



USAID
FROM THE AMERICAN PEOPLE



THE BANKING ON HEALTH PROJECT

YEAR TWO ANNUAL REPORT

Submitted August 8, 2006



1. LIST OF ACRONYMS

CA	Cooperative Agency
CMS	Commercial Markets Strategies Project
BoH	Banking on Health Project
DC	District of Columbia
DCA	Development Credit Authority
FP	Family Planning
GDA	Global Development Alliance
GMI	Global Microenterprise Initiatives, LLC
IQC	Indefinite Quantity Contract
IR	Intermediate Result
IRS	Internal Revenue Service
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
RH	Reproductive Health
SO	Strategic Objective
TA	Technical Assistance
USAID	United States Agency for International Development

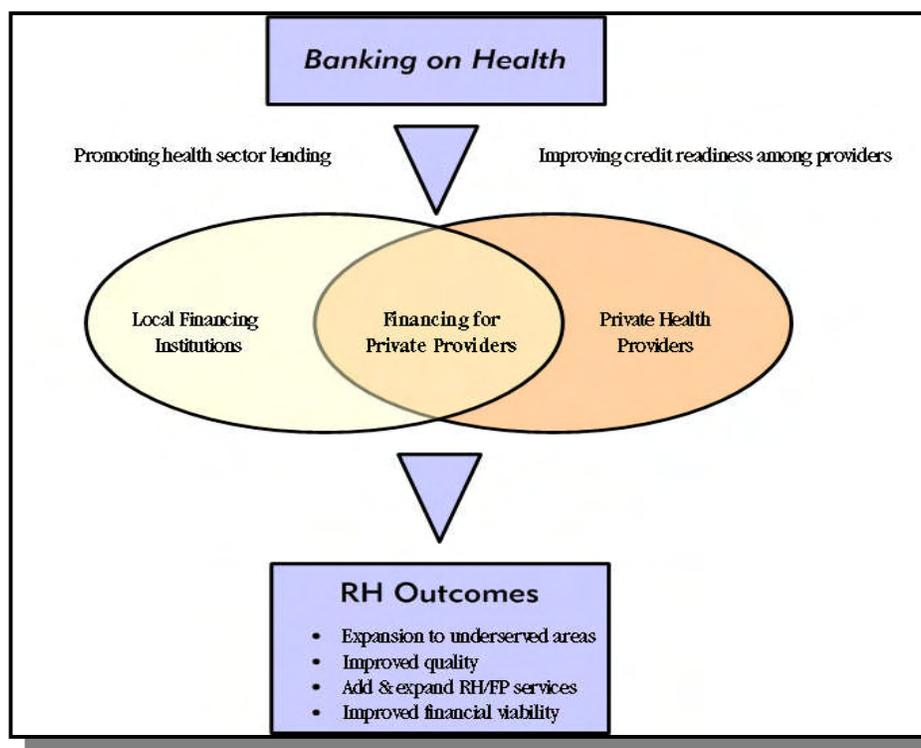
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3. INTRODUCTION

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



During Year Two, the Banking on Health Project significantly ramped up activities to expand access to finance for the private health sector. Several core principals guided our approach:

- *Continue building linkages:* We focused on maximizing linkages and sharing our financial expertise with the broader public health community so that throughout the project we are seen as a resource to be used extensively by USAID, other Private Sector Program (PSP) task orders and projects to complement private sector programming. BoH

worked with missions in Romania, Zambia, Uganda, Peru, Nicaragua, and the Philippines and partnered with a number of USAID funded projects.

- *Expand and deepen impact:* During Year Two, Banking on Health also sought to expand and deepen impact. In addition to leveraging field support funds in Nicaragua and the Philippines, we added two new countries, Romania and Peru, and began working with different types of private health care entities, including contraceptive product distributors and NGOs.
- *Demonstrate success:* Recognizing that the Banking on Health Project is a new type of programming, we sought to demonstrate success in all of our country activities so that we can disseminate lessons learned about the importance of expanding access to financing to improve family planning outcomes.
- *Manage the Summa Foundation to maximize health and financial returns:* During Year Two, we maintained the sound governance and the strong financial performance of the Summa Foundation.

3.1. SUMMARY OF KEY SUCCESSES

During Year Two, Banking on Health had a number of key successes, which enabled it to meet Year Two workplan objectives and successfully achieve the four 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

- Leveraged a total of \$3,741,000 in loans from local financial institutions to private reproductive health service providers in the Philippines and Nicaragua.
- Leveraged approximately \$19 of commercial funding in Nicaragua for every \$1 of POP core funds.

Expanded Country Programming with Core Funds

- Conducted assessments in Peru, Romania and Zambia and provided core funded technical assistance in Uganda, Nicaragua, Romania, and Peru.
- Worked to scale-up and institutionalize health sector lending in Uganda by training 47 loan officers and managers of three microfinance institutions in “Strategies for Entering the Private Health Care Market”.
- Worked with USAID/Peru to engage the private sector as part of a graduation strategy. Piloted “Financing Your Future” for 24 midwives and other participants and trained 14 loan officers from nine microfinance institutions in “Opportunities to Lend to the Private Health Sector”. Since the training in June, one of the microfinance institutions has developed a health sector loan product that it is rolling-out to midwives.
- Worked with USAID/Romania to develop a program to expand access to financing for family doctors that will help sustain gains in family planning and reproductive health after the mission closes.
- Designed and conducted training for 20 midwives from 10 countries at the Congress of the International Confederation of Midwives and trained six reproductive health and HIV/AIDS NGOs from three countries in Southeastern Europe on financial sustainability.

Maintained Sound Management of the Summa Foundation

- Held two Summa Foundation board meetings; submitted annual tax return; finalized annual audit; maintained 501c(3) tax status with IRS. Maintained a delinquency rate of 2.24% over 30 days.

Deepened Impact through Field Support Funds

- Received approximately \$1,211,092 in field support funds to compliment core initiated activities to increase access to financing for private providers in the Philippines, Nicaragua and Peru.
- Used field support funds in Nicaragua to develop guidelines and a women’s health clinic model for the promotion and provision of voluntary family planning services for the Social Security Institute and contracted private providers. The US ambassador to Nicaragua inaugurated the guidelines and women’s health clinic model in June 2006.
- On May 1, Nicaragua’s President Bolaños announced expansion of healthcare coverage to informal sector workers, following advocacy and the design of a pilot project by BoH.
- Used field support funds in the Philippines to pilot test an advanced business training course for midwives and provided technical input to the USAID PRISM Project for business training that will reach thousands of private midwives.

3.2. LESSONS LEARNED

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

- *Market information is a key constraint to health sector lending:* Many of the financial institutions that Banking on Health works with cite lack of market information on private providers as a key constraint to health sector lending. During Year Two, Banking on Health began designing market research into all of its interventions with financial institutions.
- *Private provider “trade fairs” may be an important way to link providers to financial and other business services to grow and expand their businesses:* During Year Two, Banking on Health began testing the use of trade fairs to link providers to financial and other business services. Initial fairs in Nicaragua and Peru linked providers to financial institutions. In Year Three Banking on Health will expand this concept by inviting additional businesses, including pharmaceutical companies, equipment suppliers, accounting firms, among others.
- *Some missions are reluctant to pay the cost of the DCA subsidy:* During the year, BoH proposed health sector DCAs to missions in Peru, Romania, Uganda, and Zambia. Each mission declined support for the DCA due to funding or in the case of Romania, time and human resource constraints. BoH believes that more work needs to be done to educate missions about how a DCA can support reproductive health and family planning objectives.
- *Identify opportunities to assist Summa Foundation borrowers to obtain commercial financing:* As Summa Foundation borrowers continue to repay their loans, there will be increasing opportunities to assist them to identify commercial financing.
- *Summa borrowers significantly expand family planning provision as loans mature:* While a number of Summa’s commercial borrowers initially had low levels of family planning provision, as many of the loans mature (in years three and four), there is a significant expansion of family planning service provision, particularly in long-term methods. In many cases, it took several years for Summa providers to build capacity and clientele for these services.

3.3. BUDGET SUMMARY

During Year Two, Banking on Health spent approximately \$1,400,329 on core funded activities, carrying over \$151,151 into Year Three. In addition, Banking on Health received commitments for a total of \$1,211,092 in field support funds for multi-year activities and spent \$860,512. Remaining field support funds will be spent during the first six months of Year Three.

Table 1. Banking On Health Year Two Budget Summary (July 1, 2005 - June 30, 2006)

	Year Two Budget	Year Two Expenditures	Remaining Balance
Leadership and Oversight	153,991	156,395	-2,404
Technical Assistance	1,071,556	902,713	168,843
Summa Foundation	202,772	216,657	-13,885
Research, M&E, & Dissemination	123,161	124,564	-1,403
Total Core Funds	\$1,551,480	\$1,400,329	\$151,151
Field Support Philippines*	692,092	356,876	335,216
Field Support Nicaragua	500,000	484,845	15,155
Field Support Peru**	19,000	18,791	209
Total Field Funds	1,211,092	860,512	350,580
TOTAL (Core + Field)	\$2,762,572	\$2,260,841	\$501,731

*To date only \$295,000 of these funds has been obligated. The rest is being forward funded with core.

**Peru FS funds are being forward funded with core until the BoH contract is modified

Table 2. Core Funding Summary

	Funding Obligated	Cumulative Accrued Expenditures	Funding Balance
Core Funding	\$3,950,915	\$2,269,552	\$1,681,363

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 Two in order to lay a solid groundwork for future 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

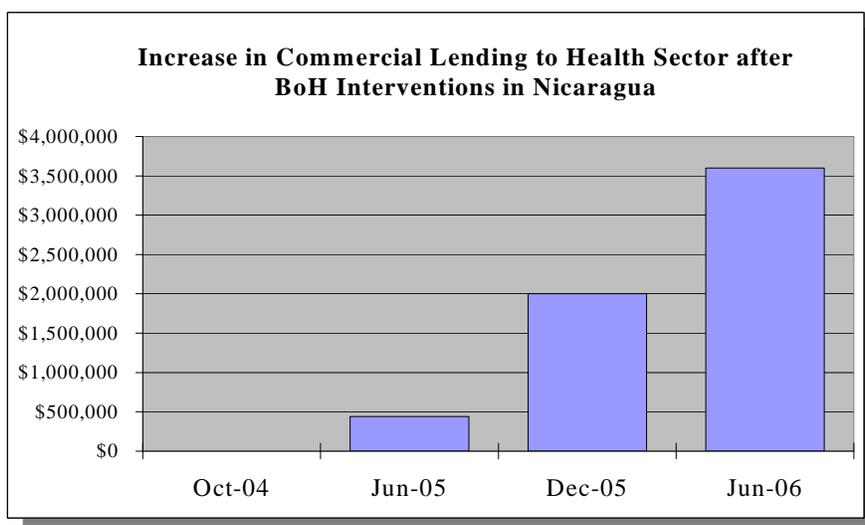
4.3.1. CONTINUE EXISTING TECHNICAL ASSISTANCE PROGRAMS

Summary of Objectives

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

Accomplishments

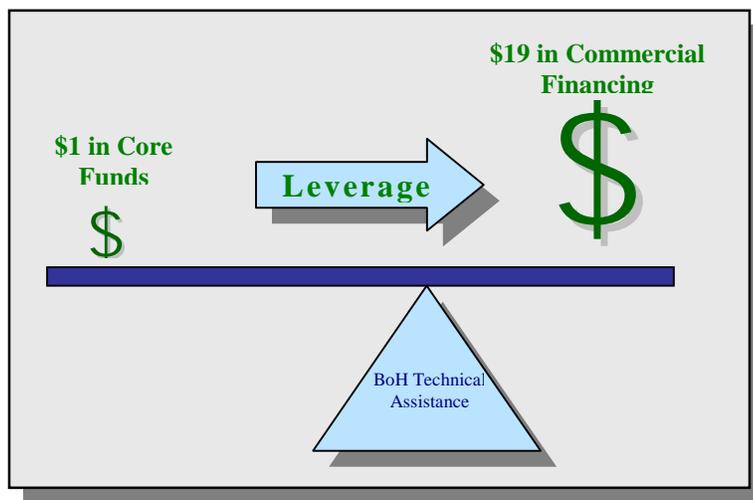
- Banking on Health met its Year Two workplan objectives, using core funds to provide technical inputs to programs in Nicaragua and Uganda. No core funds were needed in the Philippines due to field support.



Nicaragua

Banking on Health received \$500,000 in field support funds from USAID/Nicaragua to implement new activities in Year Two, which are described below in the Field Support section of this report. Banking on Health used a limited amount of core funds to follow-up some activities that were initiated in Year One to increase access to financing for private providers contracting with the Nicaragua Social Security Institute (INSS). In July 2005 Banking on Health used core funds to provide follow-up training to the two DCA banks, BanPro and Finarca, on financing of mergers. The team reviewed BanPro and Finarca's utilization of the DCA and the challenges and opportunities for greater utilization. As a result of Year One training activities and follow-up work in Year Two, approximately \$3.7 million in new loans was disbursed by BanPro for the health sector. \$2.6 million was disbursed through the DCA guarantee and another \$1.1 million has been lent outside of the guarantee. During the period, Banking on Health facilitated a request by BanPro to increase their utilization ceiling on the DCA guarantee from US \$1 million to US \$2 million. Since then, BanPro has received an additional \$1 million increase. Banking on Health estimates that in Nicaragua it has leveraged \$19 dollars in commercial financing for reproductive health service providers for every \$1 of USAID population core funds that it has spent on training and technical assistance.

Figure 2. Leveraging Core Funds for Commercial Financing



Philippines

Banking on Health received \$692,092 in field support funds in the Philippines for Year Two activities so no core funds were needed during the period.¹ Please refer to the Field Support section below for a detailed discussion of Philippines activities. During the year, there were some positive results that can be attributed to activities that were initiated in Year One with core funds. Two financial institutions have disbursed at least 24 loans to private practice midwives in the Philippines through June 2006. The total amount lent equals PhP2,235,000 or US \$41,000, with an average loan size of approximately US \$1,700. Midwives have used the loan funds to

¹ \$295,000 has been obligated and the remainder is being forward funded with core until the BoH contract is modified.

open and refurbish clinics and purchase much-needed emergency vehicles and equipment. In addition, Opportunity Microfinance Bank (OMB), the bank with the DCA to support loans to midwives, agreed at the end of June 2006 to expand the definition of qualified borrower to include midwives outside of the WPFI network, with the continuing support of BoH. This is a development long supported and encouraged by USAID in order to increase utilization of the DCA and expand assistance to providers of FP/RH in the Philippines.

Uganda

Banking on Health did not receive field support funds in Uganda for activities that were recommended in Year One. Accordingly, in Year Two Banking on Health implemented a more limited intervention with core funds. Banking on Health is working with three microfinance institutions (MFIs) in Uganda to institutionalize and scale-up work that was initiated by the Summa Foundation to expand access to financing for small-scale, reproductive health service providers. Banking on Health is working with Summa Foundation borrower, Uganda Microfinance Limited, as it repays its Summa loan to ensure that it continues to lend to the health sector and that it scales-up lending from four to all 19 of its branches. BoH is also working with Post Bank Uganda Limited and FINCA/Uganda in order to maximize geographic coverage.

Banking on Health designed an intervention that includes a market survey of the Ugandan private health sector, a course for MFI staff in health sector lending, and events at the district level to link participating MFIs with private providers. Banking on Health identified lack of knowledge about the private health sector as a major barrier to lending. In May of 2006, BoH conducted a limited market survey of 125 small-scale private health providers, including midwives, nurses, clinical officers, solo practice doctors and drug shop owners, who are geographically distributed in the northern, central, eastern and western regions of Uganda. Nine out of ten providers surveyed stated that they wanted loans to grow their business. 79% offer family planning services.

Using this market research, BoH designed and delivered “Strategies for Entering the Private Health Care Market”, a workshop to assist MFIs to expand health sector lending. The course covered a range of topics: training techniques, the Ugandan health sector, lending to private providers, and market research and segmentation methods. The course was delivered in four sessions from June 19-29, 2006 to forty-seven participants from Uganda Microfinance Limited, PostBank and FINCA/Uganda. BoH recruited a local training company, Enterprise Uganda, to assist in the training, and become familiar with the material in order to train other MFI staff in the future. Pre test and post-tests were administered during all four trainings. The results showed an increase in overall participant scores of 23% with the greatest learning taking place in the “Understanding the Uganda Health Sector” module.

In Year Three Banking on Health will provide follow-on technical assistance to the MFIs to assist in the roll-out of health sector lending. BoH is also planning to organize events at the district level to bring together MFIs and private health providers in Uganda this fall. The event will be organized in collaboration with Enterprise Uganda and the participating MFIs.

4.3.2. IDENTIFY TECHNICAL ASSISTANCE OPPORTUNITIES

Summary of Objectives

- Review private sector opportunities and challenges in 2-3 countries;
- Review microinsurance sector to identify whether a BoH intervention could achieve RH/FP impact;
- Conduct assessment visits to at least three countries;
- Train midwives from at least 8-10 developing countries at the Congress of the International Confederation of Midwives in Brisbane, Australia to assess financing needs of private midwives in their countries.

Accomplishments

- Banking on Health exceeded its Year Two workplan objectives. Banking on Health has conducted a review of private sector opportunities in six countries and initiated a review of the microinsurance sector. The team conducted three assessments in Peru, Romania and Zambia, leading to the design of country programs in each. BoH also worked with midwives at the International Confederation of Midwives in Brisbane, Australia to identify financing needs.

During Year Two, Banking on Health conducted a preliminary desktop review of private sector opportunities in Tanzania and in the Europe and Eurasia region, with a focus on Romania, Georgia, Azerbaijan, Russia and Armenia. These reviews examined both the private health and financial sectors. Based on the Europe and Eurasia review, the team conducted an assessment trip to Romania in January 2006 to explore opportunities to assist the mission as it prepares to phase-out. USAID/Romania concurred with Banking on Health's recommendations to expand access to financing for family doctors and other providers of reproductive health services and products, and the resulting program is described below. Banking on Health also conducted an assessment to Peru, and the resulting program to expand access to financing for midwives is described below. 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 goals. Banking on Health recommended a program that 1) works with local financial institutions to promote health sector lending and 2) works with local business service providers to offer training to health providers in financial and business management. In July 2006, USAID/Zambia concurred with Banking on Health's recommendations and work will begin in Year Three with core funds.

During Year Two, Banking on Health also initiated a review of the microinsurance sector to identify whether there were opportunities to leverage its expertise in the microfinance industry to improve access to and coverage of reproductive health and family planning services for informal sector workers. This report will be finalized in Year Three. Banking on Health used preliminary findings from this review to inform a field support funded assessment and pilot design to expand coverage to the informal sector under Nicaragua's Social Security Institute. This work led to an announcement on May 1, 2006 by President Bolaños of Nicaragua that Social Security coverage will be expanded to the informal sector.

Finally, during its training of midwives at the International Confederation of Midwives in Brisbane, Australia, Banking on Health worked with midwives from ten countries to identify whether access to financing is a constraint to the growth of private practices. To date Banking on Health has followed up with midwives in Indonesia, Uganda and South Africa. The Indonesian Midwives Association asked Banking on Health to roll out the training to its members and support a possible DCA for midwives. This initiative has been delayed due to travel restrictions in the country. Banking on Health is working in Uganda with three microfinance institutions to roll-out health sector lending to private midwives and other small-scale private providers (see above).

4.3.3. INITIATE TECHNICAL ASSISTANCE ACTIVITIES

Summary of Objectives

- Design and implement a package of technical assistance that includes structuring a DCA guarantee and bank and provider training, if appropriate, in at least two new countries;
- Design and conduct training for approximately 15-20 midwives from 8-10 developing countries at the Congress of the International Confederation of Midwives in Brisbane, Australia.

Accomplishments

- Banking on Health exceeded its Year Two workplan goals. The team designed and began implementing technical assistance in two new countries, including Peru and Romania. In July 2005, BoH trained 20 midwives from 10 countries at the Congress of the International Confederation of Midwives. Banking on Health also trained six NGOs from three countries in Southeastern Europe in financial sustainability.

Peru

In September 2006, the Banking on Health team conducted an assessment in Peru, examining opportunities to work with the private health sector to promote reproductive health and family planning outcomes in support of USAID/Peru's phase-out of population funds. The team found that there are significant policy barriers to the expansion of the private sector—namely competition with free services in the public sector. Despite the large public sector, however, significant portions of the market are underserved, particularly lower income groups and those in rural areas. USAID/Peru is currently working with several projects to address this policy issue. In the meantime, BoH believes that it is important to build a relationship with private sector reproductive health service providers so that when policy barriers are lifted, there is a foundation for the scale-up of the private sector. Based on this assessment, the team recommended three activities, including training midwives in business skills and access to finance, working with financial institutions to promote health sector lending, and structuring a portable DCA guarantee for Summa Foundation borrower, San Pablo Hospital Complex. Due to funding constraints, USAID/Peru determined that it could not pay the subsidy on the DCA for San Pablo. The mission concurred with the other proposed activities, which are described below.

○ *Financing Your Future: Training Midwives in Business Skills and Access to Financing*

Banking on Health decided to focus its work in Peru on midwives, as important providers of reproductive health and family planning services. Taking a Training of Trainers approach, BoH worked with Propyme, the small business arm of the Universidad del Pacifico, and the Association of Midwives to offer “Financing Your Future”, a two and a half day workshop for midwives that was piloted in May 2006 in Lima with 24 participants, including 18 midwives and representatives of USAID and reproductive health NGOs. The training covered the following topics: Creating a Business Plan, Marketing, Analyzing Financial Data, and Applying for a Loan. At the end of the workshop, midwives were asked to develop investment plans. A follow-up “fair” was held in June. Banking on Health trainers reviewed the investment plans and three microfinance institutions attended the fair to meet with the midwives and discuss financing. The training was very well received and midwives particularly liked the Analyzing Financial Data, Applying for a Loan and the Fair. Banking on Health conducted a pre and post test and participants showed an increase in overall scores of 23%, from 59% in the pre-test, to 82% in the post-test.

Banking on Health also administered a monitoring survey at the beginning of the training to collect baseline data on participants. Banking on Health will conduct a follow-on survey next year. Survey results indicated that 94% of the midwives currently offer family planning services. Oral contraceptives, injectables and condoms are the most common. 76% offer IUD insertions and a large number also provide emergency contraceptives. Only 22% have ever applied for a loan and only one midwife had ever received financing from a bank. 72% of the midwives think that access to financing is a problem for expanding their businesses. 89% of the midwives are interested in obtaining financing and the majority would like to use the loan to expand/renovate their practice (50%), construction (39%), purchase equipment (33%), purchase property (27%), purchase contraceptives (22%) and other drugs and supplies (22%).

○ *Opportunities to Lend to the Private Health Sector: Training Microfinance Institutions in Health Sector Lending*

Banking on Health worked with the USAID funded PRAES Project to conduct market research on small-scale private providers in Peru that was integrated into training. Banking on Health held “Opportunities to Lend to the Private Health Sector” in Lima in May and June 2006 for 14 loan officers and managers from nine microfinance institutions. The training included a half day presentation of the market study findings followed by a one-day workshop that covered Opportunities and Risks of the Health Sector, Characteristics of Health Microenterprises, a Case Study, a Site Visit and Presentations by Midwives. Three of the financial institutions also participated in the Midwife Fair. Pre and post-tests were administered, showing an increase of 21% from 55% to 76%. Banking on Health is in the process of collecting baseline data so that it can monitor changes in the size of health loan portfolios. Since the training, one financial institution, Edyficar, has launched a health sector loan product, which it is beginning to roll-out to private sector midwives that are participating in a social franchise.

Romania

During Year Two, Banking on Health conducted an assessment in Romania, a model in the region for the tremendous gains in women's health over the past ten years. Banking on Health examined factors that contributed to the Romania success story, the role of the private sector, and whether these gains will be sustainable when Romania graduates from population funding. During the assessment, Banking on Health identified family doctors as a major factor in expanding family planning coverage to rural and underserved areas. There are currently 15,000 family doctors in Romania. Formerly Ministry of Health employees, these family doctor's practices have been privatized and most are now contracted out to provide a basic package of health care through the National Health Insurance House. Through a process of health reform, family doctors are now allowed to provide family planning counseling, prescriptions and distribute products. Approximately 5,000 have been trained by USAID in family planning service delivery. Despite their strategic role in the Romania success story, Banking on Health determined that many of these family doctors are "entrepreneurs by accident" and are struggling to remain viable and manage within the capitated system.

Banking on Health proposed a package of technical assistance to improve access to financing and business management skills in order to improve the viability of family doctors and other small-scale providers of RH/FP. In May 2006, a Banking on Health team traveled to Romania to design a package of technical assistance, including conducting market assistance and training for banks and developing an accredited continuing education course in financial management for family doctors.

- *Accredited Training Course for Family Doctors*

In Year Two Banking on Health initiated the development of a course for family doctors in financial management and accessing finance that will be accredited for continuing education credits. The course will be easily accessible to doctors in rural areas, where 70% of the poor of the country live. BoH formed alliances with a large bilateral USAID project, the Romanian Family Health Initiative, a local NGO specializing in training and reproductive health, and the preeminent national institute for health management in the country to create the course. The curriculum design of the three-day course "Financial Health for the Health Professional: The Keys to Planning for Business Growth" was completed in Year Two. The Training of Trainers, pilot and course roll-out are planned for Year Three.

- *Promoting Health Sector Lending*

BoH will complement its work with providers by assisting local financial institutions to lend to the health sector. The January 2006 assessment included a recommendation to investigate the feasibility of structuring a DCA loan portfolio guarantee to support lending to family doctors and private providers. Due to USAID's relatively imminent departure from Romania, the mission ultimately decided it was not interested in pursuing a DCA. Banking on Health believes that even without a DCA guarantee, it can be effective in promoting health sector lending by providing banks with market assistance and targeted technical assistance. In Year Two, BoH issued a request for proposals to conduct a national survey of financing needs of family doctors, ob/gyn practices, rural pharmacies and family planning distributors. This survey will serve two purposes: 1) a source of market information for lenders, including several banks and MFIs; and 2) data which may be used to facilitate

policy discussion on the state of family doctors operating under contract with the National Health Insurance House. The market study and subsequent bank training and policy dialogue will occur in Year Three.

Training of Midwives at the Congress of the International Confederation of Midwives

Banking on Health and PSP-*One* co-hosted a two-day workshop, "Strengthening the Private Midwife's Practice: Improving the Quality of RH/FP Services and Business Skills" in Brisbane, Australia as part of the Congress of the International Confederation of midwives. The team trained 20 midwives from 10 countries, including Indonesia, Cambodia, Zimbabwe, Uganda, South Africa, Jamaica, Ethiopia, Trinidad, Vietnam and Ghana. The training focused on strengthening the quality of private sector midwives' RH/FP practices by improving business skills, access to credit, and introducing participants to essentials of quality improvement. The training was composed of the following modules: Foundations of Quality Assurance (PSP-*One*), Assessing Yourself, Your Business and Your Goals (BoH), Setting Goals for Your Business (BoH), Funding Your Future: How to Identify Your Financing Needs (BoH), Financing Your Private Practice (BoH). 73% of participants stated that the workshop exceeded the objective of assisting them to identify financing needs and funding sources while 27% stated that the workshop met this objective. The trainers administered a pre and post test to examine changes in knowledge as a result of the training. Overall, participants increased their knowledge in almost every area. The largest areas of improvement were in Financing Your Private Practice, 15% improvement, and in goal setting, 13%.

Training of HIV/AIDS and Reproductive Health NGOs in Southeastern Europe

In support of the USAID RiskNet 2 Project, a PSP Task Order, Banking on Health conducted a one-day seminar on January 20, 2006 entitled "Improving the Financial Health of Your NGO" in Bucharest, Romania. Six participants hailed from the six NGOs currently active in the RiskNet2 project, located in Bulgaria, Bosnia and Herzegovina, and Croatia. These NGOs provide family planning products and services as well as advocacy and services related to stemming the spread of HIV/AIDS among high-risk groups. All are facing imminent funding cuts and shifts as a result of USAID and Global Fund funding reallocations. The Banking on Health training included the following modules: Sustainability and Financial Planning, Costing-out Your Goals, Looking at Your Organization's Current Financial Health, Planning to Meet Your Goals: Cash Flow Analysis and Forecasting, Strategies to Succeed: Increasing Revenues/Funding; Cost Recovery; and Sources of Financing, Next Steps: Developing an Action Plan. Financial planning templates used in the training were incorporated into the follow-on technical assistance planned by the project managers. Feedback from the training was positive, as both project managers and participants found the materials to be practical and useful.

4.3.4. DEVELOP TRAINING MATERIALS

Summary of Objectives

- Develop at least one to two additional bank and provider training modules.
- Develop at least one to two tools for financial institutions or health providers.

Accomplishments

- Banking on Health exceeded its Year Two workplan objectives. It developed five training workshops and several tools for financial institutions and private providers.

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

- **Strengthening the Private Midwife's Practice: Improving the Quality of RH/FP Services and Business Skills:** A two day workshop held in Brisbane, Australia
- **Financing Your Future:** A two and a half day workshop for midwives in Peru
- **Improving the Financial Health of Your NGO**
- **Opportunities to Lend to the Private Health Sector:** A one and a half day course for microfinance institutions in Peru.
- **Strategies for Entering the Private Health Care Market:** A three day course for microfinance institutions in Uganda.

As part of this training, Banking on Health developed several tools including a market segmentation framework for financial institutions and simple cashflow statements for midwives with limited financial experience.

5. MANAGEMENT OF THE SUMMA FOUNDATION

5.1. OVERVIEW

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

5.2. OBJECTIVES

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

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

5.3. KEY ACTIVITIES AND OUTPUTS

5.3.1. MANAGE SUMMA FOUNDATION ASSETS

Summary of Objectives

- Up-to-date portfolio reports
- A total delinquency rate of 5% or less
- Monitoring trips to at least two countries with Summa loans
- Technical assistance to at least two Summa borrowers

Accomplishments

- Banking on Health has exceeded its targets. Reports are up-to-date. The delinquency rate was 2.24% over 30 days as of June 30, 2006. Monitoring trips to three countries, including Uganda, Nicaragua and Peru, were conducted during the year. BoH provided informal technical assistance to three Summa Foundation borrowers, San Pablo Hospital Complex, Benba Enterprises and C&J Medicare.

Summa Foundation Portfolio

During the year, Banking on Health successfully managed the Summa Foundation loan portfolio and liquid assets. As of June 30, 2006, Summa's assets totaled \$2,441,775.38 including \$645,055.19 in outstanding loans and \$1,796,720.19 in liquid funds at Wachovia Bank. By June 30, 2006, portfolio reports were up-to-date, indicating a delinquency rate of 2.24% over 30 days. During the year, a total of \$914,828 was repaid, including \$791,200 in principal and \$123,628 in interest. During the period, C&J Medicare in Ghana, Instituto Centroamericano de la Salud (ICAS) and Clinica San Angel in Nicaragua, and MEDA in Tanzania fully repaid their loans.

Monitoring

Several borrowers experienced cashflow problems during the period, including Clinica San Angel, Salud Integral and Benba Enterprises. These loans were monitored closely although management believes that the risk of loss is not significant. In fact, Clinica San Angel repaid their loan in full in April. BoH conducted monitoring visits to three countries including Uganda, Nicaragua and Peru. During the period, Banking on Health provided informal technical assistance to three borrowers, including Benba Enterprises in Uganda, San Pablo Hospital Complex in Peru and C&J Medicare in Ghana. Highlights on key Summa borrowers are provided below.

- *Benba Enterprises in Uganda*

In March 2006, a BoH staff member traveled to Mbarara to meet with Mayanja Memorial Hospital's management, which is owned by Benba Enterprises, and review the financial performance of the hospital. Mayanja was profitable in both January and February with a net profit of 8,606,135 Ugandan Shilling (approximately \$5,000) at the end of February. While the hospital was able to meet its debt commitment to the Summa Foundation in March and June, the cash flow position remains unstable because of the high operating costs and debt service. Summa continues to provide advice to Mayanja and will continue to closely watch this loan.

- *Salud Integral in Nicaragua*

During the year, Salud Integral experienced cash flow problems due to additional capital investments within the hospital. At the end of June, Salud Integral was 61 days past due on their April payment. BoH is closely monitoring the situation, and working with its local attorney to ensure that all arrears are paid in a timely fashion.

- *C&J Medicare in Ghana*

In July 2005, BoH advised C&J on the possibility of refinancing their Summa loan with a loan from a local bank. Interest rates fell in Ghana and C&J wanted to use its property (which was tied up as collateral on the Summa loan) to secure additional financing to complete its facility. As a result, in August 2005, C&J Medicare repaid its Summa loan and obtained local financing for \$200,000. This is the first case of a Summa borrower graduating to local, commercial financing.

- *San Pablo Hospital Complex*

During the period, BoH conducted a monitoring visit to San Pablo Hospital Complex. San Pablo is scheduled to repay its Summa loan in July 2006 and is interested in obtaining local financing to expand operations in a lower income area in Lima. Banking on Health worked with USAID/Peru to explore the possibility of a DCA guarantee for a loan to San Pablo. Unfortunately, the mission is not interested in covering the cost of the subsidy.

Liquid Funds

As of June 30, 2006 Summa had \$1,796,720.19 in liquid funds in various accounts at Wachovia Bank. The Banking Health Project monitors these funds on a daily basis. The table below highlights the breakdown of Summa's liquid funds:

Table 3. Breakdown of Liquid Funds

Instruments	Annual Yield	Original Amount Invested <i>(Since 9/2005*)</i>	Market Value <i>(As of 6/30/2006)</i>
Non-Profit Checking Account	0%	N/A	\$37,923.65
Advantage Checking Account	4.90%	N/A	\$146,346.06
CD1	5.11%	\$1,100,000.00	\$1,134,620.54
CD2	4.20%	\$100,000.00	\$102,675.32
CD3	4.04%	\$110,000.00	\$112,372.64
CD4	4.33%	\$130,000.00	\$131,868.52
CD5	4.28%	\$130,000.00	\$130,913.46
Total		\$1,570,000.00	\$1,796,720.19

*CDs Only

5.3.2. PROVIDE SOUND GOVERNANCE

Liquid funds were placed in these vehicles following Summa's recommendation to USAID and the approval of its board of directors in August 2005. It should be noted that Summa follows a conservative investment strategy that prioritizes the preservation of capital while allowing for some growth but with a minimum risk of loss.

Summary of Objectives

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

Accomplishments

- Banking on Health has exceeded its target by conducting two board meetings during the year and by keeping the board informed of all activities and issues.

The Summa Foundation held a board meeting in August 2005, which was attended by all board members and non-voting officers. A representative of Gelman, Rosenberg, and Freedman (Gelman), the accounting firm, reviewed and described the 2004 audited financial statements. The board voted to retain Gelman, and Kamerow, Weintraub & Swain LLP (KWS) as accountant and auditors respectively for FY06. The entire board was elected for another term from January 2006 to December 2006. The board also approved a resolution to begin investing liquid funds in three-month certificate of deposits and an interest bearing checking account.

In addition, Summa held another board meeting on June 20, 2006. The meeting was attended by all board members and non-voting officers. A representative of Gelman, Rosenberg, and Freedman (Gelman), the accounting firm, reviewed the financial statements for the period October 1, 2005 to May 31, 2006. Moreover, a representative from Kamerow, Weintraub & Swain (KWS) reviewed the 2005 audited financial statements. The board voted to retain Gelman, and Kamerow, Weintraub & Swain LLP (KWS) as accountant and auditors respectively for FY07. The entire board was elected for another term from January 1, 2007 to December 31, 2007. The board also approved a resolution to retain the current non-profit checking account

with a minimal balance. In addition, the board authorized Summa's management to sweep funds into the interest-bearing checking account or 3-month CDs, whichever has the highest yield. This investment policy will be reevaluated pending the decision to return the funds to USAID.

Table 4. Summary of Summa Loans as of June 30, 2006

Borrower	Expected Repayment Date	Amount Approved	Amount Disbursed	Amount Outstanding*
Uganda Private Providers Loan Fund	12/31/06	\$300,000	\$275,000	\$202,835
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	07/31/06	\$1,000,000	\$1,000,000	\$55,921.91
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	01/31/07	\$300,000	\$300,000	\$35,619.72
C&J Medicare in Ghana	Repaid	\$200,000	\$200,000	\$0
Hospital Salud Integral in Nicaragua	10/31/07	\$250,000	\$250,000	\$107,104.77
SuMedico in Nicaragua	12/31/07	\$225,000	\$225,000	\$80,561.76
Benba Enterprises in Uganda	12/31/07	\$250,000	\$250,000	\$163,012.03
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	\$645,055.19

*As of June 30, 2006

5.3.3. FINANCIAL REPORTING AND ACCOUNTABILITY

Summary of Objectives

- Manage outside accounting firm to ensure monthly bookkeeping;
- Complete monthly and year end financial statements;
- Conduct annual 2005 audit and submit audited financial statements to USAID;
- Confirm Summa's 501c(3) tax status.

Accomplishments

- Banking on Health met its Year Two workplan objectives. Monthly bookkeeping and monthly and 2005 year-end financial statements were completed. The 2005 audit was also completed in March 2006. Summa's 501c(3) tax status was confirmed by the IRS. Summa submitted its tax returns, form 990, to the IRS in May 2006.

Each month, Banking on Health provides Gelman with a Summa loan repayment report. Gelman then prepares monthly financial statements including balance sheet, profit and loss statement, journal, and a general ledger based on Generally Accepted Accounting Principles (GAAP). Gelman also prepared the 2005 year-end statements that were provided to the auditors. In addition, last December, KWS initiated the 2005 audit, reviewing all of Summa's accounts, books, and transactions. KWS finalized the audit in March 2006, which allowed Gelman, the accounting firm, to finalize all tax filings. In March 2006, the IRS confirmed Summa's 501c(3) tax status. Summa submitted tax forms 990 to the IRS in May 2006. The returns were later amended and resubmitted to reflect changes in how in-kind contributions are reflected in its financial statements to satisfy 501c(3) requirements. In addition, contrary to its earlier recommendation, Gelman advised Summa to register in the State of Maryland and file Maryland property tax returns. Summa complied with the request and submitted an application to obtain a Maryland Tax identification number. Once it is received, Summa will be able to file the Maryland property tax returns. Because of its earlier advice, which was incorrect, Gelman will bear all charges and fees incurred to process the registration.

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 Two, including:

- Monitor Summa Foundation and Banking on Health interventions;
- Participate in leadership activities to share technical expertise, findings and raise the visibility of the project.

6.3. KEY ACTIVITIES AND OUTPUTS

6.3.1. MONITOR SUMMA FOUNDATION AND BANKING ON HEALTH INTERVENTIONS

Summary of Objectives

- Update and submit semi-annual monitoring reports covering Summa Foundation loans.
- Design monitoring plans for new interventions with data to be reported to USAID on a semi-annual basis.

Accomplishments

- Banking on Health met its Year Two workplan objectives. Banking on Health submitted two Summa Foundation semi-annual monitoring reports during the period and contributed data to the PSP IQC Performance Monitoring Plan.

6.3.2. RESEARCH AND DISSEMINATION

During the period, Banking on Health submitted Summa Foundation Semi-Annual Monitoring reports for the periods ending March 31, 2005 and September 30, 2006 and initiated collecting data for the March 31, 2006 report, which will be submitted at the beginning of Year Three. Banking on Health also finalized indicators for the PSP IQC Performance Monitoring Plan and submitted data from its first year of operations in October 2005. Banking on Health also developed monitoring plans for its interventions in Peru and Uganda and began collecting baseline data.

Summary of Objectives

- Explore the possibility of leveraging PSP-*One* and other resources to evaluate a Banking on Health intervention (potentially Nicaragua);

- Share the project's financial expertise by participating on *PSP-One*'s Global Leadership Council and other forum;
- 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, the American Public Health Association (APHA) and the International Private Sector Summit in Miami;
- Work with USAID to develop a SOTA session on access to financing and the DCA, if requested;
- Develop one to two case studies and/or write-ups on Banking on Health interventions.
- Conduct one to two brown bag presentations for USAID and the broader CA community to disseminate successful interventions.

Accomplishments

- The Banking on Health Project met its research and dissemination goals. BoH and *PSP-One* are collaborating together on a research study in Nicaragua. Banking on Health participated in the Private Sector Working Group and the Sustainability Action Group. Banking on Health conducted presentations at the APHA, GHC and USAID Microenterprise Learning Conference. Banking on Health held a presentation highlighting its work in Nicaragua. BoH updated its page on the *PSP-One* website and finalized a brochure and write-ups on each of its technical areas.

During the period, Banking on Health worked to disseminate information about the project and how access to financing can be used to achieve sustainable family planning and reproductive health outcomes in the private sector. A key component in the BoH dissemination strategy is to evaluate at least one of its interventions. Banking on Health worked with *PSP-One* to develop a research study to evaluate the promotion of family planning services within Nicaragua's Social Security Institute. *PSP-One* traveled with BoH to Nicaragua in October to initiate preparations for this study. Banking on Health has provided *PSP-One* with input in the questionnaire design and implementation.

During the year, Banking on Health also shared its financial expertise by playing a leadership role in several working groups, including the Sustainability Action Group and the Private Sector Working Group. This replaced Banking on Health's plan to participate in the Global Leadership Forum, which was cancelled by *PSP-One*.

Banking on Health also held a number of presentations in order to disseminate information about its work. The team organized a presentation for USAID and the broader public health community on its work in Nicaragua. In December 2005, Banking on Health presented "Access to Credit: A Key to Financial Sustainability for Reproductive Health Services" as part of a sustainability panel at the APHA annual conference. In April Banking on Health presented at the Office of Population/SDI quarterly CAs meeting. The BoH team also submitted three abstracts to this year's Global Health Conference (GHC) and one was accepted. Banking on Health participated in the GHC panel titled "The Future is Here: Private Sector Contracting in Low Income Countries". Banking on Health also organized and participated in a panel discussion on

“Strategic Alliances between Microfinance and Health” at USAID’s Microenterprise Learning Conference. Banking on Health was not able to identify an opportunity to present at a SOTA and will continue to explore this possibility in Year Three.

In addition to presentations, Banking on Health also worked to disseminate project information electronically and through written briefs. BoH developed a brochure and fact sheets on three of its technical areas of focus, including financial institutions, private providers and the Development Credit Authority Guarantee. Banking on Health also updated its website and submitted several e-articles to *PSP-One* for dissemination.

7. LEADERSHIP AND OVERSIGHT

7.1. OVERVIEW

In addition to the technical, monitoring and dissemination activities implemented in Year Two, 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

7.3.1. MAINTAIN OVERSIGHT TO MEET PROGRAMMATIC OBJECTIVES AND REPORTING REQUIREMENTS

Summary of Objectives

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

Accomplishments

Banking on Health met its targets by maintaining sound financial and contractual review mechanisms, ensuring timely invoicing and financial reporting. Quarterly pipeline reports were submitted to USAID during the year. Banking on Health also submitted its Year One Annual Report, Results Review, Management Review and Year Two Semi-Annual Report on time. BoH continued developing staff's understanding of family planning and reproductive health and development finance.

8. TIMELINE OF CORE FUNDED ACTIVITIES AND OUTCOMES

Table 5. Technical Assistance to Increase Access to Finance

Activities/Steps	Q1	Q2	Q3	Q4
Conduct follow-on assistance in the Philippines, Nicaragua and Uganda, if field support funds are not obtained.	√	√	√	√
Identify technical assistance opportunities <ul style="list-style-type: none"> • Assessment trips to Peru, Romania, Zambia • Conduct desktop review and microinsurance research 	√	√	√	√
Conduct training at International Confederation of Midwives	√			
Design and implement a package of technical assistance in at least 2 new countries <ul style="list-style-type: none"> • Initiate TA in Peru and Romania. 	√	√	√	√
Develop additional bank and provider training modules	√		√	√
Develop tools as appropriate for banks and providers		√		√

√: Completed X: Not Completed

Table 6. 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 and conduct 3 monitoring/TA visits • Manage liquid funds 	√ √ √	√ √ √	√ √ √	√ √ √
Governance <ul style="list-style-type: none"> • Hold annual 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 7. Monitoring, Evaluation and Dissemination

Activities/Steps	Q1	Q2	Q3	Q4
Monitor interventions				
<ul style="list-style-type: none"> • Prepare Summa Foundation semi-annual report • Design monitoring plans for new interventions 		√ √	√	√ √
Research and dissemination				
<ul style="list-style-type: none"> • Explore research opportunities • Participate on PSP-<i>One</i> Global Leadership Council and taskforces (Private Sector Working Group) • Participate in conferences • Develop SOTA session if requested • Develop one to two case studies • Conduct one to two brown bag presentations 	√	√ √ √	√ √ X	√ √ √

Table 8. Leadership and Oversight

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

9. FIELD SUPPORT FUNDED PROGRAMS

A. NICARAGUA

OVERVIEW

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

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

The majority of Banking on Health's activities in Nicaragua were completed by the time of this report. All work will be finalized by August 2006.

OBJECTIVES

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

- Work with the INSS to promote family planning and reproductive health service delivery.
- Train EMPs in cost accounting to strengthen financial performance and the promotion of family planning and other preventive services in the capitated system.

- Work with the informal/microfinance sector to expand positive health outcomes in Nicaragua.

KEY ACTIVITIES AND OUTPUTS

WORK WITH THE INSS TO PROMOTE FAMILY PLANNING AND REPRODUCTIVE HEALTH SERVICE DELIVERY

Summary of Objectives

- Work with EMPs and the INSS to develop a new model for promoting women's health.
- Develop clinical guidelines for EMPs in treating and preventing breast and cervical uterine cancers.
- Develop and conduct training for EMPs on breast and cervical cancer guidelines.
- Develop clinical guidelines for EMPs on promoting and providing voluntary family planning services.
- Deliver a series of training workshops to EMPs on family planning promotion, delivery and the service package.
- Work with the INSS to develop an effective system for monitoring, evaluation and supervision of EMPs in providing family planning and breast and cervical uterine cancer services.
- Develop local capacity to provide technical assistance for implementing reproductive health and family planning programs at EMPs.

Accomplishments

Banking on Health has completed and surpassed workplan objectives over the course of the last year. Capitalizing on both the EMPs' and INSS' interest in promoting preventive health services that resulted from Year One activities, Banking on Health worked to develop and operationalize a new business model that promotes women's health. The new model restructures the patient flow at EMPs so that women visit a Women's Health Clinic within the EMP regularly. These visits will include preventive screening for breast and cervical cancers as well as access to voluntary family planning information, counseling and services. The INSS plans to support this new model by providing educational materials, training its supervisors to monitor the program and adjusting the per capita rate paid to EMPs to compensate for the up front expense of preventive care. Banking on Health supported the new model by developing a series of guidelines that will improve women's health by reducing unintended pregnancies, maternal and infant mortality rates as well as the incidence of breast and cervical uterine cancers. During the period, Banking on Health worked with the Chamber of EMPs and the INSS to win support for the adoption of the women's health clinic model. BoH has delivered practical participatory workshops to EMPs on the guidelines and provided the INSS with a course on the monitoring and supervision of the guidelines. Banking on Health is also publishing the guidelines and supporting marketing materials.

Some specific accomplishments include:

- The BoH Project has completed three Clinical Guidelines for the Prevention and Treatment of Breast Cancer, the Prevention and Treatment of Cervical Cancer and for Voluntary Family Planning.
- The BoH Project trained a total of 50 participants from 25 EMPs on the breast and cervical cancer guidelines. As a result of the training, participants' knowledge increased an average of 88% as measured by pre and post-tests.
- The BoH Project trained a total of 66 participants from 35 EMPs on the voluntary family planning guidelines in Managua, Estelí and León to ensure the participation of EMPs from more remote regions. 52% of participants were trained nurses. The remainder were other clinical staff. Average scores on pre-tests were 52%, increasing to 80% on post-tests. Overall there was a 28% increase in knowledge as a result of the training.
- Banking on Health trained 34 INSS medical supervisors and staff in all three clinical guidelines and in the monitoring and supervision of the guidelines. There was a 54% increase in knowledge among participants after the training.
- Banking on Health worked to build the INSS' capacity to continue providing training and supervision of the EMPs and implementing the guidelines. Banking on Health provided a supervision, monitoring and evaluation workshop for 10 INSS "replicators" appointed by the INSS to provide ongoing training and supervision of the guidelines. Post test results showed an average 25% increase in knowledge. The replicators were required to pass an exam to be certified. The average certification exam result was 74%.
- Banking on Health worked closely with a local consulting firm, ALVA Consultores to ensure the ability to replicate trainings locally in the future.
- BoH was able to add to its workplan the development and reproduction of posters, brochures and signs to disseminate to EMPs. These materials clearly define where women's health clinics are; explain to women their coverage rights in preventive cancer screenings; and provide information about breast self-exams and voluntary family planning methods. The cost of these materials will be shared between BoH and the USAID/Nicaragua funded Pan American Social Marketing Organization (PASMO).
- Banking on Health organized a formal inauguration of the delivery of the three guidelines to the INSS at a private EMP, Salud Integral. The event was presided over by US Ambassador Paul Trivelli, INSS President, Edda Callejas and Salud Integral's Medical Director, Dr. Eréndira Rizo.

TRAIN EMPs IN COST ACCOUNTING TO STRENGTHEN FINANCIAL PERFORMANCE AND FAMILY PLANNING OUTCOMES IN THE CAPITATED SYSTEM

Summary of Objectives

- Assess existing cost accounting systems at private EMPs and work with a local university to develop training curriculum.
- Conduct two-day workshop to 35 EMPs in cost accounting.
- Build local capacity in providing technical assistance to EMPs in cost accounting.

Accomplishments

Banking on Health was able to surpass its workplan objectives over the course of Year Two. During Year One, BoH determined that while EMPs understand the importance of investing in family planning and other preventive health services as a cost containment strategy within the capitated system, they do not have appropriate cost accounting systems in place to effectively manage costs. BoH designed and delivered a participatory, practical course through a local academic institution, Centro de Investigaciones y Estudios de Salud (CIES), in March 2006. The course provided EMPs with a conceptual framework and tools to improve their cost accounting and preparedness to negotiate with the INSS on a regular basis about the levels of the per capita payment. In preparing the materials, the team worked with a ProFamilia clinic to assess the existing costs of their health services for use as a case study during the training. BoH has adapted this course for INSS staff to ensure that they are able to accurately analyze and evaluate EMPs' cost accounting systems.

- Banking on Health conducted an assessment of existing cost accounting systems at 10 private EMPs.
- Banking on Health designed and delivered a three-day practical course on Cost Accounting under a Capitated System for EMPs in March 2006. 40 participants from 20 EMPs participated in the three-day cost accounting training. Comparisons of the results of the pre-tests with the post-tests showed that the participants' understanding of key concepts improved by 10% overall, and by 51% and 41% in some of the more complex areas of the course, such as defining cost centers and implementing a cost accounting system.
- The BoH project has adapted the course to deliver to 12 INSS participants in July 2006. The course will be focused on understanding cost accounting within the EMPs in order to better evaluate their financial and administrative management during the process of certification and to ensure that per capita payments are reflective of total actual costs incurred by EMPs.

During its work with the INSS in Year One, Banking on Health identified a need to increase access to family planning and other quality health services for lower income and underserved groups. Currently, the INSS system only covers 16% of the economically active population. It is estimated that an additional 75% are in the informal sector and have some payment capacity. Banking on Health proposed a two-pronged approach to address this issue:

1. Explore the expansion of INSS coverage to the informal sector.
2. Explore expanding access to financing for small-scale health providers that provide family planning and reproductive health services to lower income, underserved populations.

WORK WITH THE INFORMAL/MICROFINANCE SECTOR TO EXPAND POSITIVE HEALTH OUTCOMES IN NICARAGUA

Summary of Objectives: Expansion of INSS coverage to the informal sector

- Assess feasibility of expanding INSS health coverage to the informal sector using MFIs as agents and design pilot.

- Work with INSS to launch informal sector health coverage.

Accomplishments: Expansion of INSS coverage to the informal sector

Banking on Health worked with the INSS to explore the feasibility of expanding coverage to the informal sector by using microfinance institutions as agents. This included interviews with the INSS, 11 microfinance institutions and 3 formal financial institutions and 145 microfinance clients through focus groups. Based on positive findings, BoH designed a pilot project for the INSS to offer its health insurance package to the informal sector through 4-5 leading microfinance institutions in Managua and Leon. Banking on Health obtained approval from USAID/Nicaragua to redistribute budgeted field support funds to assist the INSS to launch the pilot. Some of the accomplishments include:

- BoH assessed the feasibility of expanding INSS coverage to the informal sector, recommending a pilot project. This assessment included extensive interviews with the INSS, MFIs and focus groups with informal sector workers. Eventually, the INSS is seeking to expand access to its basic package of health services and medications to a quarter of the country's informal sector workers, targeting some 300,000 microentrepreneurs from the informal sector who are clients of microfinance institutions (MFIs). The pilot is targeting an initial 10,000 clients over 9 months.
- BoH worked closely with the INSS to obtain internal buy-in on the project, leading to the announcement by Nicaragua's President, Enrique Bolaños in May 2006 that coverage was being expanded to the informal sector.
- BoH supported the INSS in the development of the requirements, operations, and systems related to the project.
- BoH participated in the development of a marketing strategy and marketing materials for the insurance product.
- BoH involved EMPs in the early stages of the project to ensure buy-in and initiated introductions and marketing meetings between MFIs and EMPs.
- BoH developed a software program, which allows MFI systems to be compatible with INSS' systems for the collection of premiums.
- BoH brokered negotiations between the INSS and a short-list of MFIs interested in participating in the project.
- BoH designed and delivered training to three MFIs that will be participating in the INSS pilot project.
- BoH obtained additional funding from the PSP-*One* Project to support monitoring and evaluation activities related to the project.

Summary of Objectives: Access to Finance for Small-Scale Providers

- Assess access to financing needs of small-scale providers.
- Provide technical assistance to expand access to financing and improve the profitability of Profamilia's Community Distribution Network to promote RH/FP outcomes.

Accomplishments: Access to Finance for Small Providers

- BoH conducted an assessment of access to financing constraints for small-scale providers. The project recommended technical assistance to expand access to financing and improve the profitability of Profamilia's Community Distribution Network. This included meetings with ProFamilia management, Network supervisors and distributors.
- BoH trained ten supervisors, the Network coordinators and the Purchasing Manager of Profamilia's Community Distribution Network to improve the profitability of Profamilia's Community Distribution Network. BoH also conducted a Training of Trainers for Profamilia's supervisors and administrators on inventory and accounts receivable management and marketing.
- BoH provided three credit-readiness workshops in Boaco, Managua and Matagalpa and trained 65 contraceptive distributors. The results of the pre-test compared to the post-test indicate that overall understanding increased by 54%. Six microfinance institutions presented their loan requirements and products at the workshops and they were well received. Only 24% of the promoters indicated prior credit experience, with an average loan size of US\$675. After the workshop, 42% of all the participants said they were interested in obtaining credit; the average need was \$250, and most wanted the credit to buy more inventory, or expand or improve their business.

Table 9. Field Support Nicaragua Budget

Activity	Budget	Expenses 06/30/06	Balance *
TA to INSS in FH/FP	154,787	181,404	-26,617
TA to EMPs in Cost Accounting	131,660	90,506	41,154
Assessment to Expand Coverage to Informal Sector	92,952	67,816	25,136
Expand Access to Finance to Small-Scale Providers	120,601	59,543	61,058
Informal Health Insurance Pilot**	0	85,575	-85,575
Total	\$500,000	\$484,845	\$15,155

*The time frame for completing field support activities was extended into Year Three by USAID/Nicaragua in order to reflect the additional activities that were incorporated into the work plan.

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

Table 10. Nicaragua Activities

Activities/Steps	Q1	Q2	Q3	Q4
Train EMPs in cost accounting				
<ul style="list-style-type: none"> Assess existing cost accounting systems at private EMPs and work with CIES to develop training curriculum. 	√	√	√	
<ul style="list-style-type: none"> Conduct cost accounting workshop for 39 EMPs. 			√	
Work with the informal/microfinance sector to expand positive health outcomes in Nicaragua				
<ul style="list-style-type: none"> Assess feasibility of expanding INSS health coverage to the informal sector using MFIs as agents and design pilot. 	√	√		
<ul style="list-style-type: none"> Work with INSS to launch informal sector health coverage. 			√	√
<ul style="list-style-type: none"> Assess access to financing needs of small scale providers. 		√		
<ul style="list-style-type: none"> Provide TA to expand access to financing and improve profitability of Profamilia's Community Distribution Network to promote RH/FP outcomes. 			√	√
Work with the INSS to promote RH/FP service delivery				
<ul style="list-style-type: none"> Assess RH/FP service delivery at EMPs. 	√	√		
<ul style="list-style-type: none"> Work with EMPS, INSS, Ministry of Health (MINSA) and other USAID projects to develop clinical guidelines for breast and cervical uterine cancers. 	√	√	√	√
<ul style="list-style-type: none"> Develop and conduct 2-day training for EMPs on breast and cervical cancer guidelines 			√	
<ul style="list-style-type: none"> Work with EMPS, INSS, MINSA and other USAID projects to develop clinical guidelines for voluntary family planning services. 			√	√
<ul style="list-style-type: none"> Deliver series of training workshops to EMPs on FP promotion, delivery and service package 				√
<ul style="list-style-type: none"> Develop M&E criteria and instruments for INSS and conduct a 2-day workshop on monitoring and supervision of cancer and family planning guidelines 		√	√	√

B. PHILIPPINES

OVERVIEW

The Banking on Health Project's goal in the Philippines is to assist private practice midwives throughout the country to expand and improve the delivery of sustainable reproductive and other health services by accessing appropriate, timely financing and technical assistance. Since February 2005, the project has worked closely with the USAID mission to meet the above goal. This work feeds directly into USAID/Manila's strategic objective "Desired Family Size and Improved Health Sustainably Achieved." The BoH strategy 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.

OBJECTIVES

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

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

KEY ACTIVITIES AND OUTPUTS

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

Summary of Objectives

- Survey training and financing needs of private midwives.
- Develop training; conduct training of trainers; and roll-out training for private midwives in business management and accessing financing.
- Assess capacity and technical assistance needs of midwife associations at local and national level to facilitate access to finance and business development assistance for private practice members.
- Design assistance for midwives in four priority regions to increase access to finance in a sustainable manner.
- Review and provide recommendations for restructuring business training provided to midwives through the USAID funded PRISM project.
- Develop tool for private practice midwives to track business growth.

Accomplishments

- Banking on Health conducted a nation-wide survey of private practice midwives' financing and training needs related to accessing finance.
- The project created and piloted a training course for midwives interested in accessing finance. 72 private practice midwife participants were trained and received technical assistance. At least 11 midwives received loans and 2 new clinics were opened as a result. Local capacity was developed to deliver this course.
- Banking on Health assessed midwife associations and recommended capacity building assistance at the national and local level for select midwife associations with large numbers of private practice members and significant interest in providing assistance for those members. Banking on Health identified local institutions and an organizational development specialist to implement this work. This assessment is serving to spark a greater strategy discussion among USAID projects, the Department of Health and midwife associations on how best to meet the needs of private practice midwives to help them grow and improve the quality of their practices.
- Banking on Health developed a plan to sponsor private practice midwife business fairs, with financial institutions, suppliers, training providers, and other vendors and business development service providers for each of the project's four priority regions.
- Banking on Health reviewed the PRISM BEST training curriculum and the Banking on Health course "Financing the Midwife Practice" and made recommendations to USAID and PRISM to restructure the courses into Basic and Advanced business trainings for midwives. Banking on Health provided the PRISM Project with recommendations on regionally based training providers with capacity to offer finance and business development services.
- Banking on Health developed a user-friendly Enterprise Growth Monitoring Tool (EGMT) and a field test plan is planned for implementation early in Year Three.

○ *Survey of Private Practice Midwives*

From August to November 2005, BoH surveyed over 500 private practice midwives from all regions of the country on financing and training needs related to finance. Results indicated that nearly 90% of midwives surveyed offer family planning counseling, products and/or services, and run profitable operations. The vast majority of these midwives (89%) have plans to expand their businesses, largely for the purchase of products for resale or to expand or improve their facilities. Approximately 80% of the sample indicated that they would be interested in procuring contraceptive products for resale. The midwives surveyed indicated that the greatest impediments to their businesses' growth were:

1. Lack of funding (65%)
2. Lack of business skills (38%)
3. Lack of clinical skills (22%)

The BoH survey indicates that most midwives face impediments to accessing lower cost, appropriately structured funding due to lack of credit history, financial records, and familiarity with financing issues. In early 2006, Banking on Health disseminated the results

of the survey to financial institutions for the purpose of loan product development for midwives.

○ *Survey of Midwife Associations*

Banking on Health conducted an assessment of midwife associations' capacity for facilitating access to finance and business development services for private practice members. Banking on Health assessed the two largest national associations as well as regionally based chapters of these associations, other independent associations established only for private practice member support, and the Well Family Midwife Clinic (WFMC) network. Recommendations included the identification of associations for BoH to coordinate activities with and support in each of the project's priority regions of the country: Regions 6 and 7 (both covering Visayas), 11 (Mindanao) and the National Capital Region. Banking on Health selected associations most interested and able to grow their level of support for private practice members. Banking on Health determined that the establishment of self-financing mechanisms, such as credit cooperatives, could be long-term goals for most of these organizations, and that a strategic planning exercise and some organizational capacity building and increased understanding of the needs of private practice members would be early steps that BoH could support.

○ *Midwife Training and Technical Assistance*

The Banking on Health (BoH) course, "Financing the Private Midwife Practice", and corresponding follow-up workshops were offered three times on a pilot basis, with 72 private practice midwife participants in total. Course topics included goal setting, assessing business performance, identifying financing needs, keeping financial records, and accessing finance.

Interest and attendance in the course was high. Midwives gave the course extremely favorable evaluations and appeared to find the course practical and useful. They demonstrated marked improvement in knowledge and skills in post-course assessments. Please refer to the table below for details on the change in participant knowledge as a result of the course.

Table 11. Participant Learning Assessment: Philippine Midwives Training

Learning Objective	% of Responses Showing Improvement at End of Course	% of Correct Answers on Post-Course Assessments
Demonstrated improved ability to set Specific, Measurable, Achievable, Realistic and Time-bound business goals.	36%	98%
Could see more benefits for their business of keeping financial records.	51%	94%
Demonstrated improved understanding of the concept of break-even analysis.	43%	89%
Understood the usefulness of break-even analysis in the private practice after the course.	36%	40%
Demonstrated improved knowledge of the Balance Sheet.	50%	91%
Demonstrated improved knowledge of financial record keeping.	41%	79%
Have greater appreciation of the use of the cash flow statement in their private practice.	28%	88%
Demonstrated increased knowledge of income and expenses	71%	97%
Have increased understanding of their own income level. ²	7%	94%
Can name more sources of financing for their practice after the course.	50%	100%
Have increased knowledge of important considerations when choosing a financing source.	58%	97%

At least 11 training participants successfully applied for business loans. At least two were able to open a new clinic as a result of their loans.

Key success factors in the midwives training were the implementation of a comprehensive Training of Trainers, practical training materials, the participation of local financial institutions as guest speakers, and the use of trainers with relevant technical knowledge and experience.

BoH is advising the PRISM project’s business training initiatives for private practice midwives. In this context, BoH has reviewed the PRISM training materials, and provided recommendations for restructuring the course into a basic entrepreneurship course for midwives. BoH has made recommendations for BoH materials to be adapted into an advanced business training course for midwives interested in growing their businesses.

BoH has also developed simple tools for midwives to track their business growth thereby providing them with a means to track financial and non-financial business growth and the source of that growth, including the sales of family planning products. This growth tool will be field tested in the Philippines in Year Three. The Growth Monitoring tool will most likely be incorporated into PRISM’s business training for midwives.

² The assessment results for this objective were imperfect. The assessment asked the question “What is your current monthly net income?” Non-responses were interpreted as a lack of knowledge and responses were judged correct, in the absence of the ability to verify its accuracy. Future BoH assessments will avoid this lack of clarity.

Lastly, BoH has gathered together the list of requirements for private practice midwives and for the establishment of Department of Health accredited birthing homes for midwives interested in starting, improving, and growing, their private practices. This information is currently not readily accessible to individual midwives. The list of requirements will be used in business trainings and disseminated through midwife associations to help midwives to set business goals and understand and meet quality requirements.

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

Summary of Objectives

- Conduct national survey of financial institutions to evaluate likely sources of financing for midwives.
- Advise Opportunity Microfinance Bank on issues related to DCA utilization.
- Provide Rural Bankers Association/USAID MABS Project with a midwife clinic case study.
- Communicate with SB Corp on issues related to guarantees and wholesale lending to support lending to midwives.

Accomplishments

Banking on Health conducted a national assessment of financial institutions. The project developed a private midwife case study for the USAID funded MABS project, a microfinance project, to use in training lenders of up to 200 rural banks located throughout the country. The Banking on Health Project also continued discussions with SB Corp, a state owned financial institution, which is considering initiatives to create credit lines for private practice midwives. BoH has provided market information and other support to encourage the management of OMB to expand the definition of qualifying borrower to include non-WFMC midwives thus increasing access to finance for other midwives and potentially increasing the utilization of the DCA.

○ Surveys of Financial Institutions

The Banking on Health Project conducted a survey of more than 50 financial institutions (FIs) located throughout the country. The survey confirmed that while these FIs were generally interested in lending to midwife clinics, they were unfamiliar with the business model and indicated that without an introduction to the market, they would not consider them bankable businesses. The surveys had the following specific findings:

1. Only five FIs had provided business loans to private practice midwives, three of these are cooperatives and the fourth is the Opportunity Microfinance Bank.
2. 78% of the FIs indicated that they are interested to lend to private practice midwives.
3. 79% of respondents identified market information as the main factor that will influence their decision to lend to midwives.
4. The most likely funding sources for midwives are co-operatives, rural banks, and microfinance institutions (MFIs).

It is important to develop the capacity and interest of financial institutions in lending to midwives. In country after country it has been found that without adequate information and/or training, banks do not see private health care businesses as bankable businesses. The Philippines is no different.

- *Support to OMB for Utilization of the DCA*

OMB used the May 2005 training to introduce the concept of individual lending to midwives to their NGO partners in the regions, to facilitate lending to WFMC clinics that are outside the catchment area of OMB's Antipolo offices. At that time, BoH also provided technical advice to OMB management in support of the utilization of the DCA loan portfolio guarantee. Within a few months of the training, the first non-national capital region loan was disbursed. However, it is expected that the DCA will remain significantly underutilized until the terms are adjusted to expand the definition of qualified borrowers to include non-WPFI members. The current membership is not large enough to support the full utilization of the DCA. Over the past year, Banking on Health has worked with the management of OMB to persuade them to expand lending to midwives outside of the WPFI network. The OMB management has recently indicated interest in expanding the loans covered under the DCA. BoH has committed to provide assistance to OMB so that they feel more confident in lending to midwives. Banking on Health plans to provide OMB with a list of minimal clinical requirements so that OMB feels more confident in evaluating loan applicants.

- *Technical Assistance and Training for Financial Institutions*

In this period, Banking on Health developed a case study for the USAID funded Microenterprise Access to Banking Services (MABS) project to incorporate into their lender training for rural bankers. "Case Study: Christina Gomez, Midwife" incorporated some of the initial findings of the BoH midwife surveys and is intended to overcome some of the information barriers among lenders that were identified in the BoH survey of FIs. There are more than 200 rural banks participating in the MABS project, located both in highly populated and remote areas of the country. We expect this case study to be rolled-out through the MABS training over the next year.

BoH has been in discussion with the Philippines development bank, the Small Business Guarantee and Finance Corporation (SB Corp), to support the creation of a credit facility for midwife credit co-ops and/or FIs interested in lending to this target group. The findings of the midwife association assessment indicate that lending to FIs would be the most feasible alternative in the short term. In June 2006 BoH began discussions with SB Corp and the Visayas Central Credit Cooperative Fund Federation (VCF) regarding a credit line for midwives to be funded by SB Corp and accessible via the credit co-operative members of VCF.

To date, financial institutions have lent approximately \$40,897 to midwives as a result of Banking on Health training and technical assistance. Banking on Health expects that this amount will increase significantly over the next year as a result of the trade fairs, additional work with financial institutions and the expansion of the OMB DCA to include a broader set of midwives.

Table 12. Loans to Midwives in the Philippines (June 1, 2005 – June 30, 2006)

Institution	No. Loans	Amount/ PhP	USD*
OMB	13	1,900,000	434,767
Kingsmark Credit Corp	11	335,000	\$6,130
Total	24	2,235,000	\$40,897
<i>Average Loan Size</i>		93,125	\$ 1,704

*Exchange Rate of 1USD = 54.65PhP

Table 13. Philippines Field Support Budget

Philippines Field Support Budget	Budget	Total Accrued Expenditures 06/30/06	Balance
Total	\$692,092	\$356,876	\$335,216

Table 14. Philippines Activities

Activities/Steps	Q1	Q2	Q3	Q4
Provide private sector midwives with the skills needed to identify financing needs, successfully apply for financing, and manage loan payments.				
• Conduct Training of Trainers (TOT) to develop trainers of private midwives.	√			
• Survey training and financing needs of private midwives.	√	√		
• Conduct seminars to midwives on “Financing the Private Midwife Clinic.” Coordinate closely with PRISM project.	√			
• Disseminate information on banks’ lending guidelines to midwives.	√			
• Provide post-training support for midwives interested in accessing finance.	√			
• Review curricula and materials for Basic and Advanced BEST Business Training Modules.				√
• Review and provide input for SOW and selection criteria for PRISM Business Skills Trainers.				√
• Provide results of BoH Survey of Private Practice Midwives’ Training and Financing Needs to PRISM project management for their use.			√	
• Contribute Directory of Financial Institutions for Midwives to PRISM for use and distribution in trainings for private practice midwives.			√	
• Provide midwives, through PRISM, with a standard system for monitoring business growth.				√
• Conduct TA needs assessment of 4 midwife associations seeking co-op status for FP product purchases and distribution and/or for access to credit for members.				√
• Vet locally available training programs on microfinance lending and credit union management for midwife associations.				√

Activities/Steps	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> • Create up-datable directory of FIs for midwife associations at the local and national levels. 			√	
Strengthen Financial Institutions' ability to provide timely, appropriate small business loans to private midwives.				
OMB				
<ul style="list-style-type: none"> • Advise on issues related to DCA utilization such as BSP collateral requirements, expanding definition of qualifying loan to private practice midwives outside of the WPFI network. 	√		√	√
Other Financial Institutions (FIs)				
<ul style="list-style-type: none"> • Provide Rural Bankers Association/ USAID MABS project with Midwife Clinic Case Study. 		√		
<ul style="list-style-type: none"> • Work with SB Corp to support other FIs financing midwife clinics. 	√	√	√	√
<ul style="list-style-type: none"> • National survey of FIs product offerings for midwives and ability/interest in lending, 		√		
Project Monitoring & Evaluation				
<ul style="list-style-type: none"> • Design project monitoring and evaluation tools including course evaluations; knowledge/skill assessments; and long-term results monitoring/evaluation tools. 	√			√
<ul style="list-style-type: none"> • Implement the above project monitoring and evaluation tools, 	√	√	√	√

C. PERU

OVERVIEW

In September 2006, the Banking on Health team conducted an assessment in Peru, examining opportunities to work with the private health sector to promote reproductive health and family planning outcomes in support of USAID/Peru's phase-out of population funds. The team's assessment was based on three underlying principles: 1) activities should be able to be institutionalized so as to ensure sustainability; 2) private sector involvement is essential for contraceptive security and the long-term sustainability of USAID interventions; and 3) scaling-up successful private sector models provides an efficient way to improve and broaden the reach of private health care delivery. The team proposed the following interventions to be implemented with a combination of core and field support funds.

1. Health Provider Training: (Business Skills Training and Accessing Loans)

Activity	Funding Source
Work with private midwives and doctors to improve access to finance (500+ providers)	Initiate with Core. Roll-out with FS.
APROPO distributors network (14+ distributors)	Initiate with Core.

2. Work with Financial Institutions to Promote Health Sector Lending

Activity	Funding Source
Conduct private health sector market study.	Core
Train EDYFICAR and other microfinance institutions in health market.	Core/FS
Work to develop a portable DCA guarantee for Summa Foundation borrower, San Pablo Hospital Complex, if mission is willing to pay the subsidy.	Core

3. Institutional Strengthening for USAID/Peru's NGO Partners

Activity	Funding Source
APROPO: Develop business and strategy plan. Provide technical assistance to improve sustainability. Provide guidance and assistance on obtaining a bank loan, if appropriate. Explore the use of a health DCA if appropriate.	FS
MAXSALUD: Provide technical assistance to improve sustainability. Assist in preparing business plan/ applying for a loan (may include DCA), if appropriate. Review sustainability fund plans.	FS

4. Private Health Insurance

Activity	Funding Source
Explore incentives and demand for new private health insurance model for lower income populations.	FS

KEY ACTIVITIES AND OUTPUTS

USAID/Peru initially approved the proposed scope of work and committed \$500,000 in field support funds for program activities. Banking on Health conducted a design visit in January 2006, prepared a workplan and began preliminary discussions with USAID and its partners on

technical assistance. Following this initial work, USAID/Peru changed its priorities and decided not to continue funding Banking on Health to implement the scope of work. USAID/Peru emphasized that this funding decision was not a reflection on Banking on Health's work and concurred with the continuation of core-funded activities.

Table 15. Peru Field Support Budget

Peru Field Support Budget	Budget	Total Accrued Expenditures 06/30/06	Balance
Total	\$19,000*	\$18,791	\$209

**Despite USAID/Peru's initial commitment of \$500,000, it reduced this commitment to cover expenses that project had already incurred through forward funding.*