reproductive health visits; in 2006, this figure had jumped to 49 percent (see Table 5 below). In terms of absolute numbers of family planning visits per year, the baseline showed a combined total of 17,617 visits for the EMPs in 2004, which increased almost threefold to a follow-up value of 53,933 family planning visits in 2006. During this period, there was a 30 percent increase in the number of insured within the Social Security Institute system. While this would account for some of the increase in family planning visits, it does not explain the threefold increase. Much of this increase is from new family planning clients. At the baseline, new or first-time users accounted for 33 percent of family planning visits, whereas at the follow-up 46 percent of family planning visits were from new or first-time users (an increase of 18,726 new family planning users at these EMPs) Please refer to Table 6 below.

Table 5: Family Planning and Reproductive Health Visits at 25 Private EMPs

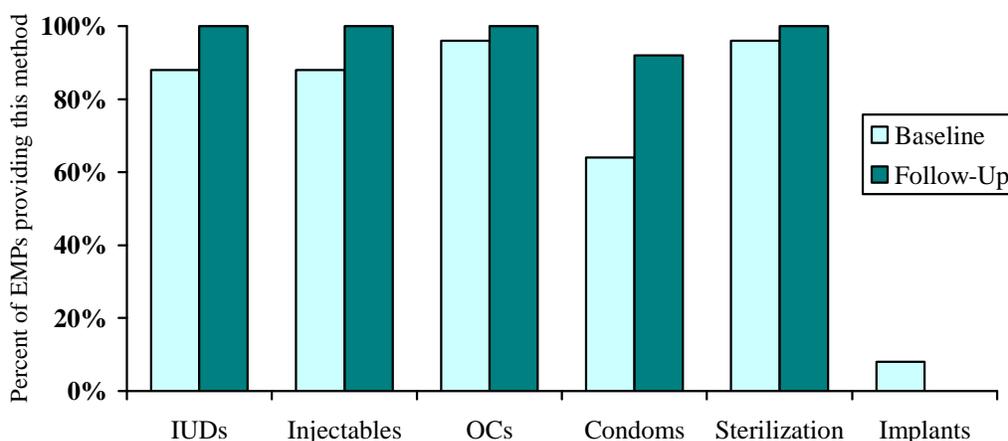
	Baseline (2004)		Follow-On (2006)	
	Number	%	Number	%
Family Planning	17,617	16%	53,933	49%
Other RH	90,657	84%	56,198	51%
Total	108,274	100%	110,131	100%

Table 6: New vs. Repeat Users at 25 Private EMPs

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

There were also increases in the range of family planning methods offered by the EMPs, as shown in the following graph. There were increases in the number of providers that offer every method, except implants, which were no longer being offered.

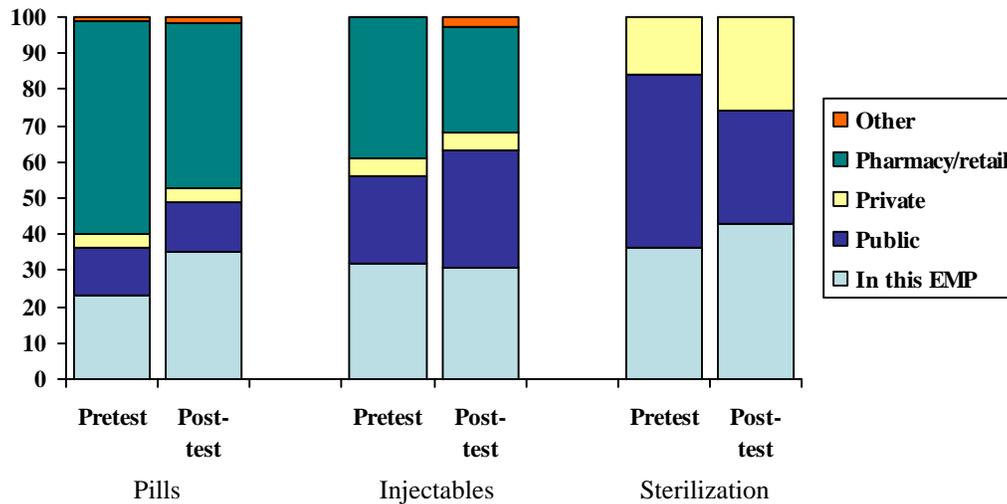
Figure 3: Provision of Family Planning Methods by EMPs



These results are also supported by preliminary data from a PSP-*One* evaluation of some of Banking on Health’s work in Nicaragua. As part of this evaluation, PSP-*One* conducted a client exit interview survey with 2,101 EMP clients in a baseline and 2,095 clients in a follow-up survey. This evaluation found that there was a substantial increase in family planning use from 60 percent at pre-test to 80 percent at post-test (PSP-*One* 2007).

In addition, the preliminary data from the PSP-*One* evaluation is indicating that the EMP’s share of the market for oral contraceptives and sterilization increased during the intervention period (PSP-*One*, 2007). Please refer to the following graph. In the case of oral contraceptives, the EMPs appear to be taking share from pharmacies, while in the case of sterilizations they are taking share from the public sector. This change contributes to Banking on Health’s goal of addressing the misallocation of resources, with a lower percentage of clients paying out of pocket for oral contraceptives or obtaining sterilizations for free from the public sector, when these methods are covered within the Social Security Institute package.

Figure 4: Source of Family Planning Methods by Method, EMP Pre-Test and Post-Test Samples



Source: PSP-One, 2007, Preliminary Data from Nicaragua Evaluation

It appears Banking on Health’s work on the guidelines, training, and distribution of information, education, and communication materials helped to raise awareness both on the part of clinical providers as well as among clients, which may have led to increased service provision. As one EMP owner stated “Of course we are the people that talk most about this subject both in family planning and cancer itself...now we include it in the chats in the hallways and in the subjects that we talk about with users”.¹

Despite the impressive increases in family planning service provision, other components of the project have not yielded the results originally intended. The survey of 25 EMPs revealed that while there was an increase in protocol-based care among smaller EMPs, there was no overall increase in providers using protocols (Alva 2007). Furthermore, the preliminary findings from the evaluation conducted by PSP-One showed that at the time of the follow-up less than 15 percent of providers discussed family planning with their non-pregnant clients (PSP-One 2007).

Peru

Banking on Health has pursued 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. In Years Two and Three Banking on Health trained 142 OB/GYNs and midwives in business skills and held two symposia on growing private practice for 850 OB/GYNs. In addition, BoH trained 19 loan officers from 10 financial institutions in lending to the private health sector. BoH provided follow-on technical assistance to Edyficar, one of the microfinance institutions, assisting them to develop and launch a health sector loan product targeted to midwives and other small-scale health providers. In Year Four Banking on Health monitored these activities by following up with financial institutions and conducting a panel study of 64 out of the 142 midwives and OB/GYNs who attended the training. Providers

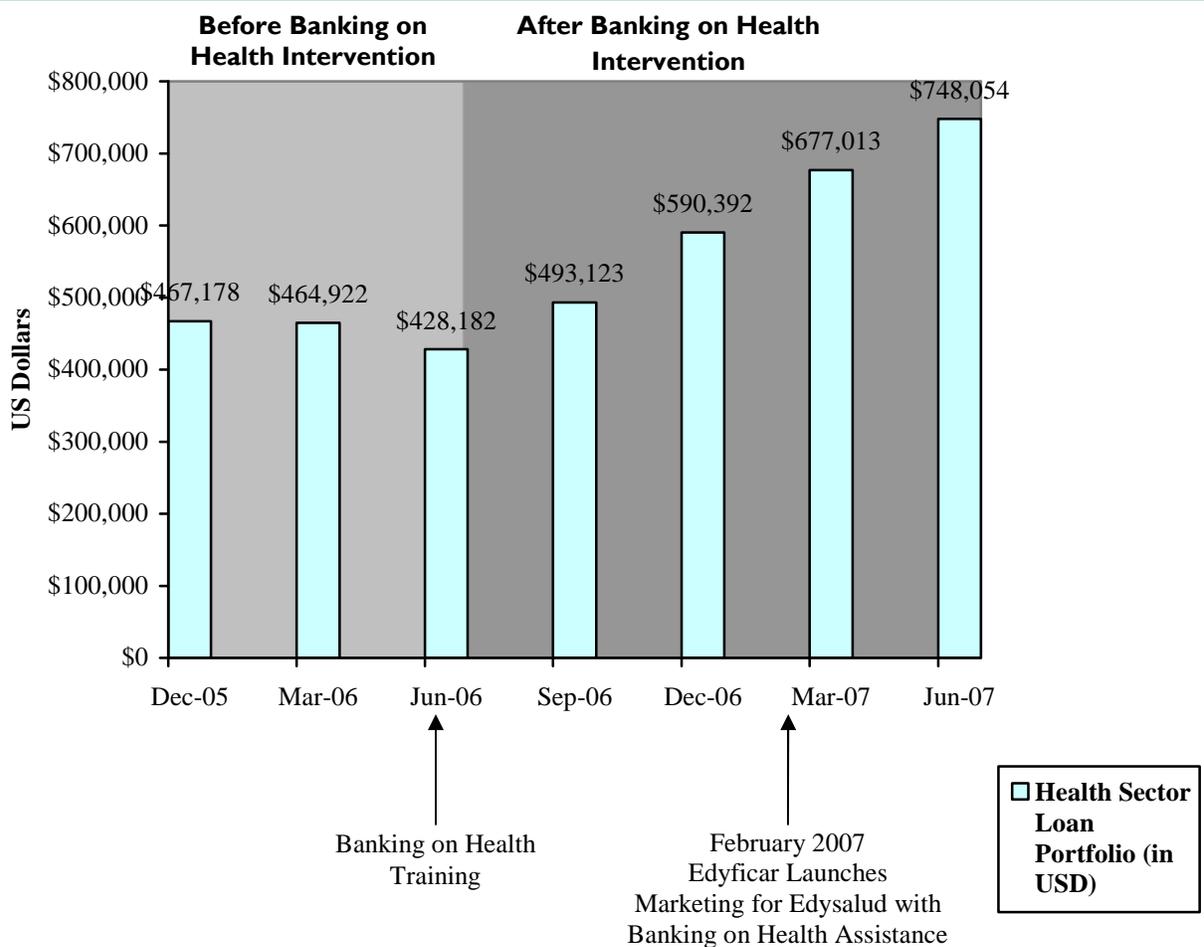
¹ Alva Consultorias y Asesorias 2007

completed a baseline survey at the training and BoH followed-up with a follow-on survey in Year Four. These monitoring efforts revealed a number of key results, which are highlighted below.

Financial Institutions

Edyficar’s health sector portfolio has grown by 75 percent in the one year period since Banking on Health’s training, with more than \$1,196,542 disbursed to health care providers during this period. Please refer to the following graph showing the evolution of Edyficar’s health sector portfolio from December 2005 to June 2007.

Figure 5: Growth of Edyficar's Health Sector Portfolio

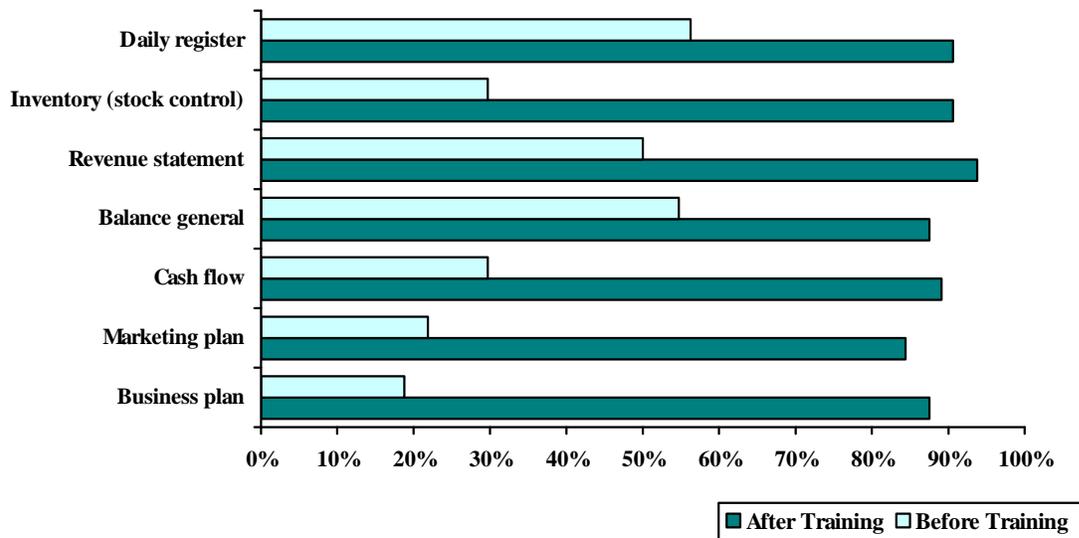


Business Training for Midwives and OB/GYNs

The follow-up survey revealed that providers are using tools that they learned in the business training in large numbers (see Figure 6). Close to 90 percent or more are reporting that since the training they are using each of the tools. There was a 69 percent increase in providers using a business plan, followed by a 63 percent increase in those that use a marketing plan and a 61 percent increase in inventory/stock control. Providers cited a number of reasons for this high level of

adoption of the tools, including that the tools assisted them in adjusting their prices (88 percent), developing marketing strategies (83 percent), controlling costs (83 percent), attracting more clients (73 percent) and accessing financing (19 percent). The trainings were highly successful in getting providers to change how they are managing their businesses in order to improve the viability of their practices.

Figure 6: Use of Business Tools Before and After BoH Training

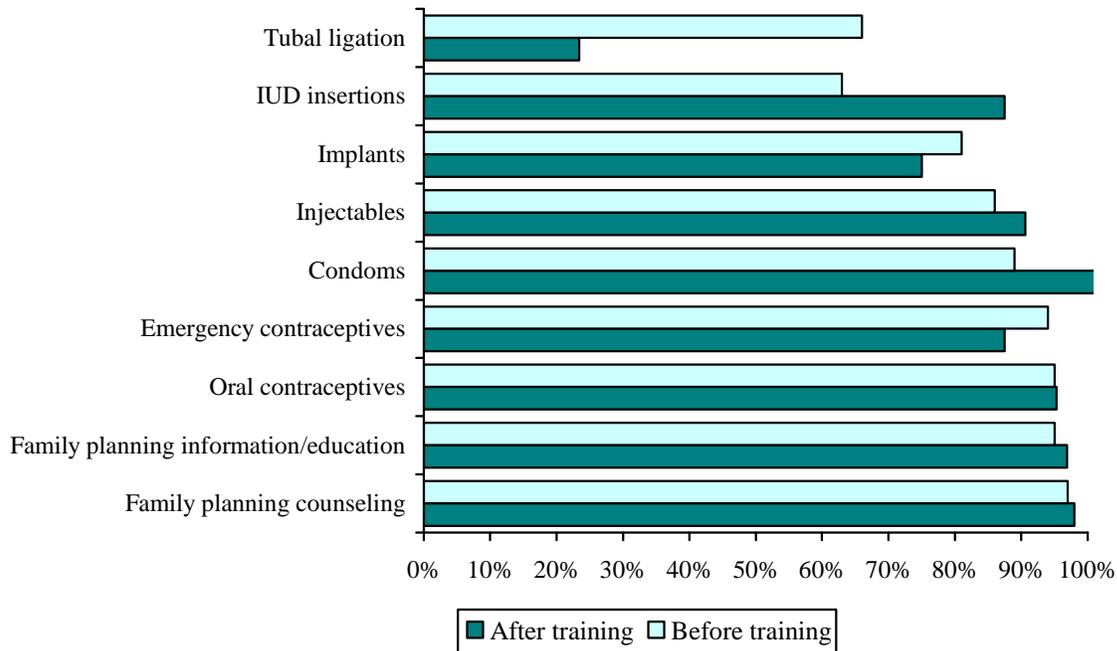


Among those who attended the BoH trainings and were contacted for follow-up interviews, 23 percent applied for a loan following the training. Eighty-seven percent of those who applied, or 20 percent of those trained, received a loan. These new loans were used primarily for purchasing equipment (85 percent), improvements to the clinic (46 percent), and inventory (39 percent). The average loan size was \$2,217, and the combined value of loans from those who reported the value was \$28,822. Among those who did not apply for a loan after the training, 42 percent plan to do so in the future.

Reproductive Health and Family Planning Results

Almost all of the providers who participated in the panel study offered family planning services. There was a slight increase of 1.6 percent in those who offer family planning between the baseline and follow-on surveys. In addition there were increases in the percentage of providers offering five out of nine family planning services, including IUD insertions (increased by 25 percent), injectables (increased by 4.7 percent), condoms (increased by 3.1 percent), family planning information and education (increased by 1.9%) and counseling and education (increased by 1 percent). There were, however, decreases in the percentage of providers offering three of the nine methods, including tubal ligations, implants and emergency contraception. These decreases should be further examined. Please refer to the following graph. In addition, the total number of family planning client visits per month also increased, with 42 percent of providers reporting an increase in visits. Overall total client visits increased for 55 percent of providers.

Figure 7: Types of Family Planning Services Offered by Percentage of Providers



Philippines

Banking on Health received \$695,000 in field support funds in the Philippines for Years Two, Three and Four activities so no core funds were needed during the period. Please refer to Section Nine below for a detailed discussion of Philippines field support funded activities.

Romania

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

As USAID prepared to end Population funding for Romania and close the mission in 2008, Banking on Health designed a package of technical assistance to improve access to financing and business management support in order to improve the viability of family doctors. Banking on Health's work contributed to the country's successful graduation. Banking on Health coordinated this work with the USAID-funded Romanian Family Health Initiative (RFHI) Project.

In Years Two and Three Banking on Health conducted four main activities, including market research on private providers and distributors of reproductive health and family planning services and supplies; training to financial institutions on marketing and product development for private providers; financial management training for family doctors; and policy advocacy.

In Year Four BoH provided limited support to follow-up technical assistance that was implemented in Year Three. During the first six months of the year, Banking on Health published and widely distributed a private health sector market research report to the government, banks, leasing companies, microfinance institutions and other stakeholders in Romania. The project continued important dialogue with the government of Romania on contract terms for family doctors. BoH concluded policy advocacy activities with meetings with MoPH representatives, the National Health Insurance House, the World Bank, and provider groups. BoH provided some follow-up technical input to financial institutions and training partners. As BoH concluded its technical assistance in Romania, data was collected to measure the impact of project activities. Key results are highlighted below.

Policy Advocacy

There have been a number of very positive policy developments that are addressing some of the concerns raised by Banking on Health. Most importantly, in Year Four the National Health Insurance House increased the amount paid to family doctors for services provided under the basic government package by nearly seventy percent, resulting in a real income increase for family doctors.² This was the first significant increase in years and will be an important driver in improving the financial viability of the family doctors. Increased income also increases their opportunities for accessing finance. Another development which has the potential of transforming family doctors' practices is the clarification of the law on purchasing facilities. A long-ignored law, allowing family doctors to purchase their facilities from municipalities at reduced cost, began to be enforced at the end of Year Three. This change has made it possible for family doctors to access finance, purchase their facilities and invest in refurbishment. Recent monitoring, however, has revealed that this law may still not be implemented uniformly.

Banking on Health also learned that the MoPH will use the Banking on Health market research data in developing a program funded through a World Bank loan to improve the delivery of primary health in rural areas. The World Bank is using the district level data from the BoH research to support the planning of this program.

Financial Institutions

² Source: National Health Insurance House of Romania website, <http://www.cnas.ro/?id=63>

The technical assistance delivered in Romania in Years Three and Four catalyzed a dramatic increase in health sector lending in Romania, significant changes within the financial sector, and the opening of channels of communication between the medical and financial sectors.

In October 2007, Banca Transilvania launched a major initiative in the health sector, which includes six specialized health sector branches and a dedicated sales force of 80 new employees to market newly developed health sector financial products nationwide. This has resulted in over 1,000 new loans totaling over \$63 million in financing to the health sector thus far. The average loan size is approximately \$63,000. New Banca Transilvania products include education loans for medical students, savings accounts for residents, start-up loans for physicians opening a private practice, loans for investment and expansion, and business advisory services. Banca Transilvania also purchased majority shares in a medical equipment leasing company for over \$750,000, thus providing more financing opportunities for family doctors and other health providers.

Libra Bank’s health sector loan portfolio grew by \$19.7 million, or 1,593 loans, after receiving technical assistance from Banking on Health. Libra Bank has introduced new products to the sector, including a working capital loan for pharmacies, which are also important family planning product outlets.

In April 2008, Raiffeisen Bank launched its new loan products for medical professionals. These products included a start-up business loan– a unique product for the Raiffeisen group of banks worldwide. In order to push forward the initiative, the bank had hired a new internal champion to spearhead the new sales team and marketing efforts.

See the table below and chart for a synopsis of results related to increased capacity to lend to the health sector in Romania based on a review of five lending institutions that BoH trained. A final postscript to financing results is that since Banca Transilvania entered the market in a concerted and highly publicized way in Year Four, other banks have adjusted their terms to be more competitive. This has resulted in an overall improvement in the financial terms and conditions offered to borrowers in the health sector.

Figure 8: Cumulative Growth in Health Sector Lending in Romania

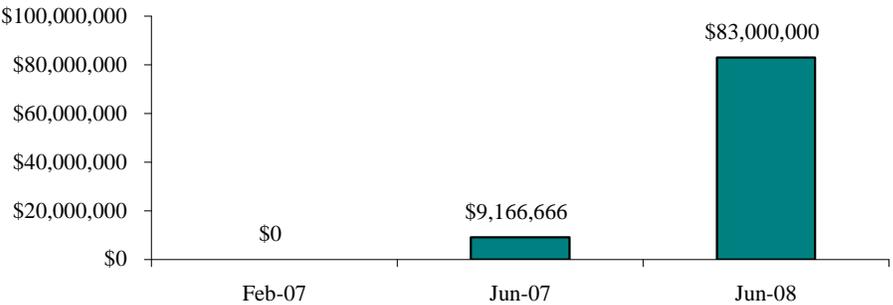


Table 7: Increase in Capacity to Lend to the Health Sector after BoH Intervention³

Impact	Libra Bank	Banca Transilvania ⁴	Raiffeisen Bank	OMRO	Express Finance
Increase in Number of Loans	1,593 more loans	1,002 new loans	No data	Yes, but no data	No change
% Increase in Number of Loans	47%	Not available	Not available	Yes	No change
Increase in Amount of Loans	\$19.7 million	\$63 million in new loans	Not available	Yes	Slight decrease (\$29,000)
% Increase in Amount of Loans	63%	Not available	Not available	Yes	Slight decrease
New Products	Credit card, no-collateral credit line, pharmacy credit line	Medical equipment leasing, numerous credit and savings products	Several new products launched, including a start up loan, the first start up loan to be offered by Raiffeisen worldwide	Equipment finance, also restructured existing loan products	No
New Marketing Techniques	Yes	Yes	Yes	Yes	No
Loan Purposes	Equipment, supplies, refurbishment, vehicle, personal	Student loans, deposit and savings products, business start up, equipment, working capital, mortgage & personal finance (funded over 200 start-up medical practices)	Start-up of medical practice, working capital, & mortgage	Equipment, working capital, facility purchase & refurbishment	Working capital and investment
Increased Investment in the Medical Sector	Portfolio increase	Over \$750,000 invested in Medicredit Leasing, 80 new bank staff, 6 dedicated branches	Created new positions to manage new products	Portfolio increase	No
Future Plans	Build on niche medical market, open 1 more branch in 2008	Open 4 more branches, hire 60 more staff, grow medical sector portfolio to \$1.6 billion in 2010	Launch new products in 2008. Possible roll-out to other Raiffeisen banks in region	Develop more marketing initiatives, grow portfolio	Considering launching a product for professionals in 2008

Business Training for Family Doctors

A follow-up survey was conducted at the end of Year Three and in early Year Four with family doctors who participated in Year Three BoH trainings. Seventy-seven out of the 140 doctors answered a questionnaire concerning changes to their practices since attending the training. All doctors report that they are using some of the tools delivered in the training. Seventy-three percent of the doctors said they have started implementing all of the tools, including income statements, action plans, balance sheets, and cash flow. The training sessions were highly successful in getting providers to change how they are managing their businesses in order to improve the viability of their practices.

In addition, the trainings assisted in expanding access to financing for private providers. Twenty-four percent said that they had taken out a new loan since attending the trainings, with an average loan amount of about \$15,000. Total financing received by those surveyed was over \$250,000. The

³ Results are from December 2006 to December 2007.

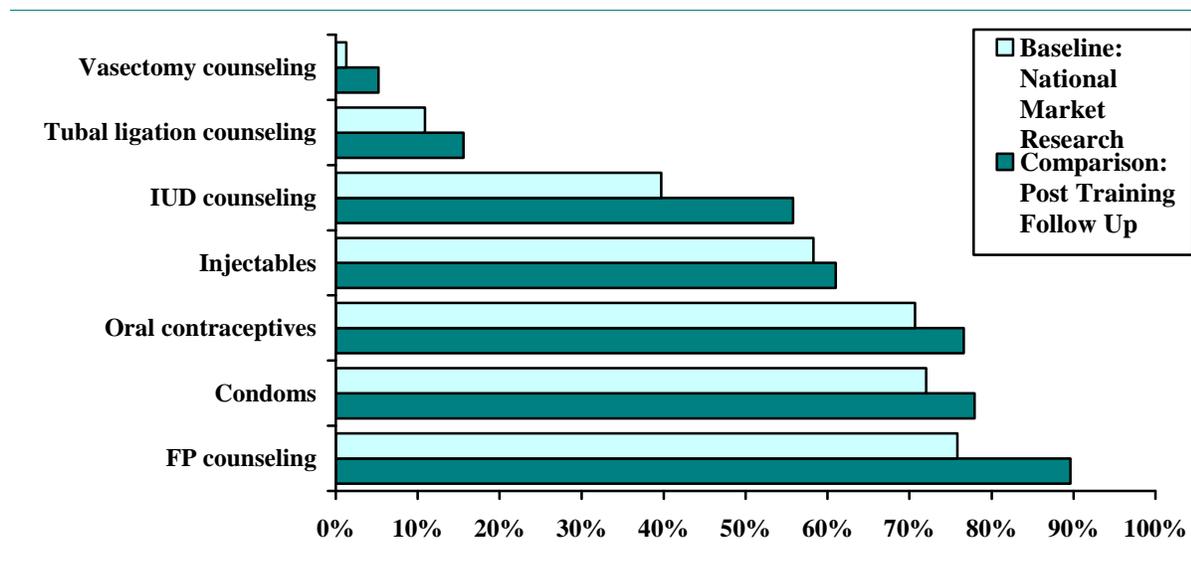
⁴ Banca Transilvania and Raiffeisen Bank had not tracked medical sector loans specifically as a portfolio segment before the Banking on Health Project, thus percentage change figures are not available.

most common use of loans was for clinic expansion or renovation (30 percent), followed by purchasing equipment (20 percent), and purchasing products (17 percent).

Reproductive Health and Family Planning Results

In the follow-up survey, twenty-six percent of the surveyed doctors said they had increased their provision of reproductive health and family planning products and services since the course. The largest increases were in the provision of condoms (21 percent), IUD counseling and information (17 percent), oral contraceptives (16 percent), injectables (12 percent), and counseling on tubal ligation (5 percent). The results showing an increase in family planning service provision also are supported by using the national market-research survey as a baseline and comparing responses from family doctors who attended the Banking on Health training. The following chart shows the difference in percentage of doctors providing family planning counseling and products among those who attended the Banking on Health training compared with the larger population of Romanian family doctors who are certified to provide family planning. In addition, training participants had on average 85% more reproductive health and family planning client visits per month than those who did not attend the training.

Figure 9: Provision of Family Planning Products and Services in Romania by Percentage of Providers



Uganda

Banking on Health’s strategy in Uganda has centered on strengthening access to finance and business linkages for small scale private health providers. Banking on Health began programming in Uganda in Year Two when it conducted training for financial institutions in lending to the health sector. In Year Three BoH launched a series of health sector trade fairs to improve market linkages between private providers, financial institutions and other providers of business support services. In Year Four, Banking on Health has focused on enhancing the effectiveness and sustainability of the trade fairs by strengthening local partnerships and introducing business training for providers who attend the fairs. It has also emphasized building

stronger synergies between the trade fairs with the provision of technical assistance to financial institutions.

Trade Fairs

Banking on Health conceived the trade fairs as “one-stop marketplace” to connect different cadres of private health care providers with the full range of business suppliers and professional networks. Since December 2006, Banking on Health has hosted six fairs in different regions and attracted over 1,200 private health providers. The format of these events has remained largely the same. They comprise a series of presentations themed “Growing your Private Practice” that includes testimonies from successful health providers, information on financial products from bankers and tips on customer service and marketing from management specialists. A day long-exhibition is held simultaneously where financial institutions, equipment suppliers, pharmaceutical companies and clinical training institutes showcase their services and products. The event is free of cost for health care providers and exhibitors are charged approximately \$100.

Banking on Health has built successful partnerships with stakeholders from the public and private sectors to create a sustainable platform for organizing the trade fairs. In February 2008, the Uganda Health Marketing Group (a USAID-supported social marketing NGO) signed an agreement to co-finance and jointly organize the trade fairs with Banking on Health. The regional nature of the trade fairs supports UHMG’s objectives to achieve substantial marketing outreach to rural and peri-urban areas. Banking on Health has also put in place a mechanism by which local professional associations and district authorities are involved in mobilizing health providers and offering strategic input and branding to the event. In December 2006, it formed a voluntary Steering Committee to offer strategic support and direction to the fairs. In Year Four, the Committee was expanded to include a total of eight professional associations as well as commercial suppliers and representatives from the Ministry of Health. The following are members of the Steering Committee:

- Uganda Private Midwives Association (UPMA)
- Uganda National Nurses and Midwives Association (UNNAM)
- Uganda Private Medical Practitioners Association (UPMPA)
- Pharmaceutical Society of Uganda
- Uganda Health Units Association (UPHA)
- Uganda Allied Health Professionals Private Practitioners Association
- Public-Private Partnership for Health (PPPH) office at the Ministry of Health
- Sino Africa, a supplier of medical equipment.

The trade fairs are held in regions where providers are isolated in their practice and face major constraints to accessing medical products, clinical updates or financial services. Banking on Health takes a multi-pronged approach to mobilizing members; it utilizes mass media (radio announcements, radio talk-shows and newspaper advertisements), communicates through the public health authorities and professional associations at the district level, and leverages UHMG’s network of product detailers. The trade fairs generally target towns and villages within 50-75 km of the town where it is held. See Table 7 for a list of the trade fairs to date and the turnout of health providers. On average, 53 percent of the providers are midwives or nurses, 13

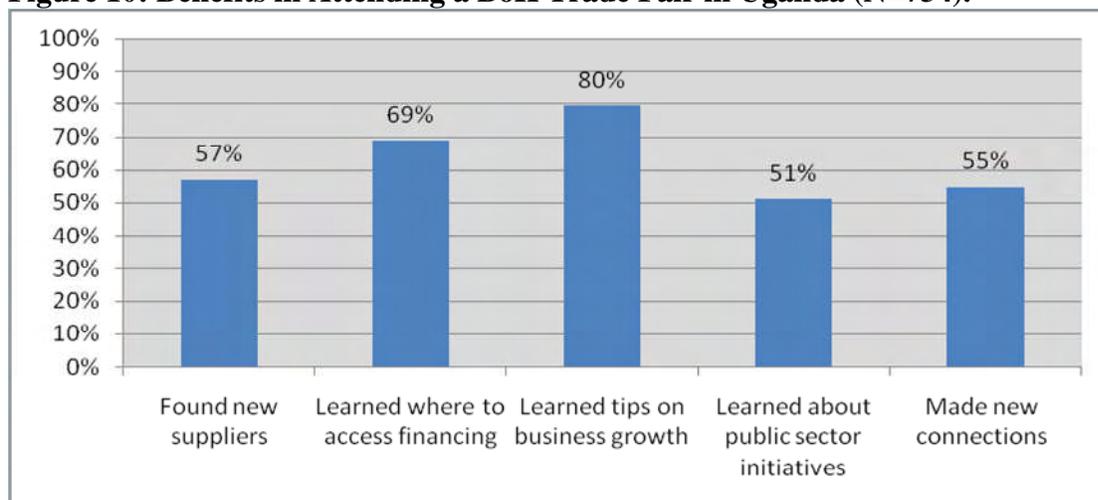
percent are drug shop owners, 11 percent are clinical officers, 9 percent are medical doctors and 2 percent are pharmacists. Other participants include lab technicians and administrators.

Table 8: Attendance at Trade Fairs in Uganda

City	Date	Number of Providers
Kampala	December-06	200
Jinja	February-07	93
Mbale	May-07	120
Mbarara	August-07	267
Arua	March-08	263
Lira	May-08	329
	TOTAL	1,272

Overall, the response to the trade fairs has been very encouraging. More than 75 percent of providers at each fair found it to be “*extremely useful*” and 90 percent would like to attend a future trade fair. Providers have valued the opportunity to meet new business suppliers and have been inspired by success stories of their peers. Based on a survey completed by providers at each event, 80 percent of providers learned new tips on business growth and 69 percent of providers learned where to access financing (see Figure 10 below). Exhibitors have enjoyed the ability to make immediate sales and build partnerships with other suppliers in the medical sector, including professional associations. For instance, Sino Africa sold nearly \$3,000 worth of small equipment and medical supplies at the trade fair in Lira. They have also invited members of the Uganda Private Midwives Association (UPMA) to visit their showroom in Kampala and offer products at a negotiated rate. At a group visit to the company’s showroom in November 2007, 12 midwives purchased over USH 20 million (\$11,799). Banking on Health has also facilitated partnerships between equipment suppliers and banks, whereby Stanbic Bank and Uganda Microfinance Limited (UML) have both signed memorandums of understanding with Sino Africa to lease medical equipment to health providers.

Figure 10: Benefits in Attending a BoH Trade Fair in Uganda (N=734).



Banking on Health is monitoring the effectiveness of the fairs by following up with individual, randomly selected participants four months after each event. To date, follow-on surveys have been conducted with 119 out of 680 attendees (25 from Jinja, 25 from Mbale, and 69 from Mbarara)⁵. Key findings from the trade fairs are listed below:

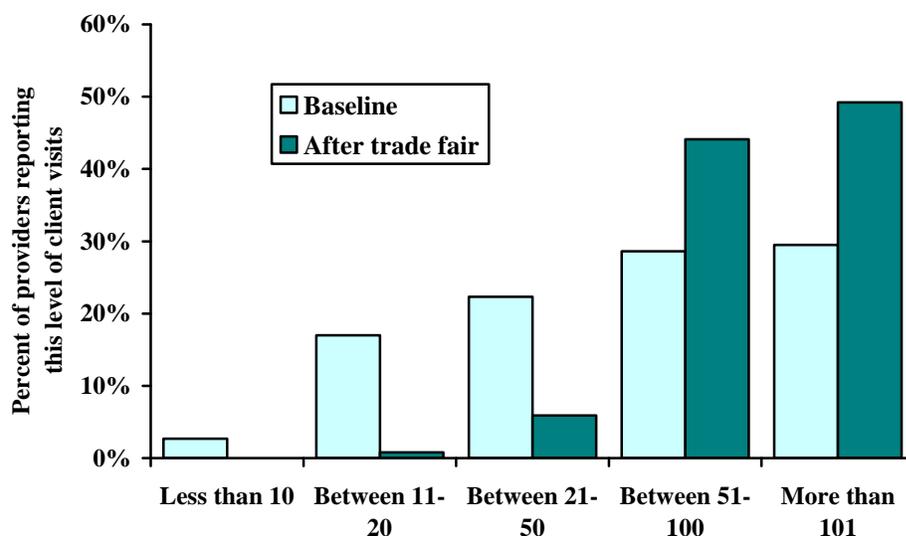
- 94.1% of providers have already contacted a supplier that they met at the trade fair.
- 89% of providers contacted a financial institution after attending a trade fair. Of those, 51% took a loan and 49% are still discussing the terms of the loan.
- 53 out of 119 providers (44.5%) received new loans after attending a trade fair. The average loan value was \$519. Loans were used for purchasing medical supplies (87%), clinic expansion (28%), and buying equipment (15%).

Interestingly, the trade fairs also appear to have a positive impact on family planning service delivery. There was an increase in the number of providers who say they offer family planning services: 84.9% of providers at the baseline compared with 91.6% at the follow-up offered some type of family planning service, an increase of 6.7%. There was also evidence of increased provision of most family planning services and methods with the largest increase in condoms (27.7%), counseling (27.5%), oral contraceptives (26.8%) and injectables (13.9%).

There also appears to be an expansion in service delivery. Providers were asked about the number of family planning visits they have each month: at the baseline, only 30.5 percent of providers saw more than 20 clients each month; at the follow-up, 84.3 percent responded that they have more than 20 family planning visits per month, an increase of nearly 54 percent. Please refer to the figure below. In addition to an increase in family planning visits, survey participants also cited an increase in the number of total client visits per month: sixty-two out of 119 (52 percent) increased total client visits.

⁵ 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. Providers who attended the trade fair in Arua are currently being interviewed.

Figure 11: Change in Number of Family Planning Clients Seen per Month by Providers in Uganda



Training to Providers

At the end of Year Four, Banking on Health piloted a half-day training on financial management to providers who had attended the Arua trade fair. Providers have consistently expressed a demand for training on cashflow management, record keeping and access to financing in surveys that were administered at the trade fairs. Banking on Health subsequently designed and tested curriculum and offered the first training in Arua in June 2008 to providers who had attended a trade fair in March 2008. The training is a four-hour session that covers cashflow management and record keeping, titled “Planning for a Health Business.” A total of 28 providers were trained in two pilot trainings. A majority of participants were nurses or midwives (62%), followed by nursing aides (17%), clinical officers (7%), radiologists (7%), laboratory technicians and aestheticians (6%). The training was well-received by providers who have not had access to such technical support in the past. Fourteen percent of the participants said the training was "excellent", 71 percent said it was "very good" and 11 percent said it was "good." Banking on Health plans to roll this training out in Year Five as a follow-up activity to the trade fairs.

Financial Institutions

Banking on Health has worked on deepening its partnerships with a few financial institutions that have shown a consistent or renewed level of interest in the sector, including Uganda Microfinance Limited (UML), FINCA Uganda, Stanbic Bank and Centenary Bank. The first two participated in the three day training that BoH conducted in June 2006, together with Post Bank. Banking on Health has decided to hire a full-time, local, financial sector advisor to offer dedicated technical support to these financial institutions and others that are interested in entering the market.

Overall, the trade fairs have strengthened the commitment of financial institutions to the sector, demonstrating market potential and helping bankers to understand the product and customer service needs of health providers. Most of these financial institutions have attended approximately five out of the six fairs. Since their involvement, several institutions have been able to articulate clearer points where Banking on Health can add value.

In Year Four Uganda Microfinance Limited started to place more attention on the health sector and invited Banking on Health to speak to their staff on developing and marketing medical leasing products. Banking on Health hosted a session on medical equipment in April 2008 that was attended by nine staff from headquarters. The staff discussed channels to market their product and were interested to liaise directly with professional associations. UML has instituted a system to collect data from its branch offices but has not regularly tracked or analyzed this data in line with a cohesive health sector strategy. Nonetheless, between December 2006 and February 2008, the number of outstanding health sector loans increased by 139% from 176 to 421.⁶ In effect, the value of their portfolio increased more than four times from USH 260 million or USD\$152,000 to USH 1.15 billion or USD\$680,000. In April 2008 UML was bought by Equity Bank and is in the process of an institutional restructuring, which may delay or change their priorities regarding the health sector.

FINCA Uganda originally took significant steps to better understand and serve the health sector. In early 2007 they developed health sector “market profiles” to facilitate lending to health providers, by giving loan officers information about pharmacists and drug shops, including key assets, borrowing capacity, seasonality of income, and relevant licensing documents. FINCA has focused their health sector lending in particular districts where they have trained loan officers to use these profiles. In April 2008 Banking on Health’s Coordinator in Uganda held a session for the six staff at the credit department in Lira prior to the trade fair to sensitize their credit staff about the health sector. FINCA is in the process of upgrading its MIS platform and has not been able to provide updated reports on their health portfolio to Banking on Health. Between November 2006 and April 2007, however, the value of FINCA’s health sector portfolio almost tripled.⁷ Their portfolio increased from 53 active health loans, totaling USH 96 million or USD\$57,000 to 69 health loans and a total disbursed principal of USH 255 million or USD\$150,191.

Banking on Health has also started to forge partnerships with Stanbic Bank and Centenary Bank as a result of their involvement in consecutive trade fairs. Banking on Health helped to negotiate agreements between both institutions and several equipment suppliers to facilitate lease-financing for the sector. Neither institution, however, has put in place a product line or dedicated adequate attention to the sector. While Stanbic Bank was originally interested in supporting business training for health providers, they felt that Banking on Health’s core target market of small-scale providers was not in-line with theirs, as they are not a microfinance institution.

⁶ UML has not been able to provide baseline data on the status of its health portfolio as of June 2006. In December 2006 UML launched an MIS system that enables it to report on loans by sector. Accordingly, BoH is using December 2006 as a baseline.

⁷ FINCA was also delayed in providing accurate baseline data.

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. While the private sector in Zambia is small due to its socialist past and lingering policy constraints, Banking on Health believes that the time is right to develop the private health sector so that it can be a more active partner to the government. 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. In Year Three, Banking on Health designed the project and initiated market research on the private health sector. In Year Four, major implementation activities began. These activities included concluding the market research, training for financial institutions, business training for private providers, a trade fair and conducting a health sector DCA assessment. Key activities are described below.

Market Research

In September 2007, Banking on Health concluded the market research on private medical providers. The survey questionnaire focused on the following: segmentation of private healthcare providers, including numbers of providers, distributors and retail outlets, regional distributions, ranges of income levels, typical business models, and typical financing needs. The research also explored current borrowing patterns and any perceived unmet demand as well as policy or economic trends affecting the sector. In addition, the training needs of providers in business development were explored with a detailed analysis of the topics, preferred formats (including venue and pricing), and utility of training in business and financial management for healthcare providers.

Survey results from September 2007 support the need for increasing access to finance to the private health sector through technical assistance to financial institutions and training of private providers especially given the fact that survey data shows that only 5% of private providers have actually received a loan. Major findings include:

- More than 50% of private providers have been practicing medicine for over 20 years.
- Just over 23% of private medical facilities began operations between 2003 and 2006 demonstrating recent growth in the sector.
- Most medical practices (46%) are individual private practices.
- Private medical providers offer major medical services such as family planning, maternity care, malaria treatment, curative care, and child health care.
- 73% of providers offer family planning services with oral contraceptives being the most common method (71.6%), followed by injectables (62.7%), condoms (62.7%) and IUDs (20.4%).
- Despite the fact that most HIV related services are free of charge in the public sector, a relatively large number of private providers offer them, including testing (58.7%), prevention of mother to child transmission (PMTCT) (39.8%) and anti-retroviral treatment (ART) (34.8%).

- Two-thirds of private medical providers are profitable with doctors the most profitable and midwives the least profitable.
- The major constraint to profitability is access to finance (63.7%) followed by patient inability to pay (54.2%).
- The private health sector in Zambia is underserved by financial institutions. Only 10% of private medical providers applied for a business loan in the last three years and only 5% of private medical providers actually received a business loan.
- Private providers are interested in participating in training in the future with a focus on clinical and business management training.

Banking on Health disseminated the preliminary findings of the report to financial institutions (please see below) as well as provider associations, including the Zambia Nurses Association (ZNA), the Private Practitioners Association, and the Zambian Pharmaceutical Society as well as a Lusaka group of clinical officers. Banking on Health is finalizing the Zambia market research report in September 2008. Findings were also disseminated through the trade fair held in March 2008 which is discussed below.

Financial Institutions

In November 2007, Banking on Health conducted training on entering the private health sector for over fifty bankers from seven financial institutions. These include representatives from four commercial banks, including Standard Chartered, Stanbic Bank, Barclays Bank, Cavmont Capital Bank, and three microfinance institutions, including FINCA, CETZAM, and PRIDE. In order to accommodate the busy schedules of bankers and differing levels of interest, Banking on Health offered two formats for the training. One included an in-depth, six-hour training (CETZAM and Cavmont) that incorporated financial product development with the market research results and the other consisted of a three-hour briefing (Standard Chartered, Stanbic, Barclays, FINCA, and PRIDE) on the market research findings. Both sessions were well received with all of the financial institution partners reiterating their interest in participating in the BoH program in Zambia as well as their appreciation of the market research results. Training results from Cavmont Bank indicated a 20% increase in knowledge regarding private medical providers in Zambia. Banking on Health is using 2007 as a baseline for changes in loan portfolio.

During the year, USAID Zambia decided to support a DCA guarantee for up to two financial institutions for the health sector. This DCA will be structured in collaboration with EGAT and cover a range of businesses, including health providers. An existing DCA guarantee may also be modified to include lending to healthcare businesses. In May 2008, Banking on Health worked with the mission to assess and recommend financial institutions to participate in the DCA. Banking on Health is providing the mission and the Office of Development Credit with on-going support in structuring the DCA.

Business Training of Private Providers

During the period, Banking on Health launched business training for private providers in Zambia, using a local trainer. The training curriculum is a three day course that focuses on important aspects of business management through participation in a business simulation game. The training covers recordkeeping, income statement, balance sheet, cash flow and breakeven

analysis. On the third day of training access to finance is discussed and two financial institutions are invited to speak about their financial products that can meet the needs of the private practitioners. The training began in September 2007 and by the end of June 2008, 219 providers have been trained, including 72 pharmacists, 62 clinical officers, 69 nurses representing the General Nursing Council and 16 doctors. The average increase in knowledge, represented by the difference in pre and post test scores, is 27%.

Trade Fair

A trade fair was held in early March 2008 that was attended by 232 participants of which approximately two-thirds were health care providers. The fair served 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. There were over 30 exhibitors at the trade fair, including approximately 5 financial institutions, 10 pharmaceutical suppliers, 10 medical equipment suppliers, 2 publishers, and 1 medical professional association. Exit results indicated that 69% of the medical providers attending learned how to access financing, 67% made new professional connections, 56% learned tips on business growth, 54% found new medical or pharmaceutical suppliers, and 44% found new products.

In Year Five, Banking on Health is planning to continue activities in Zambia. This will include expanding the existing training program for private providers to geographic areas outside of Lusaka and if a DCA guarantee is forthcoming, to develop and deliver two additional financial management trainings that are more in-depth for those private providers who are applying for financing. Banking on Health also plans to work with financial institutions to support utilization of the DCA. Banking on Health has submitted a concept paper to USAID/Zambia for field support funds to support some of this work.

Nigeria

Banking on Health is collaborating with PSP-*One* in the implementation of a field support funded project that seeks to expand access to finance for the private sector. This program has three major elements: market research on the private health sector, the development of a business management/ access to finance training program for private providers and training to private providers on entering the healthcare market. Banking on Health is providing a limited amount of core funded technical assistance to assist the implementation of this project. In Year Four, Banking on Health provided input on finalizing the market research report, developing and rolling-out training to private providers and developing and training financial institutions. Major Year Four activities are described below.

Market Research

The market research was conducted in summer of 2007. This included two surveys of the financial management practices and access to finance needs of private medical providers and pharmacists and patent medicine vendors (PMV). The survey questionnaires focused on identifying characteristics of private providers, including services offered, ranges of income levels, typical business models, and financing needs. Current borrowing patterns and any perceived unmet demand as well as any policy or economic trends affecting the sector were also

explored. In addition, the training needs of providers in business development were examined with a detailed analysis of the topics, preferred formats (including venue and pricing), and utility of training in business and financial management for healthcare providers. The pharmacists and patent medicine vendor survey also included specific questions related to availability and distribution of drugs and specific regulatory issues.

Survey results in September 2007 indicated that many private providers in Nigeria have significant experience in running profitable private practices. Despite this relatively long track record, many providers remain small, run by sole proprietors who have not moved to expand into more organizationally complex operations that can take advantage of scale and improve efficiencies. Survey results also support the need for increasing access to finance for the private health sector, which is underserved by financial institutions. Some of the specific findings include:

- The typical private medical provider is a sole proprietorship (85%) followed by a private partnership (11%).
- Specific family planning services offered include: oral contraceptives (91% physicians and 89% nurses/midwives), injectables (87% physicians and 91% nurses/midwives), and condoms (79% physicians, 78% nurses/midwives) being the most common methods.
- Providers are also an important source of long-term family planning methods, including IUD insertion (70% physicians and 47% nurses/midwives), tubal ligation (34% physicians and 17% nurses/midwives) and vasectomies (20% physicians and 11% nurses/midwives).
- The private sector is also an important source of HIV/AIDS related services. 64% of surveyed physicians and 32% of nurses/midwives offer HIV/AIDS testing to their clients. 64% of physicians and 59% of nurses/midwives offer PMTCT and 37% of physicians and 19% of nurses/midwives offer anti-retroviral treatment.
- 94% of pharmacists and 71% of patent medical vendors indicated they are a drug dispensary for prescribed drugs, 96% of pharmacists and 95% of PMVs sell over the counter drugs, 74% of pharmacists and 67% of PMVs sell non-drug related items and 44% of pharmacists and 15% of PMVs indicate they are wholesale providers of drugs to pharmacists.
- An overwhelming majority of private providers in Nigeria indicate that their businesses are profitable. This includes 99% of physicians and 98% of nurses/midwives and 99% of pharmacists and PMVs.
- 54% of pharmacists and 57% of PMVs indicated that they experience stock-outs during the month. Once a month was most common for pharmacists (45%) and for PMVs (34%).
- Private providers in Nigeria are significantly underserved by financial institutions. Most providers (85%) have never applied for financing and only 7.5% have received a business loan in the last three years.

- Private providers, who applied for loans but were rejected (49% of those applying), cited lack of collateral (43%) and credit history (26% of pharmacists) as the major reasons for rejection.
- Patient inability to pay (73%) and lack of access to financing (70%) are mentioned by most respondents as the most serious constraints to the profitable operation of a medical business.

The market research survey is being finalized requiring a resolution of data related to specific questions.

Financial Institutions

The market research results were shared with nine participating banks in February 2008 as part of a training focusing on entering the healthcare market. Prior to this, BoH had linked private provider groups to banks and Fidelity Bank has designed a loan product specifically for pharmacists that utilizes the community pharmacy association as a reference for pharmacists applying for loans and also guarantees that the association will purchase the inventory of any defaulting pharmacist to repay the loan. Subsequently, Integrated Microfinance Bank has designed a pharmacy product for nurses and designated a loan officer to cover the health sector. Another commercial bank, Oceanic Bank, has also designed a loan product for pharmacists. As of June 2008, approximately \$618,000 has been lent by participating financial institutions to 67 providers, slightly over 10% of providers who have attended training since September 2007, as reported by participating financial institutions. BoH will support the follow-up with financial institutions in August with the development of work plans for commercial banks related to health sector lending. USAID Nigeria has also just indicated interest in supporting the development of a health sector DCA.

Business Training

Working in collaboration with PSP-*One*, Banking on Health adapted business training materials from other countries and delivered a training of trainers (ToT) workshop and two pilot trainings for private providers in August 2007. Eleven Nigerian trainer participants attended the ToT including five from Total Health Trust (THT), a Nigerian health maintenance organization, four from the Nigeria Private Nurses and Midwives Association and two from the Guild of Medical Providers (private physicians who own their businesses). The purpose of the ToT was to develop the facilitation skills of the participants and to also modify the curriculum as needed prior to the two pilot trainings the following week. Subsequently, in January and March 2008, additional ToTs were held for 15 participants in Abuja and in Lagos to train trainers in northern Nigeria as well as additional HMO trainers in Lagos.

The training curriculum developed for Nigeria is a three day course that focuses on gaining an understanding of the important aspects of business management through participation in a business simulation game that covers the following topics: recordkeeping, income statement, balance sheet, cash flow and breakeven analysis. On the third day of training access to finance is discussed and two financial institutions are invited to speak about their financial products that can meet the needs of the private practitioners.

Banking on Health has developed a Master Training Program for Nigeria that includes conducting a total of 54 workshops in fiscal year 2008. The roll-out of the training began in September and initially focused on Lagos with a roll-out in Abuja in December 2007. An additional trainer was hired through the PSP-*One* Project in early 2008 who is focusing on training in the northern states of Nigeria in cities such as Abuja and Kano.

Through June 2008, excluding ToTs, 650 providers have been trained including 217 pharmacists, 298 physicians/HMO personnel and 175 nurses. The average increase in knowledge, represented by the difference in pre and post test scores is 19%. A trade fair is planned for August 2008.

Jordan

In April 2008 Banking on Health decided to end its programming in Jordan which was initiated in Year Three, and largely implemented in partnership with the Private Sector Project for Women's Health (PSP-Jordan). PSP-Jordan is a five-year project that works to increase demand for modern contraception and related women's health issues, including early detection of breast cancer. The Project works with approximately 75 women doctors - general practitioners and obstetric/gynecologists - who are operating private practices in underserved areas. Banking on Health worked to facilitate access to financing and business training for this network of women doctors and also explored opportunities to facilitate lending to private sector pharmacies.

In early 2008 Banking on Health assessed the feasibility of organizing a health sector business fair in Jordan. Banking on Health hired a consultant to conduct an assessment, who recommended that rather than launch a separate forum the Project should participate in existing medical congresses that are organized by professional associations. The Jordan Pharmacists Association invited Banking on Health to participate in their Annual Regional Congress. Banking on Health invited financial institutions to exhibit their services at the Congress, delivered a presentation on access to financing and administered a survey to understand the financing and business needs of pharmacists. Two financial institutions, the National Microfinance Bank (NMB) and the Cairo Amman Bank participated at the Congress, marking the first time that any financial institution has participated in the forum.

While there was some interest by the financial institutions to reach the health sector, Banking on Health decided not to pursue programming in Jordan and initiate new partnerships in its final project year given other commitments and the relatively advanced level of development and access to finance within the private health sector. Moreover, Banking on Health did not feel that financial institutions in Jordan require much technical support to market to this segment. Banking on Health provided financial institutions with research findings on the market, including a survey conducted at the pharmacists' Congress in April 2008, which can help them to tailor their products for the sector.

4.3.2. IDENTIFY TECHNICAL ASSISTANCE OPPORTUNITIES

Summary of Objectives

- Conduct an assessment visit to at least one country.

Accomplishments

- Banking on Health conducted an assessment of the private health sector in Georgia in April 2008.

Georgia

In Year Four at the request of USAID/Georgia, Banking on Health conducted an assessment with three objectives:

- (1) to assess the financing and business development needs of private providers of reproductive health and family planning in Georgia;
- (2) to assess the capacity and willingness of local financial institutions to lend to these providers and the demand and feasibility of structuring a health sector Development Credit Authority (DCA) guarantee; and
- (3) to develop recommendations for the USAID mission and Banking on Health Project to address these needs.

Women in Georgia access modern contraceptives at publicly owned, but soon to be private, primary health care facilities, women's wellness centers and obstetric/gynecological practices and pharmacies, yet usage remains low relative to the education levels in the country. The modern contraceptive prevalence rate (MCPR) among women is 27%. Abortion rates remain one of the highest in the region at 3.1 induced abortions per woman.⁸ While these figures represent improvements over previous years' health indicators, the government of Georgia (GOG) is keen for women to have increased access to family planning methods, and to reduce the rate of abortion. In this context, the private sector has an important role to play in ensuring contraceptive security and access.

The Georgian health care system is transforming rapidly toward a system completely dominated by private providers and distributors. Recent reforms towards greater private participation in health care delivery entailed the nearly complete privatization of secondary and tertiary health care providers and institutions. In April 2008, the Government of Georgia announced that it would privatize nearly 1,000 ambulatory clinics to the primary health care (PHC) providers that work in them for a nominal fee. In recent years more than thirty percent of PHC facilities have received training in family planning counseling and have become outlets for USAID and United Nations Population Fund (UNFPA) donated products. As these facilities are cut loose from the government system, potentially by the end of 2008, they will be facing unfamiliar financing and management issues that will impact their prospects for viable operations. Primary health care providers are about to become "accidental entrepreneurs" and will need some introduction to business management, particularly financial management, as one of the tools to help their chances for survival. Without some support and guidance, many, if not most, of these small medical practices that are key access points for underserved populations, will struggle and likely fail.

⁸ The Reproductive Health Survey, Georgia, Final Report, 2005.

In recognition of this, the Ministry of Labor, Health and Social Welfare of Georgia requested USAID to provide business training for PHC providers and the World Bank has expressed a willingness to provide facilities for some sort of cost-sharing arrangement. At USAID/Georgia's request, Banking on Health submitted a concept paper for field support funds in Year Five for business training to providers and work with financial institutions. Given recent events in Georgia, it is not clear whether and when these proposed activities will be approved.

4.3.3. INITIATE TECHNICAL ASSISTANCE ACTIVITIES

Summary of Objectives

- Design and implement a package of technical assistance to expand access to financing in at least one to two countries.

Accomplishments

- Banking on Health designed and began implementation of technical assistance in Ethiopia in Year Four.

Ethiopia

In Year Four, Banking on Health designed a program based on a country assessment that was conducted in Year Three to expand access to financing for the private health sector. The recommended program included:

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

Banking on Health has agreed with USAID/Ethiopia that some recommended business development activities would be implemented through PSP/Ethiopia, namely training to private providers and the promotion of multi-sectoral linkages through trade fairs for private providers.

The mission has expressed interest in structuring a health sector DCA and has submitted a request to OGAC that PEPFAR funding be used for this purpose. Banking on Health and the mission expect to learn shortly of the availability of funding for the DCA subsidy. Banking on Health conducted a DCA assessment in June 2008, recommending two bank partners – Bank of Abyssinia and Nib International Bank – and terms for the \$10 million guarantee. It is recommended that each bank have a \$5 million loan loss portfolio guarantee, earmarked for health care borrowers. In accordance with USAID mission objectives, priority will be given to those outside of Addis Ababa, with at least 75% of the entire portfolio expected to be for clinics outside of the capital.

This field work also entailed the design of technical assistance for partner banks under the DCA as well as two other banks interested in health sector lending. Banking on Health proposed to develop and conduct training to financial institutions, including the health sector DCA partner

banks, Awash International Bank, and the Commercial Bank of Ethiopia (CBE). The main components of this assistance include:

- One half day workshop per bank on “Marketing and Lending to the Private Health Sector” for upper management.
- A two-day training for loan officers and branch managers on “Lending to the Private Health Care Business.”
- One-on-one support to providers seeking financing that will be provided through the PSP/Ethiopia project, and potentially, with BoH support and assistance.

Banking on Health proposed to invite financial institutions to attend the access to finance session of the PSP/Ethiopia business training for private clinics as a way to link providers to financial institutions. In addition, it is recommended that PSP/Ethiopia invite financial institutions to private provider trade shows.

USAID/Ethiopia has allocated \$100,000 to Banking on Health in field support funding for Year Five technical assistance to financial institutions and support for the implementation and utilization of the DCA guarantee.

4.3.4. DEVELOP TRAINING MATERIALS

Summary of Objectives

- Develop a business training curriculum for pharmacists that emphasizes inventory management to maximize cash flow. Explore potential to train banks in developing a new loan product based on short-term guarantees for pharmacists and drug distributors.
- Make available online a daily accounting worksheet for providers, with user-friendly instructions.
- Develop training and tools as appropriate for banks and providers.

Accomplishments

- During the period, Banking on Health decided not to develop a specialized training for pharmacists due to limited project resources. It is, however, reaching pharmacists through its general business trainings in Zambia and Nigeria. During the period, Banking on Health developed two training workshops for financial institutions in Zambia and Nigeria and two training courses for private providers in Zambia and Nigeria. BoH also developed an information session for financial institutions in Uganda on the private health sector and a half day workshop on cash flow management for providers that attend the trade fairs. Banking on Health has developed the daily accounting worksheet, which has been posted on the BoH website.

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

- *Training– Improving the Financial Health of a Medical Practice*: a three day training workshop for private providers in Nigeria that covered record keeping, income statement, balance sheet, cash flow, breakeven analysis and access to finance.

- *Training– Improving the Financial Health of a Medical Practice*: a three day training workshop for private providers in Zambia that was adapted from the course developed in Nigeria. It covered record keeping, income statement, balance sheet, cash flow, breakeven analysis and access to finance.
- *Training– Marketing and Product Development Workshop for the Small Scale Health Sector*: a half day workshop for financial institutions in Zambia. The course presents the findings of Banking on Health market research and discusses market strategies and product development needs.
- *Training– Marketing and Product Development Workshop for the Small Scale Health Sector*: a half day workshop for financial institutions in Nigeria. The course presents the findings of Banking on Health market research and discusses market strategies and product development needs.
- *Information Session*– A one hour information session for financial institutions in Uganda to understand the growth of the private health sector and the financing needs of different types of providers, including the type and cost of common medical equipment they require.
- *Training– Planning for a Health Business*: a half-day training on cash flow management and record keeping for private providers that attended a trade fair in Uganda.

5. MANAGEMENT OF THE SUMMA FOUNDATION

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.

5.1. OBJECTIVES

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

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

5.2. KEY ACTIVITIES AND OUTPUTS

5.2.1. MANAGE SUMMA FOUNDATION ASSETS

Summary of Objectives

- Update portfolio reports.
- Manage delinquency.

- Monitor repayment and provide technical assistance and site visits as needed to ensure on-time repayment and fulfillment of the loan objectives.
- Maintain and report on the Wachovia account.
- Continue prudential management of liquid funds.
- Work with USAID to determine schedule for returning funds.
- Initiate dissolution of the Summa Foundation, if appropriate.

Accomplishments

- Banking on Health met its targets in Year Four. In October 2007, a gift of \$1,441,000 was made to USAID from the Summa Foundation. In May 2008 the final outstanding loan was repaid and Banking on Health began discussions with USAID of making a final gift. At the end of the period, portfolio reports were up to date.

Summa Foundation Portfolio

During Year Four, Banking on Health successfully managed the Summa Foundation loan portfolio and liquid assets. As of June 30, 2008, Summa's assets totaled \$1,165,612.51 (the sum of two checking accounts at Wachovia Bank, with an outstanding loan balance of \$0.00).

As of June 30, 2008, portfolio reports were up to date, indicating a delinquency rate of 0%. During Year Four, a total of \$230,442.02 was repaid, including \$194,034.28 in principal and \$3,397.00 in interest. Four borrowers repaid their loans (Benba Enterprises, Salud Integral, SuMedico, and the Uganda Microfinance Limited). The Summa Foundation had a disagreement with UML about the total amount outstanding on their loan. The discrepancy was due to differences in exchange rates used by both organization in calculating disbursements and repayments as the loan was denominated in Ugandan Shillings. In May 2008, Summa and UML agreed to split the difference with UML repaying \$15,006.11 and Summa writing off an equivalent amount. In the end despite this write off, UML repaid a total of \$123,296.14 more than the amount disbursed (due to the high interest amounts that UML charged on the loan funds).

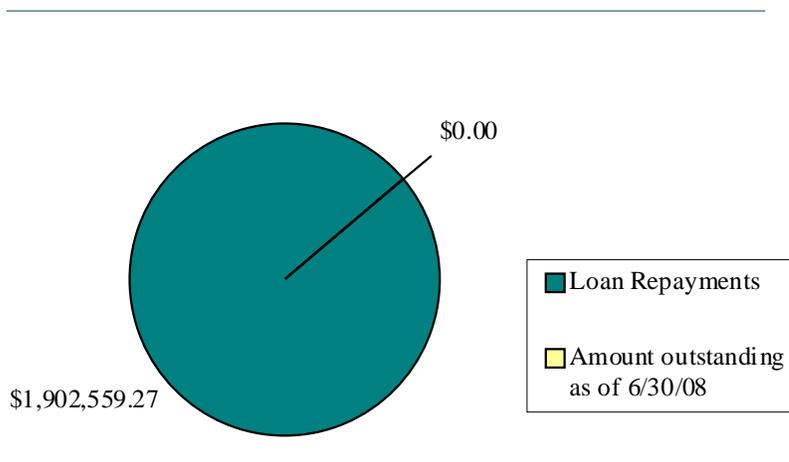
Table 9. Summary of Summa Loans as of June 30, 2008

Borrower	Status	Amount Approved	Amount Disbursed	Amount Outstanding
Uganda Microfinance Limited (UML)	Repaid	\$300,000	\$275,000	\$0
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

Borrower	Status	Amount Approved	Amount Disbursed	Amount Outstanding
Hospital Salud Integral in Nicaragua	Repaid	\$250,000	\$250,000	\$0
SuMedico in Nicaragua	Repaid	\$225,000	\$225,000	\$0
Benba Enterprises in Uganda	Repaid	\$250,000	\$250,000	\$0
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
Total		\$4,141,800	\$3,023,032.31	\$0

During the four years of the Banking on Health Project, 100% of the portfolio has been repaid, totalling \$1,902,559.27

Figure 12: Summa Foundation Portfolio



Monitoring

During the year, Banking on Health submitted a Summa Foundation monitoring report for the year ended September 30, 2007. In Year Five a final report will be submitted for the year ended September 30, 2008.

Management of Liquid Funds

As of June 30, 2008, Summa held \$1,165,612.51 in liquid assets at Wachovia Bank. The Banking Health Project monitors these funds on a frequent basis. The table below shows the breakdown of Summa's liquid funds:

Table 10. Breakdown of Liquid Funds

Accounts	Annual Yield	Value
Non-Profit Checking Account	0%	\$3,414.88
Advantage Checking Account	4.90%	\$1,162,197.63
Total		\$1,165,612.51

On October 23, 2007, the Summa Foundation Board of Directors gifted \$1,441,000 to USAID's Office of Population and Reproductive Health to fund family planning activities. The funds were received in their entirety by USAID. In May 2008 after receiving the final payment from UML, the Summa Foundation began discussing making a final gift to USAID. This gift will be made in Year Five.

5.2.2. PROVIDE SOUND GOVERNANCE

Summary of Objectives

- Conduct at least one Board meeting and keep Board informed on the performance of the Summa Foundation.

Accomplishments

- Banking on Health has exceeded these objectives. Two board meetings were held during the year and BoH has successfully managed the transition of several board members.

During this period, the Summa Foundation Board of Directors met on two occasions. On July 18, 2007, the Board met to discuss the request from USAID for a gift of \$1,441,000. The Board approved this request and made arrangements to have the funds transferred. On August 28, 2007, the annual Board of Directors meeting was held at Abt Associates offices in Bethesda, Maryland. All members of the board were present. The meeting included presentations by Goodman & Company on the draft report of the annual audit and Gelman, Rosenberg and Freedman on last year's financial statements. The Board voted to maintain the same investment strategy as the previous year, as well as to use the same accounting and auditing firms as last year. Additionally, the board voted to keep all officers and board members the same for the coming year.

Following the annual board meeting, additional changes were made to the Board of Directors, primarily due to the resignations of Janet Ballantyne and George Laudato from Abt Associates and their subsequent employment with USAID. In November 2007, Mr. Laudato resigned as President of the Summa Foundation. The board voted to instate Carlos Carrazana as the new President, with David Loeser assuming the role of Treasurer. In January 2008, Ms. Ballantyne resigned from the Board of Directors. Tessie San Martin, a Vice President at Abt Associates, joined the Board of Directors. The current membership of the Board of Directors is as follows:

- President – Carlos Carrazana
- Voting Board Member and Treasurer – David Loeser
- Voting Board Member – Tessie San Martin

5.2.3. FINANCIAL REPORTING AND ACCOUNTABILITY

Summary of Objectives

- Manage outside accounting firm to ensure monthly bookkeeping.
- Complete monthly and year end financial statements.
- Conduct annual 2007 audit and submit audited financial statements to USAID.
- File Maryland registration and personal property tax return.
- File Federal Form 990 with the Internal Revenue Service.
- Maintain registration in the Commonwealth of Virginia.
- Maintain professional liability insurance.

Accomplishments

- Banking on Health has fully met these Year Four workplan objectives. Monthly bookkeeping is up-to-date. The 2006 audited statements were submitted to USAID and the 2007 audit took place with final statements to be submitted to USAID in Year Five. All tax requirements were met and Virginia and Maryland registration and professional liability insurance are up-to-date.

Each month during the year, Banking on Health provided Gelman, Rosenberg and Freedman, Summa's external accounting firm, with a loan repayment report. Gelman then prepared monthly financial statements including balance sheet, profit and loss statement, journal, and a general ledger based on Generally Accepted Accounting Principles (GAAP). After the final UML repayment was received in May, Banking on Health asked Gelman to stop providing monthly financial statements (as there will be minimal activity) and to consolidate reporting to year end statements.

The annual audit of the Summa Foundation was undertaken this year by Goodman & Co (formerly KWS). Draft statements were received in June 2008 and Banking on Health expects to submit final audited statements to USAID in the first quarter of Year Five.

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 Four, including:

- Provide USAID with an annual Summa Foundation monitoring report.
- Collect baseline and follow-on data for Banking on Health interventions and report data in the semi-annual and annual reports and through the PSP Performance Monitoring Plan.
- 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 one annual monitoring report covering Summa Foundation loans.
- Collect baseline data for new interventions and follow-on data for existing programs.
- Report data in the semi-annual and annual reports and through the PSP Performance Monitoring Plan.

Accomplishments

- During the period, Banking on Health contributed data to the PSP IQC Performance Monitoring Plan, submitted the Summa Foundation Monitoring Report and submitted the Self Assessment as part of the Banking on Health Mid Term Evaluation. Banking on Health also collected data for all country programs.

Banking on Health gathered and submitted monitoring data for the PSP IQC Performance Monitoring Plan for activities which took place during Year Three. A major undertaking during the year was participating in the project's Mid Term Evaluation. As part of the evaluation, Banking on Health submitted a Self Assessment, which presented monitoring data in four country case studies for Nicaragua, Uganda, Romania and Peru. The Self Assessment also addressed the following topics: technical approach, success in achieving targets, sustainability, monitoring and reporting, global leadership, management and recommendations for the future. In addition to the Self Assessment, the Banking on Health team worked with the evaluators to facilitate the evaluation. This included providing an orientation on the Project to the evaluators;

arranging and accompanying them on field visits to Romania and Uganda; and providing them with additional information, as needed, to complete the evaluation.

During the year, Banking on Health also developed an End of Project Report for the Philippines that presented results and collected baseline data for Zambia, Jordan and Nigeria. Banking on Health compiled and submitted the Summa Foundation Annual Monitoring Report for the year October 1, 2006 – September 30, 2007.

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 in Nicaragua.
- 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 APHA.
- Develop one to two case studies and/or success stories on Banking on Health interventions.
- Conduct one to two brown bag presentations for USAID and the broader CA community to disseminate successful interventions.
- Prepare a draft of a lessons learned paper documenting our experience.

Accomplishments

- Banking on Health has met its Year Four objectives. Banking on Health made five presentations during the year, including at the APHA conference, the SEEP Conference, the Global Health Mini University, USAID's E&E Bureau and the Global Health Conference. Banking on Health updated articles and tools on its website and began a process to increase the website's navigability and range of content. With CTO approval, Banking on Health submitted the Self Assessment in lieu of the lessons learned paper. Banking on Health also provided input to PSP-*One* on its Nicaragua research.

During the period, Banking on Health conducted several presentations in order to disseminate information about its work. In October 2007, Banking on Health conducted a session at the Global Health Mini University on "Business Approaches to Engaging Private RH/FP Providers". Banking on Health presented the findings from Romania to USAID's E&E Bureau. BoH also presented project activities in Zambia at the 2007 APHA conference. BoH held a roundtable discussion at the Global Health Conference on the Uganda trade fairs. Banking on Health also conducted a presentation on gender, microfinance and health at the annual USAID funded SEEP conference.

Other accomplishments include the electronic dissemination of the final Romania Market Research Report through the Banking on Health website. The project has also formed a task force to work on making the website more user-friendly. The goal is to have tools and resources easily available for providers and financial institutions to access from other countries.

During the period, the team also provided technical input and review to PSP-One's Nicaragua research, including both the EMP and microinsurance evaluation. The team also submitted the Self Assessment (as described above) in lieu of the lessons learned paper as per agreement with the CTO.

7. LEADERSHIP AND OVERSIGHT

7.1 OVERVIEW

In addition to the technical, monitoring and dissemination activities implemented during Year Four, 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.
- Meet all programmatic and financial reporting requirements.

7.3 KEY ACTIVITIES AND OUTPUTS

7.3.3 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 financing in the health sector.
- Provide USAID with semi-annual program and financial reports.

Accomplishments

- Banking on Health met its Year Four targets by maintaining sound financial and contractual review mechanisms, ensuring timely invoicing and financial reporting. Banking on Health also submitted its Year Three Annual Report, Results Review, Year Three Management Review, Year Four Semi-Annual Report and Year Five workplan on time.

In an effort to increase the knowledge and capacity of BoH staff, team members participated in several training workshops and seminars. Among these were: the MEASURE/DHS Evaluation Design Seminar and Abt Associates' advanced training in Excel.

During the period, Banking on Health experienced some staffing changes. Sarah Ritterhoff left her role as program assistant and was replaced by Andrew Carmona. In June 2008 Makaria Reynolds left the project and was replaced by Margaret Mensah. Taara Chandani continues to work on the project, although she is now located at the Banyan Global New York office.

8. TIMELINE OF CORE FUNDED ACTIVITIES AND OUTCOMES

Table 11. Technical Assistance to Increase Access to Finance

Activities/Steps	Q1	Q2	Q3	Q4
Conduct follow-on assistance, as necessary, in Nigeria, Zambia, Uganda, Romania, Jordan, Peru and Nicaragua.	√	√	√	√
Identify technical assistance opportunities.	√	√	√	√
Conduct assessments in at least one country.	√			√
Design and implement a package of technical assistance in one to two new countries.	√			√
Develop tools as appropriate for banks and providers	√	√	√	√
Develop additional bank and provider training modules	√	√	√	√

Table 12. Management of Summa Foundation

Activities/Steps	Q1	Q2	Q3	Q4
Manage the Summa Foundation's Assets				
<ul style="list-style-type: none"> • Collect loans and account for repayment • Monitor loans • Manage liquid funds • Return funds to USAID if appropriate • Initiate the dissolution of the Summa Foundation, if appropriate 	√ √ √	√ √ √ √	√ √ √	√ √ √
Governance				
<ul style="list-style-type: none"> • Hold annual board meeting • Keep board updated 	√ √	√ √	√	√
Financial reporting and accountability				
<ul style="list-style-type: none"> • Complete monthly and year end financials • Conduct annual audit • Submit tax returns 	√ √	√ √	√ √	√ √

Table 13. Monitoring, Evaluation, and Dissemination

Activities/Steps	Q1	Q2	Q3	Q4
Monitor interventions				
<ul style="list-style-type: none"> • Prepare Summa Foundation annual report • Design monitoring plans for new interventions • Collect monitoring data 	√	√	√	√
Research and dissemination				
<ul style="list-style-type: none"> • Work with PSP-<i>One</i> on Nicaragua research • Participate in conferences • Develop one to two case studies or project articles • Conduct one to two brown bag presentations • Prepare a draft of a lessons learned paper (Self Assessment) 	√	√	√	√

Table 14. 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. THE PHILIPPINES

OVERVIEW

The market for family planning products and services in the Philippines is in transition. The United States government is shifting its support for family planning and maternal and child health care away from product donations to support for private sector participation for those who can afford it. In the Philippines, the private midwife sector is large, with as many as 30,000 operating formally and informally, yet it is fragmented and dominated by small practices that are isolated and lack access to market information, financing, business linkages and technical health updates. There is an opportunity for these midwives under requirements established in 2005 by the Department of Health for “Birthing Homes,” to achieve government accreditation. To become accredited, or simply to expand their offering of quality family planning and reproductive health products and services, most midwives need financing for equipment, training and facility upgrades.

The Banking on Health Project received \$695,000 in field support funds in Year Two to assist private practice midwives throughout the Philippines to expand and improve the delivery of sustainable reproductive and other health services by accessing appropriate, timely financing and technical assistance. This goal and the activities conducted fed directly into USAID Manila’s Strategic Objective 3 (SO 3): *Desired Family Size and Improved Health Sustainability Achieved* by supporting Intermediate Result (IR) Two: *Provision of quality services by private and commercial providers expanded*. Since February 2005, the project has worked closely with the USAID mission to meet this goal.

Banking on Health addressed 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. BoH implemented many of its activities in the Philippines in close collaboration with the USAID-funded PRISM Project. Banking on Health conducted activities in four regions: the National Capital Region (NCR); Region VI (Western Visayas); Region VII (Central Visayas); and Region XI (Mindanao.)

Banking on Health completed most of its field support activities by the first half of Year Four and is closing out the project with the completion of monitoring activities in Year Four and the submission of a final project report in the first half of Year Five.

OBJECTIVES

Banking on Health had two key objectives in the Philippines:

- Improve midwives’ financial management abilities, including planning and managing savings, and access to external financing.

- 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

- Improve access to finance and corresponding potential for business growth on behalf of midwives in private practice. This is measured by new loans received by private practice midwives for their businesses, and by the establishment of credit cooperatives for the purpose of midwife savings mobilization and business lending.
- Increase levels of sustainability of private midwives' practices due to better financial management skills.
- Improve family planning services and increase number of couple years of protection (CYPs) through private midwife practitioners.
- Increase number and capacity of private midwife clinics offering family planning services.

Accomplishments

- During the period, Banking on Health finalized business training to be rolled out by the PRISM Project, conducted a training of trainer's course (ToT) for three PRISM grantee NGOs to offer the training throughout the country, and observed the pilot offerings. Banking on Health posted a number of tools, information sheets, training materials and other resources online for private providers and financial institutions for the project website. Lastly, monitoring activities neared completion in the first half of Year Four and will be completed with a final report to be submitted in the second half of the year.

Increase Opportunities for Private Midwives to Access Business Support and Financing

These activities, which included technical assistance to build the capacity of midwife associations to support private practice members and trade fairs, concluded in Year Three. In Year Four Banking on Health monitored the impact of the five business fairs. The fairs were attended by over 1,200 midwives, thirty financial institutions and more than sixty suppliers. 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. After the fairs, nearly half of all participants surveyed who owned a clinic (48.8%) had initiated the application process to accredit their clinics with PhilHealth.⁹ A follow up survey of midwife attendees indicates at least 112 lying-in clinics were established or upgraded to lying-in clinics after the business fairs. A more qualitative result of the fair, though no less important, is that for the first time midwives

⁹ PhilHealth is the Philippines National Health Insurance Company.

throughout the country were exposed to the potential that a private midwifery practice can hold, and were given ready access to the contacts and information they need to improve and grow their practices. The fairs sparked interest and attention to the growing importance of private practice midwives among government officials, financial institutions, suppliers, and provider associations.

In Year Three Banking on Health worked with 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. One midwife association has since become a multi-purpose cooperative for the purpose of bulk purchases and savings mobilization for self-financing. This cooperative applied for a loan for external financing to support lending to coop members. Two other local associations have created cooperative type structures and have received grant financing from USAID to establish privately run clinics for members to use for the safe provision of deliveries and other reproductive health and family planning services. These associations were provided with the relevant links to tools and resources available on the Banking on Health website for dissemination to their members in the third quarter of Year Four.

Develop Business Training and Resources for Private Midwives

Private midwives in the Philippines are also constrained by limited business skills and limited access to tools and materials that can help grow and improve their practices. In this context, BoH created basic and advanced business skills training courses for private practice midwives with the secondary goal of providing a road map for those midwives pursuing Department of Health and PhilHealth accreditation for their clinics.¹⁰ Training topics of the courses “Business Planning and Management Skills for Midwife Entrepreneurs” and “Clinic Management for Private Practice Midwives: A Guide to Business Growth” include basic entrepreneurship and business management concepts, marketing family planning products and services, financial management and access to finance.

BoH led a ToT course for 14 participants from three PRISM funded NGO training organizations in the first half of Year Four. The ToT covered participatory learning techniques and reviewed training materials that were developed by Banking on Health. A learning assessment of participants in the ToT showed a 12.5% increase in knowledge after the course with a pre-test average score of 78.2% and a post-test average score of 90.7%.

Banking on Health observed the pilot offerings of these courses conducted by trainers in Luzon, Visayas and Mindanao. In total 49 midwives were trained by the PRISM grantees with BoH materials from September to October 2007.

The PRISM Project is responsible for rolling out the training to private midwives. Further course offerings are planned for 2008. See the table below for details on trainings developed throughout Banking on Health activities in the Philippines.

¹⁰ PhilHealth is the Philippines National Health Insurance Company.

Table 15: Banking on Health Training Courses for Midwives in the Philippines

Course Title	Financing the Private Midwife Practice: A Guide to Business Growth	Business Planning and Management Skills for Midwife Entrepreneurs	Clinic Management for Private Practice Midwives: A Guide to Business Growth
Description	A three day course for private practice midwives designed to improve participants' financial management skills and to provide them with the information and skills needed to successfully borrow to grow their businesses. A fee was charged to participants for the course manual.	A three-day live out course for private practice midwives intending to open a clinic, aimed to help them to develop their own business plan using basic business skills and information needed to manage their own private practice. A course that provides templates as well as practical information on establishing a business, including business registration requirements, local suppliers, and financing sources.	A three-day live out course for private midwife clinic owners intending to achieve DoH "Birthing Home" certification. Participants learn to use basic financial management and business management skills needed to successfully improve and grow their midwife clinic practices. A course that provides templates as well as practical information on upgrading a clinic, including DoH and PhilHealth requirements, local suppliers, and financing sources.
Year Offered	Year Two	Year Four	Year Four
Participants trained	Seven Philippines-based trainers from one company. 82 Midwives in Region VI (Iloilo City) and NCR (Quezon City)	Fourteen Philippines-based trainers from three NGOs. 13 Midwives in Region XI (Davao)	Fourteen Philippines-based trainers from three NGOs. 36 Midwives in NCR (Manila) and Region VI (Bacolod)
Learning Results	The average post course assessment score was 88% correct. ¹¹ 71% of participants showed improvement in business management knowledge 58% showed improvement in access to finance knowledge	In pre and post course learning assessments, participants showed an average increase in learning of 12%.	In Manila, the average score of the pre-course learning assessment 83.25% of correct answers and the post course assessment was 95% of correct answers for a total increase of 11.75%. In Bacolod, Western Visayas, participants had a 10% increase in learning after the course.
Financing Accessed	At least eleven midwives accessed over \$20,000 in total after the training.	To be monitored by PRISM in 2008.	To be monitored by PRISM in 2008.
Business Management Skills Enhanced	Over two years later, roughly half of all participants surveyed report using the tools and techniques delivered in the training. Increases in profitability were also reported.	To be monitored by PRISM in 2008.	To be monitored by PRISM in 2008.

Monitoring conducted in Year Four found that of the midwives trained by Banking on Health in Year Two, roughly half were still using the tools and techniques delivered in the training. At least eleven of these midwives accessed over \$20,000 in loans after the training. Approximately 19 new clinics were established, and many midwives' clinics were upgraded to lying-in.¹²

¹¹ Results from these early trainings were tabulated in a way that is inconsistent with what has since become BoH standard. There were increases in learning, but tabulated as percentage of participants who showed an increase, as opposed to percentage total increase.

¹² Private practice midwifery clinics in the Philippines are categorized informally as "clinic with lying-in" (allows for clients to sleep overnight); "clinic without lying-in" (clients must leave after child birth and not stay overnight);

By improving midwives' capacity to plan their businesses, achieve their goals, and manage their finances, these trainings contribute to the outcomes of *increased levels of midwife practice sustainability due to better financial management skills and increased number and capacity of private midwife clinics offering family planning services.*

Banking on Health tools, directories and other resources that were developed in Year Three were adapted for the internet in Year Four and have since been posted on the Banking on Health website with the relevant links sent to provider associations, banks, and other stakeholders. The resources for midwives are also being distributed through the business training courses developed by BoH and now offered by PRISM.

Provide Technical Inputs to 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 delivered the ToT to fourteen trainers from the three NGOs that received grants from PRISM. These NGOs will provide training and on-going technical assistance to private practice midwives in support of PRISM project goals. Banking on Health transferred all resources that were developed throughout the project for providers to PRISM project management for their continued use and incorporation into future trainings. These include the results of assessments, training design advice, training materials including assessment and evaluation tools, and tools and resources developed for midwives. The final submission of BoH business training tools included recommendations for the successful roll-out of the courses.

Family Planning and Reproductive Health Results

The family planning and reproductive health results of Banking on Health interventions since Year One show a general increase in provision among midwives trained and those who attended the business fairs. There was a trend of increased numbers of midwives providing family planning services after the 2005 trainings, with the most significant change in the number providing oral contraceptives increasing by 15%. Among midwives who attended the business fairs, the largest increases in number of midwives providing services are in condoms (39.5% increase) as well as in longer term methods, specifically vasectomies (33.6%), bilateral tubal ligation (33.3%), and IUD insertion (13.9%).

Resources for Private Practice Midwives in the Philippines on the Banking on Health Website

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

“home-based with lying-in” (midwife assists deliveries in her home and patients may stay overnight); and “home-based without lying-in” (midwife assists deliveries at the mother's home.)

The midwives who attended the trainings in 2005 report on average 4.5 more family planning client visits per month. Midwives who attended the business fairs report average increases of 14% in the amount of family planning products and services provided, with the most significant increases in long term methods such as vasectomy (30.4% increase) and IUD insertion (22.9% increase.) The increase in provision of longer term methods is likely the result of new clinics opening which allow for those methods to be provided.

Figure 13: Percentage of Midwives Providing Services

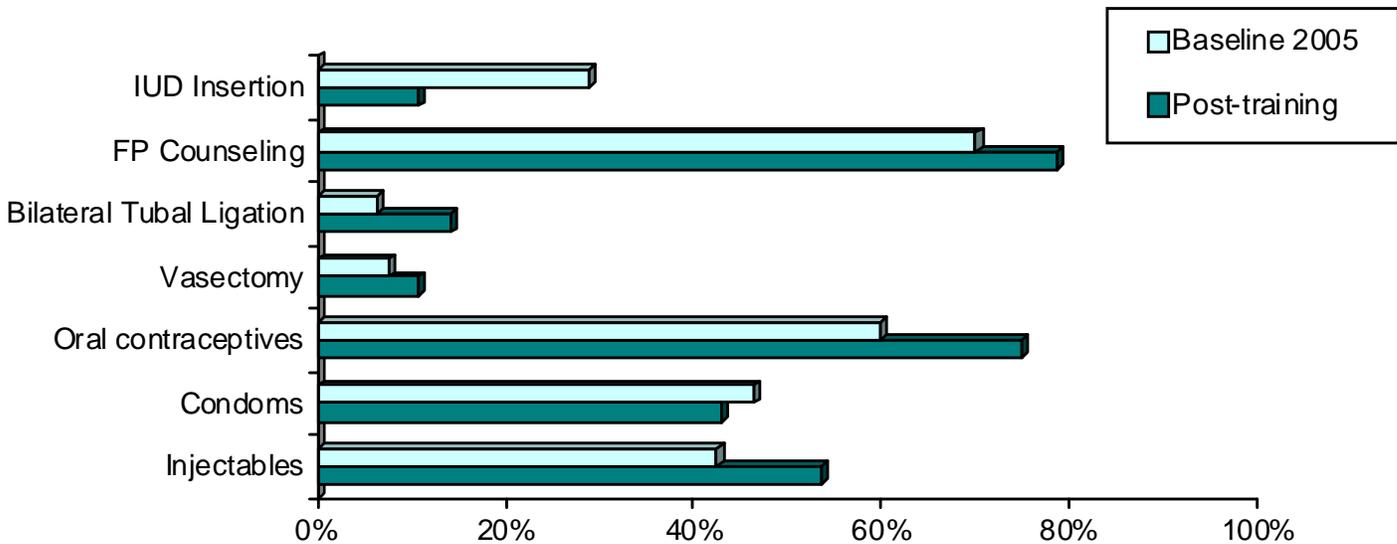
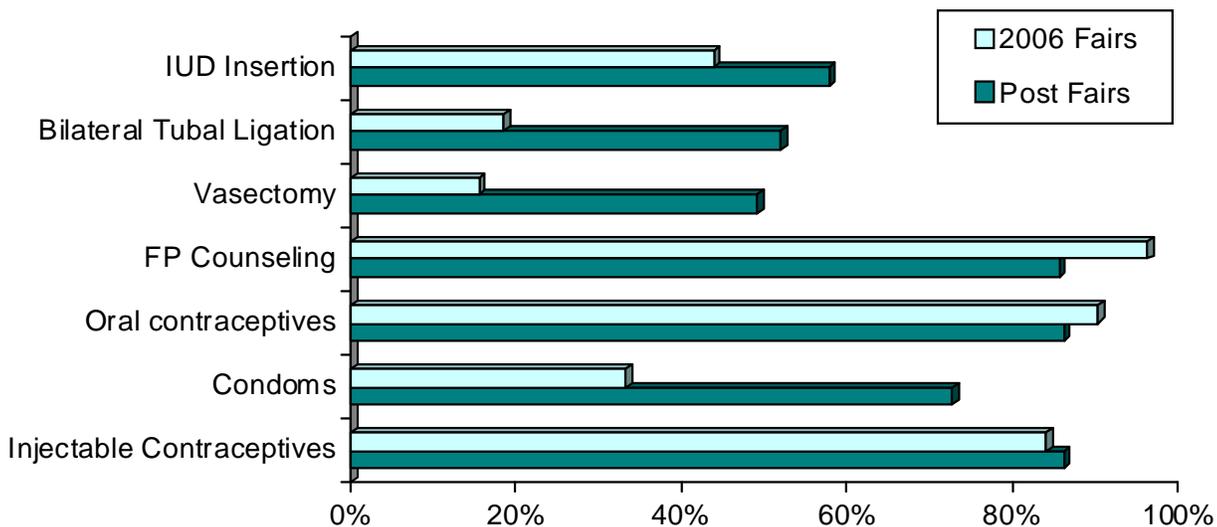


Figure 14: Changes in Family Planning Provision After Trade Fairs



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

Summary of Objectives

- Increase number of loans to midwives from financial institutions.

Accomplishments

- In Year Four Banking on Health activities related to financial institutions were limited to distributing resources via web-based access and monitoring and evaluation activities.

Support to OMB for Utilization of the DCA

Unfortunately, little progress has been made in the process of expanding the DCA and no new loans were disbursed under the DCA during Year Four. As of December 2007, OMB had disbursed 30 loans to midwives, of which 12 were placed under the guarantee.

Assist Additional Financial Institutions to Enter the Private Midwife Market

In Year Four, work with financial institutions was limited to preparing tools and resources for posting on the internet and monitoring activities. Work conducted in Years Two and Three with financial institutions included sharing market information, training, and participation in midwife trade fairs.

Since 2005, Banking on Health assistance to financial institutions resulted in at least six institutions beginning to lend to midwives which had not done so in the past. Credit cooperatives, banks, microfinance institutions and financing companies that attended Banking on Health midwife trainings, business fairs, and trainings for financial institutions lent at least \$282,885 to 66 private practice midwives. This total amount is likely underreported as it is based on reporting from less than half of the financial institutions involved in the project.

Resources for Financial Institutions in the Philippines on the Banking on Health Website

- Credit Needs Assessment of Private Practice Midwives in the Philippines (2006)
- "Case Study: Christina Gomez, Midwife" Materials for lender training

SUMMARY OF EXPECTED OUTCOMES

The table below summarizes key results of Banking on Health Project activities in the Philippines.

Table 16: Philippines Project Expected Outcomes, Indicators and Results

Key expected outcomes:	Indicators:	Results:
Improved access to finance and corresponding potential for business growth on behalf of midwives in private practice.	<ul style="list-style-type: none"> Number and amount of new loans received by private practice midwife businesses that promote RH/FP Number of cooperatives established or supported for the purpose of midwife savings mobilization and business lending. Number of midwife associations with capacity to assist members' access to finance such as referrals of midwives to banks and providing information on FIs to midwives. 	<ul style="list-style-type: none"> Midwives surveyed reported receiving at least 33 new loans since training or business fairs. Lenders report giving at least 66 new loans to midwives. Midwives report receiving \$73,162 in loans, lenders report lending at least \$282,885 since BoH assistance. One midwife cooperative was established in 2006. Two national associations and four regional chapters and independent associations have increased capacity to assist private practice members.
Increased levels of midwife practice sustainability due to better financial management skills.	<ul style="list-style-type: none"> Number or percent of private providers who show improved knowledge and skills in business management Number or percent of private providers who show improved knowledge and skills in accessing financing 	<ul style="list-style-type: none"> After the 2005 trainings, 71% of BoH training participants showed improvement in business management knowledge. 58% of trainees showed improvement in access to finance knowledge. In 2007, between 46% and 61% of training participants were using each of the financial management tools delivered during the 2005 trainings.
Improved family planning services and an increase in couple years of protection (CYPs) through private midwife practitioners.	<ul style="list-style-type: none"> Number of midwife practices that increase the supply of quality RH/FP products or services to target populations. Number or percent of providers that add or expand RH/FP as a result of BoH intervention 	<ul style="list-style-type: none"> Midwives trained report 4.54 more FP client visits per month. Midwives who attended business fairs show overall increased provision of all RH/FP services of 14%. The most marked increases were in long term methods such as vasectomy (30.4% increase) and IUD insertion (22.9% increase.) Trained midwives show a trend of an increased range of RH/FP services provided, with an average increase of 9% more midwives providing each service. The highest increase (15%) is in those offering oral contraceptives.
Increased number and capacity of private midwife clinics offering family planning services.	<ul style="list-style-type: none"> Number of new midwife clinics opened as a result of BoH activities. Number of midwife practices that increase the supply of quality RH/FP products or services to target populations. Number or percent of providers that add or expand RH/FP as a result of BoH intervention 	<ul style="list-style-type: none"> Midwife trainees opened up to 19 clinics after the 2005 BoH trainings. The greatest increase was in lying-in clinics (43.6% increase). Midwife business fair attendees were 8.6% more likely to have a clinic after the fair. Survey results indicate at least 112 such clinics opened after the BoH fairs. Midwives trained report 4.54 more FP client visits per month. Midwives who attended business fairs show an average increased provision of all FP/RH services of 14%. The most marked increases were in long term methods such as vasectomy (30.4% increase) and IUD insertion (22.9% increase.) Trained midwives show a trend of an increased range of RH/FP services provided, with an average increase of 9% more midwives providing each service. The highest increase (15%) is in those offering oral contraceptives.
Increased number of financial institutions, including MFIs, lending to midwives.	<ul style="list-style-type: none"> Total number of financial institutions lending to private practice midwives Number of DCA mechanisms structured or supported to expand health sector lending. 	<ul style="list-style-type: none"> Six financial institutions report lending to midwives since BoH interventions. One DCA mechanism was supported, resulting in 12 loans disbursed for a total value of \$46,079.