



Financing for the Private Health Sector

A Tool to Assist the Private Health Sector in Developing Countries to Identify and Obtain Financing

Revised • August 2002





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IN PARTNERSHIP WITH
Abt Associates, Inc.
Population Services International



FUNDED BY
US Agency for International Development

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Summa Private Sector Tools Series
Number 1, Revised August 2002

USAID Contract No. HRN-C-00-98-00039-00

The Summa Foundation's Private Sector Tools Series

The Summa Foundation has developed a series of tools to transfer skills and knowledge to the private health sector in developing countries. These tools support the Summa Foundation's mandate to provide financing and technical assistance to private and commercial organizations engaged in health activities in developing countries in order to achieve health impact.

The Commercial Market Strategies Project

The Commercial Market Strategies (CMS) Project is a five-year contract (1998-2003) of USAID's Bureau for Global Health, Office of Population and Reproductive Health, and the first contract to be implemented under the Commercial and Private Sector Strategies (CAPS) Results Package. CAPS is a ten-year results package that seeks to increase use of family planning and other health products and services through private sector partners and commercial strategies. The CAPS Results Package is designed to meet a projected global surge in demand for family planning and reproductive health services that will far exceed available public sector and donor resources to satisfy that demand. To redress this resource gap, CAPS looks to the private sector (defined as the commercial, for-profit sector and the NGO sector) to meet the health care needs of low-income consumers in developing countries.

The International Health Summit, LLC

This guide was developed in cooperation with the International Health Summit, LLC and distributed to health sector leaders at the Seventh Annual International Summit on Public-Private Partnerships for Health in Miami Florida, USA on December 8-11, 2002. The International Health Summit is a UK and US based, knowledge management organization dedicated to the development of effective leaders who champion successful public-private initiatives for health gain throughout the World. Information on the International Health Summit is available at <http://www.ihsummit.com>.

This research was made possible through support provided by the Bureau of Global Health, Office of Population and Reproductive Health, US Agency for International Development (USAID) under the terms of Contract No. HRN-C-00-98-00039-00. The views and opinions of authors expressed herein do not necessarily state or reflect those of USAID or the U.S. Government.

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Acknowledgements

The Summa Foundation published *Financing for the Private Health Sector* in September 1999. In August 2002, Summa revised and updated the document in collaboration with the International Health Summit. Global Microenterprise Initiatives, LLC, a private consulting firm, was subcontracted to assist in the revision of the document. Summa thanks the International Health Summit for its support.

This document is a resource guide for organizations that seek financing for private health initiatives in developing countries. It provides a survey of international sources of financing. The information in this survey is not exhaustive and may have changed since publication. The information for this survey was obtained from published documents, annual reports, web sites, phone interviews, and personal meetings. While steps were taken to ensure the accuracy of the information in this document, the Summa Foundation gives no warranties in relation to such information.

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1 Introduction

Financing for the Private Health Sector is a tool to assist the private health sector in developing and transitional economies to identify and obtain financing. Private sector is defined as the private commercial sector and the private not-for-profit sector.

Lack of financing is an important barrier to the growth of the private health sector in many developing countries. Financing is an essential requirement for a strong private sector that is capable of providing high quality care. Traditionally, the commercial banking sector has perceived the private health sector as risky. A limited understanding of private health business models and confusion between profit motives and public health outcomes has restricted the supply of long-term financing. In many countries, local financing also is limited by liquidity problems in the banking sector. International investors are wary of the lack of market data as well as the macroeconomic variables that impact the private health sector in developing countries, such as inflation and currency devaluation. Furthermore, the international donor community has been less willing to invest its resources in the private health sector, believing that the private sector could raise its own funds.

Recently, however, there has been a growing recognition in the donor and international finance communities that there are significant opportunities for working with the private health sector in developing and transitional economies. Many donors are realizing that the private sector has an important role in producing positive health outcomes and it should be supported. In addition, there are new opportunities for private health sector investment because of inter-related factors, including a wave of health sector reform, a growing awareness by governments of the importance of the private sector, and the emergence of health insurance and other payment mechanisms.

Despite the increased recognition that the private health sector has received in recent years, there are still barriers to accessing financing in many developing and transitional economies. The Summa Foundation prepared *Financing for the Private Health Sector* to help the private health sector identify and obtain financing.

2 Using the Guide

2.1 Who Should Use the Guide

Financing for the Private Health Sector is a resource guide for the managers of health care businesses in developing and transitional countries. Chief executive officers of commercial companies, directors of not-for-profit organizations, and chief financial officers that are considering ways to expand, grow, or start their health care businesses will find this guide useful. In addition, many donors and funders listed in this guide provide financing to the public sector as well. Public sector officials responsible for raising funds for public health facilities and systems also may find this guide useful.

2.2 Selecting the Most Appropriate Type of Financing

Before contacting the funders listed in this guide, health care managers need to determine what is the most appropriate type of financing for their organization. This guide reviews the main types of financing available for the private health sector – including grants, loans, leasing, and equity. Health care managers should consider each type of financing carefully and understand the pros and cons. Different types of financing are more or less appropriate depending on the organization, its level of development, and its resource constraints. For example, commercial companies are more likely to seek loans and equity investments, as grants are not usually available to the commercial sector. Not-for-profit organizations, however, are more likely to pursue grant funding at first and then seek other types of financing as they increase their income generating activities and asset base. The financing continuum is described in detail in the next chapter to help health care managers make the best decision for their organization.

2.3 Identifying the Most Appropriate Source of Financing

After selecting which type of financing would be best for their organization, health care managers should identify the most appropriate source of financing. This guide provides a survey of international sources of financing for developing country projects. Each listing begins with the name of the funder followed by a box that identifies the recipient of financing (commercial companies, not-for-profit organizations, or public sector entities) and the type of financing available (equity, loan, or grant). Please see Example 1. This information should help health care managers identify which listings are most appropriate.

Example 1: The Summa Foundation

Recipient	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input type="checkbox"/> Public
Type	<input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant

Each listing also has contact information, a description of the financing and terms, and the application process. Where possible, examples of projects that have been financed in the past are included.

The guide does not include national sources of financing, such as local commercial banks and investors. Before exploring international financing, health care managers should survey local financing opportunities. Factors such as interest rates, loan/investment terms, collateral requirements, and foreign exchange risk should be considered when determining whether to seek local or international financing.

2.4 Understanding the Terminology

A glossary of financial terms is included as Appendix A. These terms are used throughout the guide and will be useful when contacting the funders. The glossary provides health care managers with the vocabulary needed to identify financing requirements, apply for financing, and negotiate financing terms.

3 The Financing Continuum

Financing is a critical ingredient in growing, expanding, improving, or starting a health care business. Some businesses finance their growth internally through reserves, but most businesses will need to consider external financing at some point, especially if they want to accelerate their development. Health care managers have a broad range of financing options available depending on the type of organization, the project focus, investment need, asset base, geographic location, and supplier. The financing continuum that is available to health care businesses is illustrated in Figure 1. The continuum is only described to help health care managers determine the types of financing that are available to meet their needs. Some health care businesses will move along the continuum in a straight line from grants to loans to equity investments, others may skip a step, others may access many types of financing at once, and still others may only source one type of funding for most of their institutional lives.

Figure 1: Financing Continuum



3.1 Grants

A grant is a type of funding that does not have to be repaid. It is generally provided by donors, such as bilateral assistance programs, multilateral donors, and foundations. Grants usually are given as money, but also can include in-kind transfers. Grants typically are earmarked for a specific project, although they also can be used to support an organization's overhead. Grants are earmarked for use over a specified time period and must be used according to a pre-approved budget. The recipient usually signs a grant agreement with the donor, agreeing to perform pre-approved activities or services. Instead of repayment, grant recipients agree to provide the donor with reports accounting for the use of funds and detailing activities performed and results achieved. Grant recipients generally agree to a degree of supervision by the donor during the grant period. Grants are the primary source of funding for many not-for-profit organizations because of their charitable nature. Some donors will consider a grant to a commercial company if there is a compelling case, but usually grants are not as easily accessible to that sector.

There are a number of pros and cons to grant funding that should be considered. Organizations that are new to the health sector may need to access grants in the early stages of their development to invest in basic infrastructure, personnel, and services. Grants are an ideal source of start-up funding for most not-for-profit organizations. Grants also enable health care providers (not-for-profit and commercial) to provide services to underserved population groups, which may not always be profitable, but are considered necessary from a social assistance perspective. Grants often are critical in filling the gap in health care services that are provided by private and public organizations in developing countries. Grants also are ideal for allowing health care organizations to pilot new projects or test new markets without the financial pressure of having to repay a loan or satisfy an investor with high returns.

There are, however, disadvantages to grant funding. In the past, many not-for-profit organizations have become dependent on grant funding to the detriment of their sustainability. Without the pressure to repay a loan, it is easier to invest grants in projects that are less likely to be sustainable over the long term. Grants generally have strings attached and the mission of a donor may not always match the mission of the recipient. In some parts of the developing world, donors are reducing funding and encouraging former grant recipients to explore other sources of financing. Public-private partnerships between donor agencies and the private sector have brought not-for-profit organizations in direct contact with large

pharmaceutical, research, and medical equipment firms. These linkages may lead to greater opportunities in the provision of health care services.

3.2 Loans

A loan or debt financing is money that is lent and repaid over a period of time, usually with interest. Debt financing can be short-term (full repayment due in less than one year) or long-term (repayment due over more than one year). Loans generally require collateral, whether in the form of guarantees or assets. Loan recipients tend to be commercial companies, but many funders will consider not-for-profit organizations as well as public sector entities. Health care managers that foresee increased revenue sources from investments in their institutions should consider debt financing (loans) for a specific expansion in infrastructure, equipment, inventory, and services. There are different types of loans that can be structured to meet the specific financing needs of the business. For example a term loan, which is repaid through regular periodic payments, may be appropriate to finance a piece of equipment or a facility expansion. A revolving credit line, however, may be more appropriate for financing recurrent or cyclical expenses, such as inventory. A revolving credit line extends a specific amount of money that can be re-lent without additional loan agreements once the initial loan is repaid.

Funders that provide debt financing tend to be the international financial institutions, bilateral investment funds, and not-for-profit investment funds/non-governmental organizations (NGOs). Donor agencies and donor-funded agencies, often lend at terms that are more attractive than those on the commercial market via below-market interest rates, loan guarantees, and longer grace periods on loan terms. A loan from a donor agency or donor-funded agency can be a first step in building a credit rating that will allow a private health care organization to access commercial financing in the future.

One advantage to debt financing is that the lender does not gain an ownership interest in the business and does not play a management role. The borrower's obligations usually are limited to repaying the loan. This relationship allows the borrower to keep its structure, goals, and mission. There are, however, some disadvantages to debt financing. A new or start-up business may find it difficult to get a loan if it does not have adequate assets to pledge as collateral or a satisfactory track record. If a health care business has a lot of debt, some financial institutions may be reluctant to lend more without an increase in shareholder's equity. In addition, most lenders require regular repayment of principal and interest, which may be difficult during the start-up period of a business or project.

3.3 Leases

A lease is an arrangement in which the owner of an asset (lessor) agrees to receive payments/rentals from the user (lessee) – usually at a fixed rental level, which includes a mark-up that is equivalent to interest. The primary security in this arrangement is the asset. Health care businesses worldwide use leases to acquire equipment. A typical lease transaction for medical equipment lasts three to five years. Upgrading is nominal, and most health care leases go to term. Lease agreements can be structured in a variety of ways. In some cases, when a lease has ended, the provider can return the equipment to the lessor and replace it with newer equipment that better meets its needs, in which case a new lease agreement is written. Otherwise, the provider can renew the lease for an additional amount of time (usually at reduced rates) or buy the equipment outright as used equipment at its fair market value. In other cases, the provider can return the equipment to the lessor with no further obligation. Most of the major medical equipment manufacturers provide lease financing and there are some specialized leasing companies that operate locally. Leasing is an option for commercial, not-for-profit, and public sector entities.

There are a number of advantages to leasing. In many countries, leasing has favorable tax treatment and, as such, is a financing mechanism most used by private commercial health service providers who are able to write off lease payments as overhead expenses on their taxes. Leasing also requires no initial payments and can be a good option for not-for-profit organizations that do not have access to lump-sum funding. A disadvantage to leasing, however, is that it generally only can be used to finance equipment and vehicles. Hence, if a health care business has other financing needs, it will need to find other funders. In addition, the health care business may be limited to leasing a certain brand of equipment, which may not necessarily be the cheapest or best alternative.

3.4 Equity

Equity investments are available only to privately held commercial companies and thus represent the far-right sector of the financing continuum described above. Unlike a loan, equity is an exchange of money for a share of business ownership. This form of financing allows an institution to obtain funds without incurring debt; in other words, without having to repay interest. Dividends, however, are shared with equity investors proportionally. Equity investors can have a say in the management of a company and may sit on the board of directors. Most private investment funds make an equity investment with an exit strategy in mind. They place a term on the investment and hope to sell their shares at the end of the term with an expected return in mind. Mainly the international financial institutions, the bilateral investment funds and the private sector investment funds provide equity funding.

There are many advantages to equity financing. Equity financing through venture capital is a major source of funding for start-ups that are considered too risky for commercial bank loans. Equity financing can strengthen a commercial company's balance sheet, which will enable it to borrow in the future. Many companies find that they are not able to leverage additional debt without an infusion of equity to grow significantly. Equity financing also can bring in investors that have strategic technical or management expertise that will improve the company. The primary disadvantage to equity financing is the dilution of the ownership interests and the possible loss of control that may accompany sharing ownership with additional investors. This ramification is particularly important when considering the social mission of some health service providers.

4 Overview of Sources of Financing

After the most appropriate type of financing is determined, the health care manager needs to identify the most appropriate source of financing. This guide presents a survey of international sources of financing. These financing sources are grouped into eight broad categories: medical equipment financing, private investment funds, not-for-profit investment funds/NGOs, international financial institutions, other multilateral donors, bilateral assistance programs and export financing, bilateral investment funds, and foundations. A brief overview of each category, recent trends, and preliminary conclusions from the survey are provided in this chapter. Table 1 summarizes each source by category, including the type of financing provided and the sector served. Table 2 allows health care managers interested in obtaining funding to identify sources most appropriate for them. Details of each financing source are provided in Chapters 5 to 12.

4.1 Medical Equipment Financing

Medical equipment manufacturers, specialized medical equipment finance companies, and general leasing companies provide medical equipment financing. The market for medical equipment financing in developing countries has become increasingly competitive as health service providers upgrade their infrastructure throughout the developing world. Medical equipment financing can involve a conventional term loan, which can have a three to seven year maturity (sometimes longer) and provides the tax benefits of ownership and the opportunity to build equity in an asset with a long useful life. Nevertheless, leasing is a more commonly used mechanism; particularly among global medical equipment manufacturers that have financing arms specialized in facilitating the purchase of their equipment.

4.2 Private Investment Funds

Private investment funds are an important source of financing for new investment in developing countries. These funds are capitalized with money from private investors. The funds invest in publicly traded securities or directly into unlisted companies. While developing countries are considered risky, many investors believe they have great potential and can yield a high return. Investment funds provide debt and/or equity financing to businesses. Debt financing gives the investment fund an arms length relationship with the borrower and does not require the fund to play a management or ownership role. If an investment fund makes an equity investment, it acquires an ownership position and may take a seat on the board of directors and have a role in the management of the business.

Most private equity funds seek high returns on each investment as they wish to provide their investors with an attractive return on the overall portfolio of investments. Investment funds tend to invest in medium to large-scale projects. The survey only identified one health-specific fund, the Latin Healthcare Fund. Other funds have diversified portfolios and occasionally will consider investments in the health sector.

4.3 Not-for-Profit Investment Funds/NGOs

In recent years, international donors became more interested in supporting the private sector by providing grants or soft loans to not-for-profit investment funds. These not-for-profit investment funds are charged with providing financing to the private sector. Some of these funds will invest in a broad range of

businesses, while others (such as the Summa Foundation and the PATH Health Enterprise Fund) only invest in the health sector. Not-for-profit investment funds will provide debt and/or equity financing depending on how they are structured. Not-for-profit investment funds tend to structure their financing commercially (i.e., require interest and collateral), but generally offer terms that are more favorable, such as lower interest rates. They frequently are willing to take more risk than a local commercial bank. In many cases, not-for-profit investment funds make smaller investments than the international financial institutions or private investment funds and may be more appropriate for smaller health care businesses. They also may be more willing to consider loans to not-for-profit organizations. In fact, the International Planned Parenthood Federation (IPPF) Endowment Fund for Sustainability has built a niche in providing financing to IPPF affiliates in the Latin America-Caribbean region. In addition to investing in financially viable businesses, most not-for-profit investment funds have development agendas and may be seeking to use their funds to achieve a social or health impact through their investments.

4.4 International Financial Institutions

While many international financial institutions recognize the importance of health in human development and the importance of the private sector in economic development, they have been slow to put the two together. International financial institutions such as the World Bank, Inter-American Development Bank (IDB), and the European Community (EC) tend to work through governments rather than directly with the private sector.

The International Finance Corporation (IFC) and the Inter-American Investment Corporation (IIC) provide financing for the private commercial sector. The IFC has a health and education department that focuses on these two sectors and has made a number of investments in health. The IIC does not have a specific focus on the health sector, but has invested in a small number of projects in recent years. Investments by the international financial institutions typically are in large multi-million dollar projects.

4.5 Other Multilateral Donors

Traditionally, other multilateral donor organizations, such as the World Health Organization (WHO) and The United Nations Population Fund (UNFPA), have used their resources to support the public sector and to a lesser extent the private not-for-profit sector. The International Conference on Population and Development's Programme of Action (sponsored by UNFPA), however, recognized the importance of the private sector and gave UNFPA the role of facilitating a dialogue between the commercial, not-for-profit, and public sectors. UNFPA's role is to facilitate agreements between governments, donors, and the private sector – not to provide financing directly.

4.6 Bilateral Assistance Programs and Export Financing

Most developed countries have a number of mechanisms to promote assistance and cooperation with developing countries – including bilateral assistance programs and export financing, which are discussed in this section, and bilateral investment funds, which are discussed in the next section. Some countries combine bilateral assistance and export financing under one institution and others separate them into specialized institutions. Bilateral assistance programs tend to focus on the delivery of aid for humanitarian and development purposes. Traditionally, most bilateral assistance programs focus on the public health sector. Funding for private sector initiatives has been limited as donors "...lack good information on both

the motivations and potential of the for-profit sector.”¹ One of the major bilateral strategies for working with the private health sector is the social marketing of health products and services in partnership with NGOs and pharmaceutical companies. The United States Agency for International Development (USAID) is one the more proactive supporters of the private health sector. Its Commercial Market Strategies project (CMS) seeks to increase the use of family planning and other health products and services through private sector partners and commercial strategies in developing countries. Other examples of bilateral initiatives include efforts by the Australian government’s AusAID and Canada’s CIDA to fund domestic businesses interested in supporting health initiatives in developing countries.

In addition to bilateral assistance programs, many developed countries also have established export financing programs, which promote the export of goods and services produced in their country. Export financing agencies (such as the United States’ Export-Import Bank, Japan’s JBIC, and Germany’s KfW) provide interesting opportunities to private sector health service providers seeking financing, particularly in the areas of medical equipment and infrastructure.

4.7 Bilateral Investment Funds

Another source of bilateral funding is the bilateral investment funds. Many developed country governments have created specialized agencies, quasi-private or fully private investment funds. These funds provide equity and/or debt financing to private sector businesses in developing countries. Some of these investment funds, such as OPIC, support companies of the investor country as well as promote economic development. In these cases, the fund only will invest in joint ventures with some ownership by companies of the investor country. Other funds, such as the United Kingdom’s CDC Capital Partners, do not have this requirement. While none of the funds surveyed have a niche in the health sector, most will consider health/health service projects if they are commercially viable. Most investments by the bilateral investment funds are in medium and large multi-million dollar projects.

4.8 Foundations

Foundations have a long history of funding programs to advance health in developing countries. Traditionally, their funding has consisted of grants for research and policy formulation. Recently, however, foundations have played an innovative role in financing private sector involvement in health care. The Bill and Melinda Gates Foundations are leading this change. One example is the Gates-funded Children’s Vaccine Program, based at PATH, an international NGO. This program builds global markets to lower vaccine prices and create new financing mechanisms to support childhood global immunization. For the most part, the foundations tend to provide grants to not-for-profit organizations in the health sector. They are less involved in financing the commercial health sector directly.

4.9 Preliminary Conclusions

Several preliminary conclusions can be made from the initial survey of sources of financing for private sector initiatives in health in developing countries.

¹ Rosen, James and Conly, Shanti, *Getting Down to Business(Draft)*, Population Action International, Washington DC 1999

Increased Budgets for Health, Particularly Among Multilateral Organizations

Since the prior survey, undertaken in 1999, a large number of the organizations increased their health budgets. The explosion of the HIV/AIDS crisis in the developing world partly caused this trend. In particular, multilateral and bilateral organizations increased their health budgets. The IDB, for example tripled its budget for health as a percentage of its total budget between 1998 and 2000. Meanwhile, the IFC created a specialized health and education group in 2000, reflecting an increased focus on health.

Increased Recognition of Importance of Private Sector but Limited Increase in Financing

The survey revealed that while there was an increase in the overall funding available to the health sector, there was only a limited increase in financing that is targeted at the private health sector. There is a lag between recognition of the importance of the private health sector and an increase in support.

Wide Variety of Sources: Actual and Potential

The survey revealed that there are a wide variety of sources of financing from multilateral and bilateral donors to the not-for-profit and private investment funds. Table 2 highlights the broad range of funders that provide financing to health service providers (financing recipients). Nevertheless, many of these are still potential sources of financing rather than actual ones. For example, many of the bilateral investment funds, such as OPIC, do not have large health sector portfolios, but are willing to consider health projects. These potential sources can be developed in the future.

Limited Financing Available for Small Private Sector Projects

Table 1 shows that financing is targeted at all sectors: public, not-for-profit, and commercial. Most of the funding available for the not-for-profit sector is grant funding provided by bilateral donors or foundations. Most of the financing to the private commercial sector takes the form of equity or debt investments and is provided by the international financial institutions, bilateral investment funds and private sector investment funds. These investments usually are in large, multi-million dollar projects. The survey reveals that there is a limited supply of debt financing available for small or medium sized businesses in the private commercial sector and for not-for-profit organizations that have income-generating activities. These types of businesses and organizations are more likely to serve a middle- and low-income population group.

Table 1: Overview of Sources of Financing

Type of Financing		Public Sector	Not-for-Profit	Commercial
Medical Equipment Financing				
GE Capital Healthcare Financial Services	Loans, Leasing		✓✓	✓✓
Philips Medical Systems	Loans, Leasing	✓✓	✓✓	✓✓
Siemens	Loans, Leasing, Equity	✓✓	✓✓	✓✓
Private Sector Investment Funds				
JPMorgan Partners	Equity, Loans	✓✓		✓✓
Latin Healthcare Fund	Equity			✓✓
Development Finance Limited, Caribbean	Equity, Loans			✓✓
Not-for-Profit Investment Funds/NGOs				
The Summa Foundation	Loans, Equity, TA		✓✓	✓✓
PATH Health Enterprise Fund	Loans, TA		✓✓	✓✓
International AIDS Vaccine Initiative (IAVI)	Grants	✓✓	✓✓	✓✓
IPPF Endowment Fund for Sustainability	Loans, Grants, TA		✓✓	✓
Small Enterprise Assistance Funds (SEAF)	Equity, Loans, TA			✓✓
International Financial Institutions				
African Development Bank	Grants, Loans, Equity	✓✓	✓	✓
Asian Development Bank	Grants, Loans, Equity	✓✓	✓	✓
European Community (EC)	Grants	✓✓	✓	
Inter-American Development Bank	Loans	✓✓		✓
Inter-American Investment Corporation	Loans, Equity		✓	✓✓
International Finance Corporation	Loans, Equity		✓	✓✓
Multilateral Investment Fund	Grants, Loans, Equity, TA	✓✓	✓✓	✓✓
World Bank	Loans	✓✓		
Other Multilateral Donors				
UNFPA	Grants	✓✓	✓	
UNICEF	Grants	✓✓	✓✓	
World Health Organization	Grants	✓✓	✓	
Bilateral Assistance Programs				
The Australian Agency for International Development (AusAID)	Grants	✓✓	✓✓	✓
Canadian International Development Agency	Grants	✓✓	✓✓	✓
Department for International Development	Grants	✓✓	✓✓	✓
The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)	Grants	✓✓	✓✓	✓
Japan Bank for International Cooperation (JBIC)	Loans, Equity	✓✓		✓✓
Japan International Cooperation Agency (JICA)	Grants	✓✓	✓	
Kreditanstalt für Wiederaufbau (KfW)	Grants, Loans	✓✓	✓✓	✓✓
US Agency for International Development	Grants	✓✓	✓✓	✓
US Export-Import Bank	Loans			✓✓
Bilateral Investment Funds				
American Enterprise Funds	Loans, Equity			✓✓
CDC Capital Partners	Loans, Equity			✓✓
Overseas Private Investment Corporation	Loans, Loan Guarantees		✓	✓✓
OPIC Supported Investment Funds	Equity			✓✓
Foundations				
Bill & Melinda Gates Foundations	Grants		✓✓	
David & Lucile Packard Foundation	Grants		✓✓	
Ford Foundation	Grants, Loans, Equity, Loan Guarantees	✓✓	✓✓	
Hewlett Foundation	Grants	✓	✓✓	
The MacArthur Foundation	Grants, Loans, Equity	✓	✓✓	✓
Mellon Foundation	Grants	✓	✓✓	
Rockefeller Foundation	Grants, Fellowships		✓✓	

✓ Minor Recipient of Financing

✓✓ Major Recipient of Financing

Table 2: Recipient by Type of Financing

	Grants	Loans	Equity
Public	AfDB ADB EC MIF UNFPA UNICEF WHO AusAID CIDA DFID GTZ KfW JICA USAID Ford Foundation Hewlett Foundation MacArthur Foundation Mellon Foundation IAVI	AfDB ADB IDB MIF World Bank KfW JBIC Ford Foundation JPMorgan Partners Philips Siemens	
Not-for-Profit	ADB EC MIF UNFPA UNICEF WHO AusAID CIDA DFID GTZ KfW JICA USAID Gates Foundations Packard Foundation Ford Foundation Hewlett Foundation MacArthur Foundation Mellon Foundation Rockefeller Foundation IPPF IAVI	ADB MIF OPIC Ford Foundation IPPF PATH Summa Foundation GE Capital Philips Siemens IFC IIC	
Commercial	MIF USAID AusAID CIDA DFID GTZ IAVI	ADB IDB IIC IFC MIF US Ex-Im BANK KfW JBIC American Enterprise Funds CDC Capital Partners OPIC MacArthur Foundation PATH SEAF Summa Foundation JPMorgan Partners DFL, Caribbean GE Capital Philips Siemens	AfDB ADB IIC IFC MIF JBIC American Enterprise Funds CDC Capital Partners OPIC Supported Investment Funds MacArthur Foundation SEAF Summa Foundation JPMorgan Partners DFL, Caribbean Latin Healthcare Fund

5 Medical Equipment Financing

5.1 GE Capital Healthcare Financial Services

Recipient Type	<input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Public <input type="checkbox"/> Grant
Contact	Richard Berger Manager, Structured Finance GE Capital Healthcare Financial Services, Equipment Finance		
Address	20225 Watertown Blvd. Brookfield, WI 53045 USA		
Telephone	(262) 798-4500		
Fax	(262) 798-4590		
Web	http://www.gemedicalsystems.com		
Financing Region	Loans, Leasing Predominantly USA, Europe, Japan, Latin America. Other markets on a case-by-case basis.		

Description: GE Capital Healthcare Financial Services offers loans and leases for creditworthy customers of GE Medical Systems (GEMS), an US\$8 billion provider of imaging, interventional procedures, health care services, and information technology. GEMS offerings include networking and productivity tools, clinical information systems, patient monitoring systems, surgery and vascular imaging, conventional and digital X-ray, computed tomography, electron beam tomography, magnetic resonance, ultrasound and bone mineral densitometry, positron emission tomography, nuclear medicine, and a comprehensive portfolio of clinical and business services.

Amount Available: Generally US\$5 million cap per customer.

Financing for Public Sector: Referred to third party lenders who generally require a sovereign guarantee.

Financing for Not-for-Profit Sector: Loans and leasing for creditworthy GEMS customers.

Financing for Commercial Sector: Loans and leasing for creditworthy GEMS customers.

Application Process: Applicants are encouraged to contact GE at the above addresses.

5.2 Philips Medical Finance

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant
Contact	Robert E. Ford VP Global Customer Finance		
Address	Philips Medical Systems, N.A. 3000 Minute Man Road Andover, MA, 01810 USA		
Telephone	(978) 659-2011		
Fax	(978) 794-9162		
E-mail	bob_ford@hsgmed.com		
Web	http://www.medical.philips.com		
Financing	Leasing, Loans		
Region	Global		

Description: Philips Medical Finance offers financing exclusively to customers of Philips Medical Systems. Philips Medical Systems is a supplier of medical equipment and related services all over the world. With the recent acquisitions of Marconi Medical Systems, Agilent's Health care Solutions Group, ADAC Laboratories, and ATL Ultrasound, Philips Medical Systems offers an extended line of products and services. Philips' product line includes technologies in X-ray, ultrasound, magnetic resonance, computed tomography, nuclear medicine, PET, radiation oncology systems, patient monitoring, information management, and resuscitation products, as well as a range of services which include asset management, training and education, business consultancy, financial services, and e-care business services.

Financing for Public Sector: Philips Medical Capital finances governments, states, and municipalities globally. Philips works with bilateral organizations, such as U.S. Ex-Im Bank, to co-finance some projects.

Financing for Not-for-Profit Sector: Philips provides a variety of leasing products, including dollar-out leases that are essentially loans. Financing is provided to Philips customers only, but can be used to purchase non-Philips equipment or finance infrastructure related to the purchase of a Philips product.

Financing for Commercial Sector: See above.

Application Process: Applicants are encouraged to contact Philips at the above addresses.

5.3 Siemens

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant
Address	Siemens Medical Solutions USA, Inc. Sales and Services Group 186 Wood Avenue South Iselin, NJ 08830-2770		
Telephone			
Fax			
Web	http://www.siemens.com		
Financing	Loans, Asset Securitization, Leasing, Factoring		
Region	Global		

Description: Siemens Medical Solutions is a supplier of health care equipment. It provides products, services, and complete solutions, ranging from imaging systems for diagnosis and therapy equipment for treatment to electromedicine and hearing instruments to IT solutions that optimize workflow and increase efficiency in hospitals, clinics, and doctors' offices. Siemens also offers a variety of data management solutions for customers and is the largest application service provider. Siemens Medical has a financing arm, Siemens Financial Services, which provides medical equipment financing to Siemens' and other customers.

Financing for Public Sector: Siemens works with towns, cities, municipalities and states in the United States.

Financing for Not-for-Profit Sector: Siemens Financial Services offers a variety of financial services for the not-for-profit sector, including real estate financing, construction financing, asset management programs, working capital financing, and OEM equipment financing. Equipment financing is done primarily through leasing agreements.

Financing for Commercial Sector: Equipment financing for the commercial sector primarily is done through leasing agreements. Siemens Medical and Siemens Financial Services provide leasing services. Siemens Financial Services also provides asset-backed and other types of financing. Siemens Project Ventures GmbH (SPV), a 100% subsidiary of Siemens Financial Services GmbH, conducts Siemens' equity division. SPV invests equity in greenfield infrastructure projects worldwide. SPV's target is to earn a return on its invested equity in line with the risk profile of the relevant project. SPV also endeavors to create sales opportunities for Siemens from its investments.

Application Process: Further information on medical financing for Siemens products and services is available on their web site at the above address.

6 Private Sector Investment Funds

6.1 JPMorgan Partners

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant
Address	1221 Avenue of the Americas New York, NY 10020 USA		
Telephone	(212) 899-3400		
Fax	(212) 899-3401		
E-mail	contactus@jpmorganpartners.com		
Web	http://www.chase.com		
Financing Region	Equity, Loans Global		

Description: JPMorgan Partners (JPMP) is a global equity organization that provides equity financing primarily to private companies. JPMP manages a portfolio of US\$31 billion, which includes US\$21 billion of direct equity and mezzanine investments. JPMP also manages an additional US\$11 billion in alternative assets and high yield/leveraged loan products. JPMP does not have a developing country focus, but considers investments in Europe, North America, Latin America, Asia, and Australia.

Funding Source: JP Morgan Chase & Co. and other investors.

Financing for Public Sector: As of March 2002, JPMP supported 144 public sector companies, of which 27 were in life sciences, health care, or infrastructure.

Financing for Commercial Sector: As of March 2002, JPMP supported 934 private sector companies, of which 107 were in the life sciences, health care, or infrastructure.

Application Process: Contact the web site for additional information on regional offices and various debt and equity products. Applicants first should download the business plan format from the web site, complete it, and then send it to the above e-mail contact.

6.2 Latin Healthcare Fund

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Non-Profit	<input type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input type="checkbox"/> Grant
Address	Russell Street, Suite 22 Littleton, MA 01460 USA		
	2300 M Street -NW, Suite 800 Washington, DC 20037 USA		
Telephone	(978) 952-8884 (MA) (202) 463-9422 (DC)		
Fax	(978) 952-8812 (MA) (202) 463-9423 (DC)		
E-mail	LHF@latinhealthfund.com		
Web	http://www.latinhealthcarefund.com		
Financing Region	Equity, Management Support Latin America		

Description: Latin Healthcare Fund (LHF) is a private-equity investment fund that invests in health care companies in Latin America.

Funding Source: In addition to the fund's resources, it works with HealthSouth, Humana, Inter-American Investment Corporation, UnitedHealthcare, and JPMorgan Partners to structure investments.

Financing for Commercial Sector: Companies may include hospital chains, ambulatory care systems, integrated health care delivery systems, HMOs and other managed care companies, and ancillary health service companies, such as medical laboratories, imaging, rehabilitation, and distribution. LHF has US\$60 million of committed capital available to make direct investments of US\$3 to \$15 million. LHF also structures investments with co-investors, allowing it to mobilize as much as US\$50 million per investment.

Application Process: Contact Latin Healthcare Fund at the addresses above for more information.

6.3 Development Finance Limited, Caribbean

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Non-Profit	<input type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant
Contact	Mr. Gerard Pemberton Managing Director		
Address	PO Box 187, Port of Spain 8-10 Cipriani Boulevard Port of Spain, Trinidad		
Telephone	(868) 623-4665/6		
Fax	(868) 624-3563		
E-mail	Dfl@dfipos.com		
Web	http://www.dfipos.com		
Financing Region	Equity, Loans, Microfinance Caribbean		

Description: Development Finance Limited (DFL) is a specialized lender and investment banker for businesses that want to invest in private health care, education, and an array of other companies in the Caribbean.

Funding Source: Client (investor) funds, partnerships with investors, and other providers of equity for private investments.

Financing for Private Commercial Sector: Companies are not limited to just health care and include private education, tourism, manufacturing, industrial and commercial services, and professional services concerns. DFL has US\$658 million in assets and \$60 million available to make direct investments, along with \$110 million in total equity.

Microfinance: This program is accomplished through a partnership with the Caribbean Microfinance Ltd (www.microfin.org). There is no focus on the health sector

Application Process: Please see the web site.

7 Not-for-Profit Investment Funds/NGOs

7.1 The Summa Foundation

Recipient Type	<input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Public <input type="checkbox"/> Grant
Contact	Meaghan Smith Investments Manager Carlos Carrazana Director		
Address	1001 G Street NW Suite 400w Washington DC, 20001-4545		
Telephone	(202) 220-2150		
Fax	(202) 220-2189		
Web	www.summainvestments.org		
Financing	Loans, Equity (on a case by case basis), TA		
Region	Global (developing countries)		

Description: The Summa Foundation is a private, not-for-profit investment fund that provides financing and technical assistance to the private and commercial health sectors in developing countries. Summa's goal is to stimulate and expand the role of the private sector in the delivery of affordable health services and products. Summa considers proposals for a broad range of health projects but focuses primarily on maternal and child health, including reproductive health and family planning.

Funding Source: United States Agency for International Development

Financing for Not-for-Profit Sector: The Summa Foundation provides loans to NGOs working in the health sector that have achieved a significant degree of financial and institutional sustainability. Summa loans help NGOs expand their existing health activities, initiate new income-generating activities, or improve sustainability.

- Summa provided a loan to the Reproductive Health Association of Cambodia, a health service provider, to purchase its main clinic and headquarters.
- Summa also provided a loan to GSMF International, a social marketing NGO in Ghana, to launch a new line of commercially viable condoms.

Financing for Commercial Sector: Summa provides financing to commercial companies, such as hospitals, clinics, insurance companies, HMOs, and health product distributors to expand their existing businesses or to initiate new ventures.

- Summa provided a loan to the San Pablo Hospital Complex, Peru's largest commercial health care provider, to open a new clinic that specializes in maternal health.
- Summa provided a loan to AAR Health Services, a managed care organization in Kenya, to open two clinics in an industrial part of Nairobi and to expand its pre-paid plans to a lower income population.

Microfinance for Private Providers: The Summa Foundation also establishes microfinance programs to provide small loans to private health providers so that they can expand and improve their practices. In cooperation with a local financial institution, Summa establishes revolving loan funds, ranging in size from US\$100,000 to \$800,000. The local institution administers the fund and disburses individual micro-loans to providers. The repayment period for individual loans typically ranges from six months to one year, while the duration of the loan fund can be up to five years.

- The Summa Foundation established the Uganda Private Providers Loan Fund through the Uganda Microfinance Union to provide loans of US\$30 to \$5,000 to midwives, nurses, doctors, and pharmacists in Uganda.

Financing Criteria and Terms:

Loan range: US\$150,00 to \$1,000,000 (maximum loans to NGOs are US\$500,000)

Interest rates: U.S. prime plus a mark-up to reflect individual project and country risk. Rates are generally below market.

Maturity: One to five years

Collateral: Property, equipment, third party guarantees

Other: All loans must be financially viable and demonstrate a positive health impact.

Application Process:

Submit an application and/or business plan with historical financial statements (last three years). Applications can be downloaded from the web site or obtained by contacting the Summa Foundation.

7.2 The International Planned Parenthood Federation (IPPF) Endowment Fund for Sustainability

Recipient Type	<input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Public <input checked="" type="checkbox"/> Grant
Contact Address	Isabel Morales 120 Wall Street 9 th Floor New York, New York 10005-3902		
Telephone	(212) 248-6400		
Fax	(212) 248-4221		
E-mail	Efs@ippfwhr.org		
Web	http://www.ippf.org		
Financing Region	Grants, Loans Global		

Description: The International Planned Parenthood Federation (IPPF) is an international not-for-profit organization that promotes the right of men and women to decide the number and spacing of children and have access to the highest level of sexual and reproductive health. IPPF/Western Hemisphere Region created the Endowment Fund for Sustainability (EFS) to provide financing to family planning associations to promote business ventures that lead to sustainability.

Funding Source: USAID/IPPF-WHR

Amount Available: EFS was endowed with \$5million.

Financing for Not-for-Profit Sector: The Endowment Fund provides loans and grants to its affiliates, private not-for-profit organizations, providing sexual and reproductive health (SRH) services.

Financing for the Commercial Sector: EFS also can provide financing for income-generating projects, such as sales and diversification of services and products, to cross-subsidize the operation of its social programs. It can refinance existing debt as well as provide start-up capital. Past EFS loans have supported infrastructure, inventory, equipment, supplies, and working capital, such as a recent remodeling of a hospital in Peru.

Financing Criteria and Terms:

Loan range: US\$50,000 to US\$800,000

Interest rates: Based on LIBOR with adjustments for risk depending on the country

Maturity: Variable rates, up to ten years, with refinancing every three years

Collateral: Cash, infrastructure, inventory, or letters of credit

Other: If the concept paper reveals a need for studies (i.e. feasibility, market studies) to support the business plan, and if the affiliate cannot afford them, EFS will ask the affiliate to submit an application for a grant to finance the studies. Concept paper and grant application forms can be requested by sending an e-mail to EFS@ippfwhr.org.

Application Process: The loan application process has two stages: submission of a concept paper describing the project for which financing is needed and, if this is approved, submission of a business plan. During both stages, technical assistance from IPPF/WHR personnel is available.

7.3 PATH Health Enterprise Fund

Recipient Type	<input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Public <input type="checkbox"/> Grant
Contact Address	Program for Appropriate Technology in Health 1455 NW Leary Way Seattle, Washington 98107-5136 USA		
Telephone	(206) 285-3500		
Fax	(206) 285-6619		
E-mail	info@path.org		
Web	http://www.path.org		
Financing Region	Loans, Management Assistance Developing and transitional economies		

Description: PATH is an international NGO that identifies, develops, and applies appropriate and innovative solutions to public health problems, particularly in the areas of reproductive health and communicable diseases. In support of these health improvement efforts, PATH's Health Enterprise Fund provides loans and technical assistance to commercial enterprises engaged in health projects. Since 1981, PATH's Health Enterprise Fund has lent over US\$8 million to projects in 19 countries to encourage sustainable private sector development that supports human health.

Funding Source: The Calvert Group, the Ford Foundation, the William and Flora Hewlett Foundation, the John D. and Catherine T. MacArthur Foundation, and the Andrew W. Mellon Foundation.

Financing for Commercial Sector: PATH's Health Enterprise Fund lends to small- and medium-sized companies engaged in the manufacturing, promotion, or delivery of health interventions such as point of care diagnostic tests, essential drugs, vaccines, health waste management, oral rehydration salts, family planning products, reproductive health clinics, health services, fortified foods, safe injection technologies, and clean delivery kits.

Financing Criteria and Terms:

Loan range: \$50,000 to \$500,000

Interest rates: competitive rates

Maturity: One to five years

Collateral: Required on all loans

Application Process: Applicants should send a two-page narrative describing the project (products, markets, strategy, total cost, amount and purpose of the loan request, and other investors/lenders in the project) via e-mail or fax.

7.4 International AIDS Vaccine Initiative (IAVI)

Recipient Type	<input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Non-Profit <input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Public <input checked="" type="checkbox"/> Grant
Address	110 William Street New York, NY 10038-3901 USA		
Telephone	(212) 847-1111		
Fax	(212) 847-1112		
E-mail			
Web	http://www.iavi.org		
Financing Region	Partnership Grants Global		

Description: The International AIDS Vaccine Initiative is a global organization working to speed the development and distribution of preventive AIDS vaccines. IAVI's work focuses on four areas: mobilizing support through advocacy and education, accelerating scientific progress, encouraging industrial participation in AIDS vaccine development, and assuring global access. IAVI's program of directed, goal-oriented research is working with industry to identify and develop promising vaccine candidates. In addition to working with governments around the world to create national AIDS vaccine programs, IAVI also is working to bring together the necessary participants for a coordinated global effort, including scientists, industry leaders, policy makers, and members of AIDS-affected communities. Since 1996, IAVI has invested almost US\$20 million in the first five of a series of innovative international vaccine development partnerships, bringing together researchers and scientists in industrialized and developing countries, to move promising vaccine candidates toward clinical testing.

Funding Source: IAVI's major donors include the Bill and Melinda Gates Foundation, the Rockefeller Foundation, The Alfred P. Sloan Foundation, the Starr Foundation, the World Bank, and the governments of the United Kingdom and the Netherlands.

Financing for the Public Sector: IAVI is working with governments around the world to create national AIDS vaccine programs. It has laid the foundation for national AIDS vaccine programs in South Africa, China, and India.

Financing for Not-for-Profit Sector: IAVI works on advocacy with community leaders, governments, the media, and other NGOs. IAVI facilitates community meetings and raises awareness of AIDS vaccine issues. It currently funds programs in Kenya and South Africa. IAVI's Vaccine Development Partnerships (VDPs) link researchers from academia or biotechnology companies with vaccine manufacturers and with clinical researchers in developing countries. Beyond providing funds, IAVI also brings in expertise in areas ranging from project management to regulatory affairs and infrastructure for clinical trials.

Financing for Commercial Sector: IAVI works to encourage industrial participation in AIDS vaccine development. To do this, IAVI is developing ways to counter the perception of an inadequate profitable market for AIDS vaccines while providing public financing for development and testing, particularly for those vaccines with limited commercial potential. The World Bank, G-8 leaders, the EC, and other international partners are working with IAVI to establish vaccine development and purchase funds –

financial instruments intended to encourage the commercial sector's investment in the AIDS vaccine enterprise. A vaccine purchase fund would create a guaranteed paying market of known minimum size in the developing world. By encouraging industrial investment in vaccine development, the vaccine purchase fund may help mobilize private capital and allow market forces to work, incorporating the efficiency of the private sector in creating vaccines for the developing world.

Application Process: IAVI normally does not accept unsolicited proposals. For additional information on IAVI's funding criteria, please contact IAVI at the above addresses.

7.5 Small Enterprise Assistance Funds (SEAF)

Recipient Type	<input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Equity	<input type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Public <input type="checkbox"/> Grant
Contact Address	SEAF Headquarters 1100 17 th Street NW, Suite 1101 Washington, DC 20036 USA		
Telephone	(202) 737-8463		
Fax	(202) 737-5536		
E-mail	seafhq@seafweb.org		
Web	http://www.seaf.com		
Financing Region	Equity, sometimes combined with loans and technical assistance Emerging free-market economies		

Description: SEAF's mandate is to promote sustainable economic development and encourage entrepreneurship in emerging free-market economies. SEAF provides risk capital to local small and medium-sized enterprises (SMEs) in underserved markets and maximizes their growth by providing business and management services. SEAF's preferred conditions for investment include enterprises that have difficulty securing long-term equity financing from conventional commercial sources; entrepreneurs that have motivation, training, and experience in management; businesses that have developed a product in a niche market; and businesses that provide training and employment opportunities to unemployed and under-employed residents of a given area. SEAF has offices in Bulgaria, Estonia, Lithuania, Macedonia, Croatia, Poland, Romania, Peru, Bolivia, and China.

Funding Source: Multilateral institutions, bilateral development agencies, private foundations, and other investors.

Financing for Commercial Sector: SEAF provides financing for locally owned SMEs through minority equity participation, often combined with loans and with technical assistance. Local ownership must be at least 51 percent and held by resident nationals. SEAF does not invest in enterprises dealing with tobacco, armaments, alcohol, gambling, banking, speculative real estate, and environmentally harmful or immoral or illegal activities.

Application Process: Contact web site for country office information and contact the local office for the country program strategy.

8 International Financial Institutions

8.1 International Finance Corporation (IFC)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant
Contact	Guy Ellena Director, Health & Education Department		
Address	International Finance Corporation 2121 Pennsylvania Avenue NW Washington, DC 20433 USA		
Telephone	(202) 473-2689/458-5569		
Fax	(202) 974-4792		
E-mail	gellena@ifc.org or eosifo@ifc.org		
Web	http://www.ifc.org		
Financing Region	Loans, Equity, Quasi Equity (subordinated debt), TA Global		

Description: The International Finance Corporation (IFC) is the private sector arm of the World Bank. The IFC finances private sector investments in the developing world, mobilizes capital in international financial markets and provides technical assistance to governments and businesses. The IFC has a variety of financial products for the private sector, including equity, A-loans (from the IFC's own account), quasi-equity finance, syndicated loans, risk management products, and intermediary finance. Please contact the IFC for more details on each type.

Financing for Commercial Sector: In 2000 the IFC decided to focus more resources on the health sector and created a specialized health and education department. In 2000 and 2001, the IFC approved 15 projects in health care and pharmaceuticals, comprising about \$260 million in gross financing. Financing includes a broad range of projects, including hospitals and clinics, managed care organizations, pharmaceutical & medical equipment production, medical equipment leasing, e-health and biotechnology, ancillary services, and pre-paid and financing schemes. While the focus of the IFC is on the commercial sector, it will also invest in large, not-for-profit, health service providers. Examples of IFC funded projects include

- Laboratório Fleury, a leading private, for profit, laboratory and diagnostic service provider in Sao Paulo, Brazil. The IFC provided a US\$15 million loan for a US\$75 million modernization and expansion program.
- Mwaiwathu Hospital, a leading private, 64-bed hospital established in 1999 in Blantyre, Malawi. The IFC invested US\$800,000 for a US\$5 million project.
- Medicovert, a network of outpatient centers (primary care, diagnostics, specialist services, occupational medicine) operational in Poland, Romania, Hungary, and Estonia. The IFC provided a \$7 million loan.

- Hospital ABC, a leading private, not-for-profit hospital in Mexico City. The IFC provided a US\$34 million loan to a US\$83million project to finance the construction of a new facility in Santa Fe, as well as a 200-bed tertiary hospital.

Investment Criteria and Terms:

Range: IFC A-loans are typically US\$1-100 million (with the exception of Africa where the minimum size is US\$100,000 for projects funded through the Africa Enterprise Fund). Project size is minimum US\$5 million.

Interest rates: Fixed or variable

Term: Seven to 12 years for A-loans, eight to 15 years for equity investments.

Other: For new projects the maximum is a 25 percent stake in an investee. For expansion projects, IFC may provide up to 50 percent of the project cost, provided its investments do not exceed 25 percent of the total capitalization of the project company.

Application Procedure: Applicants for IFC financing need to be private sector organizations in IFC member developing countries. Applicants can approach the IFC directly by submitting an investment proposal. The proposal can be submitted to the IFC Health and Education Department or to an IFC regional department at IFC headquarters in Washington, DC. The proposal can also be submitted to the IFC field office that is closest to the location of the proposed project. For more information see the IFC's guidelines at: <http://www.ifc.org/proserv/apply/application/application.html>.

8.2 World Bank

Recipient Type	<input type="checkbox"/> Commercial	<input type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant
Contact	Richard G.A. Feachem HNP Director		
Address	Social Development Division (SDS/SOC) 1300 New York Avenue, NW Washington, DC 20577 USA		
Telephone	(202) 623-1345.		
Fax	(202) 623-1576		
E-mail	Health & Population Advisory Service: healthpop@worldbank.org		
Web	http://www.worldbank.org		
Financing Region	Loans, TA Global		

Description: The World Bank makes loans to borrower governments for projects and programs that promote economic and social progress. The World Bank finances health projects primarily through its Health, Nutrition, & Population (HNP) program and has a separate programmatic HIV/AIDS area.

Financing for Public Sector: The World Bank works through governments to implement its programs. In 2001, the World Bank made \$1 billion in loans in the HNP sectors, with 45 of these loans going to HIV/AIDS support throughout the globe. In mid-2002, World Bank support to HIV/AIDS amounted to over \$250 million committed for new lending operations in countries such as Chad, Burkina Faso, Benin, Jamaica, and Senegal. Some projects funded by the World Bank in 2001 include

- A US\$35 million loan to Bolivia for a US\$70 million project. This loan is an adaptable program credit to reduce infant mortality from 67 to 48 per thousand births by strengthening basic health insurance, providing vaccines, and offering prenatal and neonatal care.
- A US\$47.5 million loan to Uganda for a US\$50 million project to support HIV/AIDS prevention and care programs by extending activities to all districts, engaging other line ministries, empowering communities to fight HIV/AIDS, and enhancing civil society participation.
- A US\$10 million loan to Moldova for a US\$20 million project to improve health care and increase the quality and efficiency of the health sector, resulting in better access to services for the poor and improved management of tuberculosis and HIV/AIDS.

Financing for Not-for-Profit Sector: In recent years, the World Bank has recognized the importance of involving the private sector in health care to contain costs, increase quality and efficiency, and to improve access. The World Bank, however, does not lend directly to the private sector but rather channels the funding through governments.

Financing for Commercial Sector: See above.

Application Procedure: Public organizations interested in World Bank funding should contact regional offices of the World Bank directly.

8.3 African Development Bank (AfDB)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Address	Rue Joseph Anoma 01 BP 1387 Abidjan 01 Côte d'Ivoire		
Telephone	(225) 20-20-44-44		
Fax	(225) 20-20-49-59		
E-mail	afdb@afdb.org		
Web	www.afdb.org		
Financing Region	Loans, Equity Africa		

Description: The African Development Bank (AfDB) is a regional, multilateral development bank, engaged in promoting the economic development and social progress of its regional member countries (RMCs) in Africa. The bank's authorized capital amounted to US\$23.29 billion at the end of 1996. The bank's operations cover the major sectors, with particular emphasis on agriculture, public utilities, transport, industry, the social sectors of health and education, and concerns cutting across sectors, such as poverty reduction, environmental management, gender mainstreaming, and population activities. The AfDB's response to the evolving priorities of RMCs during 2001 resulted in 10 new health projects approved at a total cost of UA55.8 million. This assistance translates into 28.2 percent of the overall investment for human resources development.

Financing for Public Sector: The AfDB works primarily in cooperation with RMC governments. AfDB provides loans (and in some cases grants) to government agencies. A limited amount of resources also are made available through grants from the Special Relief Fund (SRF) to assist countries emerging from situations of conflict and those affected by unpredictable natural disasters. The AfDB provides nonconcessional loans directly or concessional loans through the African Development Fund (ADF) and the Nigeria Development Fund (NDF). An example of a health project through both the AfDB and NDF is a project in Mauritius to upgrade hospital facilities, build capacity, and implement health promotion activities that is being financed by the AfDB, NDF, and Government of Mauritius.

Financing for Not-for-Profit Sector: The AfDB makes loans through the public sector that often are used to finance projects with the not-for-profit sector, particularly in the field of health where the AfDB recognizes the importance of using not-for-profit networks. In the case of technical assistance grants, the AfDB will provide funds directly to the not-for-profit sector.

Financing for Commercial Sector: There are no specific examples of investments in the private commercial health sector. Nevertheless, the AfDB can provide risk capital through equity investments. The AfDB may not be a majority shareholder in a company but can participate in a project by acquiring ordinary stocks, redeemable preferred stocks, or debentures.

Financing Criteria and Terms:

Interest rates: Three types: a single-currency variable-rate loan, a single currency floating-rate loan, and a single-currency fixed-rate loan.

Term: Public sector: repayment period of up to 20 years, including a grace period not exceeding five years. Publicly guaranteed credit lines: repayment period of up to 14 years, including a grace period not exceeding four years. Private Sector: a repayment period of five to 15 years, including a one to three year grace period.

Other: African Development Fund and Nigeria Development Fund loans carry different terms from above.

Application Procedure: Public organizations interested in African Development Bank funding should contact the AfDB in Cote D'Ivoire directly.

8.4 Asian Development Bank (ADB)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Contact	Joseph Hunt Senior Social Advisor on Health		
Address	Asian Development Bank P.O. Box 789 0980 Manila Philippines		
Telephone	(632) 632 4444		
Fax	(632) 636 2444		
E-mail	jhunt@adb.org		
Web	www.adb.org		
Financing Region	Loans, Equity, TA, Grants Asian Pacific Region including Central Asia		

Description: The Asian Development Bank (ADB) is a multilateral development bank that promotes the social and economic development of the Asian and Pacific Region. The ADB makes loans and equity investments to achieve this objective. In addition, the ADB has a small budget for technical assistance grants. It finances the public and private sectors.

Financing for Public Sector: In 2001 the ADB made loans of US\$492 million (9.2 percent of its loan portfolio) for social infrastructure, which includes the health sector. ADB made social and technical assistance grants totaling US\$19.3 million (16.6 percent of its total grant portfolio) for social infrastructure. ADB's main objective for the health and population sub-sector is to improve the quality of services, increase efficiency, and widen access (particularly for women and children) to primary health and family planning services. Although increased private sector participation is a goal of ADB, most health project financing is made to the public sector.

Financing for Not-for-Profit Sector: The ADB makes loans through the public sector that often are used to finance projects with the private not-for-profit sector. In the case of technical assistance grants, the ADB occasionally will provide funds directly to the not-for-profit sector.

Financing for Commercial Sector: The Private Sector Group of the ADB, which invests in private enterprises, focuses on projects for financial intermediation, capital market development, and infrastructure provision. In December 2001, ADB approved its first loan to the private commercial sector in the area of health. The US\$7.5 million loan was to help set up the first general hospital of an international standard in Ho Chi Minh City, Viet Nam's largest city. ADB will provide two loans to Far East Medical Vietnam Ltd. The project involves the construction of a 200-bed hospital, to be called the Franco-Vietnamese Hospital. The project will focus on aspects of medical care where the need is greatest. The hospital will provide state of the art diagnostic services and tertiary medical care through surgical, maternity, cardiology, and oncology centers.

Application Procedure: Organizations interested in ADB funding should contact their in-country offices of the ADB directly. Contact information is available on the ADB's web site.

8.5 Inter-American Development Bank (IDB)

Recipient Type	<input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Equity	<input type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> Loan	<input checked="" type="checkbox"/> Public <input type="checkbox"/> Grant
Contact	Alfredo Solari Senior Health Advisor		
Address	Social Development Division (SDS/SOC) 1300 New York Avenue, NW, Stop W0502 Washington, DC 20577 USA		
Telephone	(202) 623-1345.		
Fax	(202) 623-1576		
E-mail	alfredos@iadb.org		
Web	http://www.iadb.org		
Financing Region	Loans Latin America and the Caribbean		

Description: The Inter-American Development Bank (IDB) promotes economic and social development in the region through loans primarily to the public sector, but also to the private sector on a smaller scale.

Financing for Public Sector: Almost all of IDB's lending is to the public sector. IDB identifies health as an important sector. In 2000 there were 24 health projects throughout the region for a total amount of US\$1.6 billion (3.7 percent of the bank's total portfolio, up from 1.3 percent in 1998).

Financing for Not-For-Profit Sector: The IDB has few direct operations with NGOs. However, NGO providers of primary and secondary level care obtain financing indirectly when they participate in delivering IDB financed health services to the poor, as part of a government program.

Financing for Commercial Sector: The IDB makes loans directly to the private commercial sector through its Private Sector Department (PRI) and the Inter-American Investment Corporation (see below). These loans, however, are more common in the areas of energy, water and sanitation, transportation, communications and capital markets.

Application Procedure: Public organizations interested in IDB funding should contact national offices of the IDB directly. Additional information is available at

- Health: <http://www.iadb.org/exr/topics/health.htm>
- PRI: <http://www.iadb.org/pri/>

8.6 Inter-American Investment Corporation (IIC)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant
Contact	General Inquiries Attn: General Manager		
Address	1300 New York Avenue, NW Washington DC, 20577 USA		
Telephone	(202) 623-3900		
Fax	(202) 623-3815		
E-mail	iicmail@iadb.org		
Web	http://www.iadb.org/iic		
Financing Region	Loans, Equity, Quasi Equity (subordinated debt) Latin America and the Caribbean		

Description: The Inter-American Investment Corporation (IIC) is a member of the Inter-American Development Bank Group. It promotes the economic development of Latin America and the Caribbean by providing financing for small and medium size private enterprises. It is the private sector arm of the IDB.

Financing for Commercial Sector: In 1998 the IIC approved 28 loans and equity investments for a total of US\$223 million for all sectors. The IIC has no special policy for investing in the health sector. In 1998 only 1 percent of the IIC's approved active portfolio was in the health sector. Since 1998, the IIC has funded only 1 health project, a 12-year US\$10 million loan to Hospital ABC in Mexico City in April 2002. Previously, the IIC had only made one direct investment in a health project, a cancer facility in Argentina. Health investments are usually made through the Latin Healthcare Fund in which the IIC is an investor. In addition to the commercial sector, the IIC will also invest in not-for-profit service providers.

Financing Criteria and Terms:

Range: US\$2-US\$10 million

Interest rates: Variable market rate loans based on LIBOR

Term: Five to eight years

Other: IIC loans may be up to 33 percent of the cost of a new project or up to 50 percent of the cost of an expansion project of an existing company. Equity investments may be up to 33 percent of a company's capital.

Application Procedure: Applicants for IIC financing need to have majority ownership from a private company from one of the IIC's 26 member countries in Latin America and the Caribbean. To apply, send a brief description of your company and a business plan to the IIC regional office for the country in which your company is located, or directly to the IIC Corporate Finance Division Chief in Washington, D.C. Additional information is available on the IIC's web site at <http://www.iadb.org/iic/english/programs/programs.htm>.

8.7 Multilateral Investment Fund (MIF)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Contact	Donald F. Terry Director		
Address	1300 New York Avenue, N.W. Stop B-600 Washington, D.C. 20577 USA		
Telephone	(202) 942-8130		
Fax	(202) 942-8100		
E-mail	mifcontact@iadb.org		
Web	http://www.iadb.org/mif		
Financing Region	Grants, Loans, Equity, TA Latin America and the Caribbean		

Description: The Multilateral Investment Fund (MIF) was established in 1993 as a special fund administered by the Inter-American Development Bank to accelerate private sector development and help improve the climate for private investment in Latin America and the Caribbean. Private sector includes NGOs and the commercial sector. By 2000, the MIF approved 386 projects for US\$661 million. They focus on strengthening the policy and regulatory framework for the private sector, increasing worker skills and mobility, broadening the participation of micro and small enterprises, and demonstrating the role of equity as a development tool. The health sector is not a priority for MIF.

Financing for Public Sector: The MIF provides grants to local governments (e.g., municipalities) to create an environment for private sector investment. These grants include assistance in developing legal frameworks, appropriate regulation and commercial arbitration. The MIF also provides grants to local governments and NGOs to conduct training. MIF has funded only four projects in the health area. These projects typically entail working with government health departments on strengthening the private health care system (in Argentina, Ecuador, and Nicaragua).

Financing for Not-for-Profit Sector: In addition to grants for training, MIF provides grants to NGOs that are formalizing their operations in small and microenterprise development. This funding, however, is not health specific.

Financing for Commercial Sector: MIF funds small enterprises through Enterprise Funds (in the United States and in the region). MIF financing for these funds is in the form of loans/grants. Many of the funds focused on the environmental sector. MIF resources are excluded for investment in physical infrastructure (construction, land property and durable equipment such as heavy machinery).

Application Procedure: Applications can be submitted any time of year and should be roughly seven to 15 pages in length, exclusive of annexes. Applications should be sent to the IDB country representative in the country where the project is located, along with a copy to the MIF Office contact point. From there, the IDB country office sends the completed application to the corresponding regional operational department in IDB headquarters in Washington, DC with their appraisal of the document. More information is available at <http://www.iadb.org/mif/web site/static/en/process.asp?C=45>.

8.8 European Community (EC)

Recipient Type	<input type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Contact	Head of Unit: Dr Lieve Fransen (Acting Head of Unit) Unit B/3, Directorate General Development		
Address	Unit B/3 DG Development European Commission Rue de la Loi 200 B-1049 Brussels Belgium		
Telephone	(32-2) 296-7141		
Fax	32-2) 296-7141		
E-mail	development@cec.eu.int		
Web	http://europa.eu.int		
Financing	Grants		
Region	Global		

Description: The European Community (EC) is a major international donor to health, AIDS, and population (HAP) interventions in developing countries. Since 1990, the EC has provided around €4.2 billion, through a variety of complementary financing mechanisms, to health-related interventions in more than 100 developing countries worldwide.

Financing for Public Sector: EC financing typically is done through public sector organizations in developing countries. Often, the EC requires that financing be a government-EC partnership to ensure that EC funds are directed most effectively.

Financing for Not-for-Profit Sector: Approximately 20 percent of total EC HAP commitments are channeled through civil society projects and programs via several of the financing instruments. The largest is the NGO co-financing budget line with an estimated 25 percent of commitments focusing on health-related activities. This line is now a major source of funding for European health sector NGOs working in partnership with developing country groups.

Financing for Commercial Sector: Work with the private sector has until the present been limited to a few relatively small initiatives. Given the importance of the private sector in research and development and in service provision, the EC is focusing more attention on developing new mechanisms for doing business with this important sector.

Application Procedure: Applicants should work through their country's corresponding EC mission office in Brussels.

9 Other Multilateral Donors

9.1 United Nations Population Fund (UNFPA)

Recipient Type	<input type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Contact	Abubakar Dungus		
Address	United Nation Population Fund (UNFPA) 220 East 42 nd Street New York, NY 10017 USA		
Telephone	(212) 297-5031		
Fax	(212) 557-6416		
E-mail	dungus@unfpa.org		
Web	http://www.unfpa.org		
Financing Region	Grants, TA Global		

Description: The United Nations Population Fund (UNFPA) assists developing countries improve reproductive health and family planning services and to formulate population policies in support of efforts towards sustainable development. The fund has three main program areas: reproductive health (including family planning and sexual health), population and development strategies, and advocacy. In 2000, UNFPA total expenditures amounted to US\$255.6 million, compared with US\$316.6 million in 1999.

Financing for Public Sector: Traditionally, UNFPA provided grants to developing country governments.

Financing for Not-for-Profit Sector: UNFPA also works extensively with local and international NGOs in support of its public sector programs. An example of an NGO partnership is a project with FPAB (Family Planning Association of Bangladesh) with specific technical assistance from IPPF (International Planned Parenthood Federation). The project covers mostly low-income and some medium-income groups from 10 small under-served district towns. The purpose of the project is to increase access to quality reproductive health care within the project areas.

Financing for Commercial Sector: The International Conference on Population and Development's Program of Action recognized the importance of the private sector in the production and delivery of reproductive health care services and commodities. It called for increased partnership with the private sector to promote sustainability. In 2000, UNFPA launched a worldwide private sector initiative to ensure affordable, adequate supplies of condoms and other contraceptives. UNFPA's role is to facilitate agreements between governments, donors and the private sector. It does not provide financing directly to the commercial sector.

Application Procedure: Organizations should submit proposals to the appropriate UNFPA field office in over 110 locations.

9.2 United Nations Children's Fund (UNICEF)

Recipient Type	<input type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Contact	Isabel Crowley		
Address	UNICEF House 3 United Nations Plaza New York, New York 10017 USA		
Telephone	(212) 326-7000		
Fax	(212) 887-7465		
Web	http://www.unicef.org		
Financing Region	Grants, TA Global		

Description: The United Nations Children's Fund (UNICEF) advocates and works for the protection of children's rights. UNICEF programs focus on primary health care, basic education, and water and sanitation. UNICEF addresses health issues through its health program as well as its HIV/AIDS program. The focus of UNICEF's interventions is immunization, child and maternal health survival, HIV/AIDS, and medical emergencies. In 2000, UNICEF's total expenditures were US\$1.1 billion (40 percent of UNICEF's program budget) went toward child health programs. Some examples of UNICEF programs include

- In Kenya UNICEF is providing assistance to integrate mother to child transmission (MTCT) prevention activities into existing health services in a range of urban and rural settings. UNICEF is funding the development of guidelines and training materials on counseling and breastfeeding, training health facility staff, strengthening national capacity for production of IEC materials, and assessing health facility capability, among other activities. The pilot project will benefit up to 300 women a month, of which a third are expected to be HIV-positive. UNICEF is working with a pharmaceutical company to register AZT in Kenya, and with USAID on implementation of the project.
- In LaoPDR UNICEF funded a project that provided mosquito nets, drugs, motorcycles, audio, video and print materials. By 1997, 780 communities had been reached with information about malaria prevention and control.

Financing for Public Sector: UNICEF works extensively with the public sector in developing countries to implement these programs.

Financing for Not-for-Profit Sector: UNICEF also works with the not-for-profit sector to implement the above-mentioned programs. Of interest to this survey, is UNICEF's support of microcredit initiatives and revolving drug funds through NGOs. Microcredit programs primarily target poor women and are linked to basic social services and social communication in order to maximize the impact on survival, protection and development of children and the empowerment of women. UNICEF also supports revolving drug funds. Revolving drug funds are established with a seed stock of pharmaceuticals. Training and social mobilization also are provided. Proceeds from the sales of the initial drugs are used to finance a new supply and pay overhead.

Application Procedure: Organizations interested in UNICEF funding should contact their regional or country offices directly. Information on application procedures is not available on UNICEF's web site.

9.3 World Health Organization (WHO)

Recipient Type	<input type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Contact	Helge Larsen Programme Planning, Monitoring and Evaluation		
Address	Avenue Appia 20 1211 Geneva 27 Switzerland		
Telephone	(41-22) 791-21 11		
Fax	(41-22) 791-3111		
Web	http://www.who.int		
Financing Region	Grants, TA Global		

Description: The World Health Organization (WHO) is a United Nations agency that promotes technical cooperation for health among nations, carries out programs to control and eradicate disease and strives to improve the quality of human life. For 2000-2001, the WHO proposed a no real growth budget from its 1998-1999 budget of US\$1.8 billion.

Financing for Public Sector: WHO works primarily with the public sector. It provides guidance in the health field, sets global health standards, helps governments strengthen national programs, and transfers health technology.

Financing for Not-for-Profit Sector: WHO also works with NGOs in support of its public sector programs.

Application Procedure: Organizations interested in WHO funding should contact their regional or country offices directly. Listings of these offices are available on the WHO's web site at http://www.who.int/m/topicgroups/regional_offices/en/index.html.

10 Bilateral Assistance Programs & Export Financing

10.1 The Australian Agency for International Development (AusAID)

Recipient Type	<input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Non-Profit <input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Public <input checked="" type="checkbox"/> Grant
Contact	Mr. Michael Smitheram		
Address	AusAID GPO Box 887 Canberra ACT 2601 Australia		
Telephone	(61-2) 6206-4000		
Fax	(61-2) 6206-4880		
E-mail	infoausaid@ausaid.gov.au		
Web	http://www.ausaid.gov.au/		
Financing Region	Grants Asia Pacific, East Asia, Africa, The Middle East		

Description: The Australian Agency for International Development (AusAID) is responsible for the management of the official Australian Government overseas aid program. Australia works in partnership with developing countries to improve the health of their populations. Australia's health assistance is delivered through Australian contractors, multilateral agencies, and non-governmental organizations. Health is one of five key sectors in Australia's aid program. Australia's health program is premised on a primary health care approach. It focuses on simple, cost effective methods of prevention and treatment. Australia's health aid targets the most vulnerable, including women, children, indigenous peoples, and those in rural areas. Australia focuses its health aid on Asia and the Pacific, including Papua New Guinea. Over the last decade, there has been a significant increase in the proportion of Australia's aid budget allocated to health activities. In 2002-03, Australia will provide an estimated US\$230 million of direct health assistance to developing countries. Australia's support for health will account for around 13 percent of overall aid expenditure in 2002 to 2003.

Financing for Public Sector: Much of AusAID's programming is designed, delivered and assessed jointly with the governments and people of partner countries. Examples of AusAID's health initiatives with the public sector include:

- In Tibet AusAID is combating iodine deficiency disorders, such as cretinism, through the provision of iodine supplements to 140,000 children under two years old and 650,000 women of child-bearing age.
- In Lao PDR AusAID is upgrading the skills of health care workers and increasing the access to and quality of primary health facilities in two northern provinces.

Financing for Not-for-Profit Sector: AusAID works with Australian NGOs, which deliver around 7 percent of the aid program. Occasionally, AusAID will work with in-country NGOs through its regional programs.

Financing for Commercial Sector: AusAID established the Private Sector Linkages Program (PSLP) to operate as a partnership between a business entity in a developing country and an Australian business that wants to fund a developmentally worthwhile project in a developing country. PSLP promotes sustainable development by harnessing the expertise of Australian enterprises to work with organizations in the developing country. To date, PSLP has funded more than 180 activities valued at US\$17.7 million.

Application Procedure: Applicants for AusAID funding should contact the agency's headquarters at the above addresses.

10.2 Canadian International Development Agency (CIDA)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Address	The Canadian International Development Agency (CIDA) 200 Promenade du Portage Hull, Quebec Canada K1A 0G4		
Telephone	(819) 997-5006		
Fax	(819) 953-6088		
E-mail	info@acdi-cida.gc.ca		
Web	http://www.acdi-cida.gc.ca/home		
Financing Region	Grants Global		

Description: CIDA works with its partners in Canada and in the developing world and countries in transition to deliver international cooperation programs and humanitarian aid. CIDA has identified four priority areas of social development – health and nutrition, basic education, HIV/AIDS, and child protection – with gender equality. CIDA’s Action Plan on Health and Nutrition builds on CIDA’s 1996 Strategy for Health, and outlines the agency’s plans to contribute to the progressive realization of the right of everyone to the highest attainable standard of physical and mental health through its policy and programming work. A key addition to this action plan is the critical role of water and sanitation, which is the source of almost 80 percent of the health problems in developing countries. The total five-year investment will be US\$1.2 billion, which includes a doubling of spending on basic health, nutrition, and water and sanitation, from US\$152 million per year in 2000 to US\$305 million per year in 2005.

Financing for Public Sector: CIDA works directly with public sector governments through its bilateral programs. Examples of CIDA health initiatives with the public sector include

- In 2000 Canada joined a multidonor effort to implement health care reform in Russia. The work involves formulating standards and guidelines to accelerate the expansion of primary care and to improve the cost-effectiveness of emergency, diagnostic, and hospital services by piloting reform measures at the federal level and in two regions.
- In Bolivia, CIDA is providing funding of US\$3.0 million to the Canadian Society for International Health to work with its Bolivian counterparts at the departmental, district, and municipal level. The project develops health care management models that involve community members (particularly women) in planning, organizing, and evaluating health services.

Financing for Not-for-Profit Sector: CIDA works closely with NGOs in support of its health sector programs. NGOs must be Canadian or have a Canadian partner to qualify for funding. One example of a CIDA initiative with the not-for-profit sector is in Tanzania, where CIDA supports the work of the International Planned Parenthood Federation and its Tanzanian counterpart, UMATI, to extend family planning and reproductive health services to underserved groups in six regions of Tanzania.

Financing for Commercial Sector: The CIDA Industrial Cooperation Program (CIDA-INC) provides financial support and advice to Canadian businesses planning sustainable business activities in developing countries in a variety of sectors. It reduces the risks to Canadian firms by sharing the costs unique to doing business in developing countries and those associated with providing training, the participation of women, and a clean environment.

Application Procedure: Local private health initiatives that do not have a Canadian partner can access CIDA funding through CIDA's Local Initiative Funds. Applications are directed through embassies or high commissions in-country. To apply for financial support through CIDA-INC, applicants are encouraged to first contact the appropriate program manager in Canada for their country. Additional information is available on CIDA's web site at <http://www.acdi-cida.gc.ca/inc>.

10.3 Department for International Development (DFID)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Contact	Dr Julian Lob-Levyt Chief Health Adviser		
Address	Department for International Development Health and Population Department 1 Palace Street London SW1E 5HE UK		
Telephone	(44-207) 023-0614		
Fax	(44-207) 023 0425		
Web	http://www.dfid.gov.uk		
Financing Region	Grants Global		

Description: The Department for International Development (DFID) is a department of the British government that provides assistance to developing countries. In the health sector, the focus has been on lowering child and maternal mortality and ensuring that basic health care, including reproductive health, is provided for all. DFID spends over £200 million on health in the developing world every year. Sexual and reproductive health presently accounts for around £80 million of this expenditure including support for HIV/AIDS, reduction in the dangers of pregnancy and access to good quality contraception.

Financing for Public Sector: DFID has traditionally worked in partnership with the public sector to achieve its objectives. In addition, DFID's contributions to multilateral organizations in the health sector, such as WHO, UNFPA, and UNAIDS are increasing

Financing for Not-for-Profit Sector: DFID also works with NGOs in support of its health sector programs.

Financing for Commercial Sector: The 1997 white paper sets forth British development policy objectives, recognizing the importance of the private sector. DFID has established a business partnership unit to work with the private sector. DFID creates partnerships not just with international firms but with local firms in developing countries as well. The Health and Population Department (HPD) of DFID works with the business development unit to mobilize the skills, experience, and capabilities of partners at a strategic and or generic level. Initiatives that are purely country specific are excluded, although they will support pilot work in specific countries that has a potential for wider application. Examples of DFID business partnerships in health include

- DFID recently signaled its commitment to support the WHO/SmithKline Beecham initiative to eliminate Lymphatic Filariasis (elephantiasis), which is endemic in more than 70 countries and affects over 120 million people. The initiative involves the donation by SmithKline Beecham of sufficient quantities of one drug (albendazole) necessary for the elimination of the disease. DFID is playing a role in getting the initiative operational.
- DFID is supporting the Medicines for Malaria Venture Challenge Fund, a public venture capital fund for projects built on partnerships between the public and private sector.

Application Procedure: A large portion of DFID's health expenditure is managed through bilateral country program managers. As a result, it is recommended that those interested in DFID funding inquire through regional field offices as a first step.

10.4 The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Contact	Bernd Hoffmann		
Address	Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH Dag-Hammarskjöld-Weg 1-5 65760 Eschborn Germany		
Telephone	(49-0) 6196-79000		
Fax	(49-0) 6196-79-1115		
Web	http://www.gtz.de		
Financing Region	Grants Global		

Description: The German Federal Ministry for Economic Cooperation Development (BMZ) does not implement its own programs but works primarily through KfW (see below) and GTZ. GTZ provides technical assistance and advisory services in support of the BMZ's development objectives. Health is addressed through the Department of Health, Education, Nutrition and Emergency Aid as well as through country programs. GTZ has an annual health budget of approximately DM100 million and has 100 health projects in 50 countries.

Financing for Public Sector: GTZ works primarily with the public sector in developing countries. The main goal of GTZ's health unit is to provide improved health services by helping national partner organizations to establish functional health systems.

Financing for Not-for-Profit Sector: GTZ works with the not-for-profit sector in support of its health programs. Close collaboration with the public sector is typical. One example of this type of project is The Blair Research Institute in Zimbabwe, which is a regional venture that implements activities including Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe, as well as in Kenya, Madagascar and Uganda. Program partners include the planning and family planning departments of the respective Ministries of Health, which in turn maintain close relationships to universities and other research institutions. GTZ is funding small-scale research studies, research methodology training, inter-country networking, and the secondment of a coordinator, secretary, and a research assistant.

Financing for Commercial Sector: Since the beginning of the Public Private Partnerships (PPP) program in January 1999, GTZ and private partners have initiated over 250 partnerships in more than 60 countries. To promote the cooperation of the private sector and development-policy institutions, BMZ has made available a separate fund of €100 million. Projects are financed with a term of one to three years. The public contribution may consist of up to €200,000. The amount of the public contribution depends on the development-policy benefit of the project for the partner country. In the first three years of the PPP program (1999 to 2001), GTZ participated in PPP projects with a total of around €40 million. In PPP projects, public and private partners work side by side. The projects are jointly planned, financed, and implemented. The share of public funds has been on average 40 percent. A specific PPP officer was designated at each of GTZ's offices worldwide.

Application Procedure: Those interested in GTZ funding inquire through regional field offices. Contact information for these offices is available online at <http://www.gtz.de/unternehmen/english/fakten/standorte.asp?Kontinent=2&Sprache=2>.

10.5 Kreditanstalt fur Wiederaufbau (KfW)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Address	KfW Palmengartenstrasse 5-9 60325 Frankfurt am Main Germany		
Telephone	(49-0) 6974-310000		
Fax	(49-0) 6974-312944		
E-mail	iz@kfw.de		
Web	http://www.kfw.de/en/Inhalt.jsp		
Financing Region	Grants, below-market or no interest Loans, Loans Global		

Description: KfW is Germany's promotional bank for the domestic economy and the official development bank for countries in transition and developing countries. It seeks to expand social, economic, and industrial infrastructure and protect the environment and natural resources. Through its social infrastructure sector, KfW funds the expansion of education and health care facilities, AIDS prevention campaigns, immunization programs, and family planning programs in the health area. The health sector plays a relatively small role in KfW's activities.

Financing for Public Sector: KfW implements the German Federal Ministry for Economic Cooperation Development's development program by allocating grants and loans to developing countries. It works primarily with the public sector, providing loans to more developed country governments and grants to less developed country governments.

Financing for Not-for-Profit Sector: KfW works with international and local NGOs in support of its public sector projects. NGOs often provide technical assistance.

Financing for Commercial Sector: KfW provides export financing for exports of capital goods and services to developing countries according to the list of the OECD Development Assistance Committee (DAC). KfW also provides some direct financing to the private commercial sector. In the health field, some of this financing has supported social marketing programs, which currently are being implemented in 21 countries. The regional focus is on sub-Saharan Africa, South Asia, and Southeast Asia. These programs generally are financed through Financial Cooperation (FC) promotional loans, which bridge the gap between financing from budget funds or mixed finance and commercial bank loans. These loans are extended at KfW's own risk. FC loans are suited to support the private sector in developing countries.

Investment Criteria and Terms:

Interest Rates and Terms (Public Sector Loans): All developing countries that fall under the World Bank category for particularly favorable IDA lending conditions generally receive loans at 0.75 percent interest with maturities of 40 years including 10 repayment-free years (grace years). The remaining developing countries receive loans at 2 percent interest with terms of 30 years including 10 grace years.

Other: The German government determines the financing terms and conditions for FC funds (generally to the private sector). They are set according to the economic situation of the individual developing country, in particular the stage of development, the external economic position and the debt situation. Projects financed from FC promotional loans have to meet the development-policy criteria of the German government.

Application Procedure: Applicants should determine what type of financing is available to them based on KfW criteria specified above and in more detail on their web site. Depending on the type of financing they are seeking, they should contact the appropriate financing department in Frankfurt.

10.6 Japan International Cooperation Agency (JICA)

Recipient Type	<input type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Address	Japan International Cooperation Agency 6-13F, Shinjuku Maynds Tower 1-1, Yoyogi 2-chome Shibuya-ku, Tokyo 151-8558 Japan		
Telephone	(03) 5352-5311/5312/5313/5314		
Fax	(49-0) 6196-79-1115		
Web	http://www.jica.go.jp/		
Financing Region	Grants, TA Global		

Description: The Japan International Cooperation Agency (JICA) is the primary Japanese governmental agency responsible for the technical cooperation component of Japan's bilateral ODA program. JICA also provides special support to expedite the execution of the grant capital assistance program on behalf of the Ministry of Foreign Affairs. JICA's technical cooperation includes equipment supply, technical training, dispatch of experts, development studies, and Japan Overseas Cooperation Volunteers (JOCV).

Financing for Public Sector: Japan's grant aid responds to an official request by the government of the recipient country. It is applied mainly to basic human needs (BHN), including medical care, public health, water supply, rural and agricultural development, and human resources development. JICA's technical cooperation focuses on capacity building of developing countries from community empowerment and human resources development to national policy formulation. In FY 2000, approximately 11 percent of JICA's technical cooperation expenditures and 18 percent of grant aid expenditures went to health and medical care. The total grant aid budget for FY 2000 was approximately US\$2.16 billion; 25 percent of general project grant aid went to the field of medical and health care. Examples of JICA projects include

- Indonesia, where JICA is implementing the Technical Cooperation Project for Ensuring Quality of MCH Services through MCH Handbooks. JICA is distributing MCH handbooks throughout all areas of the Western Sumatra and Northern Sulawesi regions and is implementing activities promoting family planning and MCH.
- Thailand, where JICA is implementing the Project for Model Development of Comprehensive HIV/AIDS Prevention and Care. This project is creating a model for local prevention of HIV infection and care for HIV/AIDS patients in the northern Thai province of Phayao.

Financing for Not-for-Profit Sector: Limited programs for small-scale support of non-governmental organizations are offered through some local JICA offices and the Embassy of Japan.

Application Procedure: Contact the local JICA office for additional information. Contact information can be found on JICA's main web site.

10.7 Japan Bank for International Cooperation (JBIC)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant
Address	4-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8144 Japan		
Telephone	(81-3) 5218-3101		
Web	http://www.jbic.go.jp		
Financing Region	Loans, Guarantees, and Equity Global		

Description: JBIC is a governmental financial institution that conducts Japan's economic policy and economic cooperation in response to the changing world economy. JBIC is set to pursue a more enhanced role by integrating the functions of two official organizations: The Export-Import Bank of Japan (JEXIM) and The Overseas Economic Cooperation Fund, Japan (OECF). These two functions are now conducted through two departments at JBIC – the International Financial Operations and the Overseas Economic Cooperation Operations. The International Financial Operations department contributes to the promotion of Japanese exports and imports, as well as Japanese economic activities overseas, and to the stability of international financial order. The Overseas Economic Cooperation Operations support self-reliant development efforts in developing countries. These two kinds of operations are separated in terms of financial sources and accounts. In 2000, JBIC committed ¥1,204.7 billion in International Financial Operations and ¥672.4 billion in Overseas Economic Cooperation Operations.

Financing for Public Sector: In International Financial Operations, JBIC is providing finance for various clients, including the public sector. In Overseas Economic Cooperation Operations, most JBIC loans are ODA loans made to developing country governments. In 2000, JBIC committed ¥667.4 billion in ODA loans. Approximately, 20.3 percent of ODA loans or ¥135.6 billion in FY2000 went to the social services sector, which includes health.

Financing for Commercial Sector: In International Financial Operations, JBIC is providing finance for Japanese companies and the private sector all over the world. In Overseas Economic Cooperation Operations, JBIC has a Private Sector Investment Finance division that makes loans and equity investments in private corporations.

Financing Criteria and Terms:

Overseas Economic Cooperation Operations

Interest Rates: Interest rates on loans vary depending on the recipient country's income category. Rates range from a minimum 0.75 to 3.0 percent in Yen.

Term: Terms vary between 20 and 40 years.

Grace Period: Seven -10 years.

Other: For International Financial Operations, interest rates, terms and grace period on loans vary depending on projects.

Application Procedure: JBIC has an extensive overseas network, listed on its web site. Those interested should contact their local JBIC office.

10.8 United States Agency for International Development (USAID)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Address	U.S. Agency for International Development Information Center Ronald Reagan Building Washington, D.C. 20523-1000		
Telephone	(202) 712-4810		
Fax	(202) 216-3524		
E-mail	n/a		
Web	http://www.usaid.gov		
Financing Region	Grants Global		

Description: USAID's goals in the population, health, and nutrition sector are to stabilize world population and protect human health. USAID works in nine basic program areas: environmental health, population and reproductive health, health policy and systems strengthening, HIV/AIDS, infectious disease, maternal and child health, nutrition, policies and guidance, and vulnerable children. From 1985 to 2000, USAID provided approximately US\$13.8 billion dollars in global health assistance to developing countries, making it the largest international donor in this sector in the world. In FY 2001, estimated funding for the sector totaled US\$1.4 billion. In fiscal year 2002, USAID's HIV/AIDS budget was US\$485 million.

Financing for Public Sector: USAID provides financing to the public sector through bilateral assistance programs with developing country governments.

Financing for Not-for-Profit Sector: USAID is the first major bilateral donor to recognize the importance of the private sector in family planning and health. USAID has worked since the 1980s to expand the role of the private sector. USAID's work with the private sector encompasses the not-for-profit and commercial sectors. While traditionally much of its work has focused on the not-for-profit sector, recently there has been a growing interest in working with the commercial sector. Based on lessons learned from the past 15 years of working with the private sector, USAID has created the Commercial and Private Sector Strategies (CAPS) Results Package. CAPS seeks to increase use of family planning and other health products and services through private sector partners and commercial strategies. CAPS will go beyond social marketing of contraceptives to focus on service delivery, will apply innovative financing mechanisms and will develop models for third-party payment and managed health care. As the first contract to be implemented under CAPS, Commercial Market Strategies Project (CMS) has the primary objective of increasing the use of quality family planning and other health products and services in developing countries by partnering with the private and commercial sectors. Under CMS, the Summa Foundation, a not-for-profit investment fund, provides financing to the private sector. Additional information on the Summa Foundation is available in Chapter 7.

Financing for Private Commercial Sector: See above.

Application Procedure: USAID generally works with contracts and competitive agreements rather than solicitations. Those interested are encouraged to contact their local country USAID missions. For information on available contracts and procurements, RFPs and RFAs are published on USAID's web site at: http://www.usaid.gov/procurement_bus_opp/procurement/solicitation/

10.9 Export-Import Bank of the United States (Ex-Im Bank)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Non-Profit	<input type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant
Address	811 Vermont Avenue, NW Room 1209 Washington, DC 20570		
Telephone	(202) 565-3946		
Fax	(202) 565-3380		
E-mail	info@exim.gov		
Web	http://www.exim.gov		
Financing Region	Loans, Guarantees, Working Capital Guarantees, Insurance Global		

Description: The Export-Import Bank of the United States (Ex-Im Bank) was created to aid in financing and to facilitate U.S. exports. Ex-Im Bank is encouraged to supplement, but not compete with private capital. Ex-Im Bank provides guarantees of working capital loans for U.S. exporters, guarantees the repayment of loans or makes loans to foreign purchasers of U.S. goods and services, and provides credit insurance against non-payment by foreign buyers for political or commercial risk. The bank is focusing on critical areas such as emphasizing exports to developing countries, aggressively countering trade subsidies of other governments, stimulating small business transactions, promoting the export of environmentally beneficial goods and services, and expanding project finance capabilities. Health is not specified as an area of focus for the bank.

Amount Available: Loans cover up to 85 percent of export value.

Financing for Private Commercial Sector: Capital equipment, large-scale projects, and related services are eligible for direct loan financing. Direct loans generally involve loan amounts over US\$10 million or a repayment term of five or more years. A domestic financing institution ordinarily finances transactions involving loan amounts of US\$10 million or less or third party and Ex-Im Bank support takes the form of a guarantee.

Financing Criteria and Terms:

Loan range:

Long-term financing: over US\$10 million or greater than 7 year repayment term

Medium-term financing: US\$10 million or less and less than or equal to 7 year repayment term

Interest rates: Ex-Im Bank fixed lending rates.

Application Process: Applicants for Ex-Im Bank financing must determine that they are facing competition supported by foreign export credit agencies or that financing from the private sector is unavailable or the amount and/or terms offered are inadequate to win the export sale. Applications for Ex-Im Bank financing for medium- and long-term loans and guarantees can be found on their web site at <http://www.exim.gov/95howto.html>.

11 Bilateral Investment Funds

11.1 American Enterprise Funds (USA)

Recipient Type	<input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Equity	<input type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Public <input type="checkbox"/> Grant
Contact	Various		
Address	Various		
Telephone	Various		
Fax	Various		
E-mail	n/a		
Web	http://www.usaid.gov/press/releases/2001/pr011105_2.html		
Financing	Equity, Loans		
Region	Former Soviet Union, Eastern Europe		

Description: Through acts of the U.S. Congress a number of privately owned, not-for-profit investment funds were established with U.S.-government funding. Their mandates are to promote private sector development and growth of small and medium size enterprises in transitional economies. There is limited activity in the health sector by these funds. They include the Bulgarian American Enterprise Fund, the Romanian American Enterprise Fund, the Central Asian-American Enterprise Fund, the Western NIS Fund, and the Poland American Enterprise Fund (which was liquidated in 2000).

Financing for Commercial Sector: The goal of the funds is to promote the private commercial sector. Each fund has its own financing criteria and terms and will not be listed here. While none of the funds have a specific health niche, many of the funds have invested in health sector projects.

11.2 CDC Capital Partners (UK)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Non-Profit	<input type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant
Contact	Suzanne Ross Health care Manager		
Address	CDC Capital Partners One Bessborough Gardens London, SW1V 2JQ UK		
Telephone	(44-207) 963-3946		
Fax	(44-207) 963-3956		
E-mail	sross@cdcgroup.com		
Web	http://www.cdcgroup.com		
Financing Region	Equity/ Mezzanine/ Shareholder Loans Global		

Description: CDC Capital Partners (formerly Commonwealth Development Corporation) is a risk capital provider in emerging markets with over 50 years experience. It is owned by the British government and is on a path towards private sector ownership through a public private partnership. CDC's objective is to build a successful investment business from investing in developing countries and thereby act as a catalyst to mobilize larger capital flows into those markets. CDC has a US\$1.2 billion total portfolio with US\$300-400 million available each year for investment. It has a growing health care portfolio of over US\$55 million. CDC has an on the ground presence through 22 local offices.

Financing for Commercial Sector: CDC has a portfolio of over US\$1.2 billion invested in several hundred private sector businesses in emerging markets. Its core sectors are health care, consumer goods, financial institutions, power, infrastructure, minerals, oil and gas, and TMT. Health care is a growing part of the portfolio and represented 10 percent of new investments in 2001. CDC invests between US\$5-60 million in a single deal and focuses on expansion capital and change of control transactions such as MBO's. CDC's investments are not restricted to projects with British ownership. Examples of recent CDC funded projects include

- A 57 percent participation in MediKredit, South Africa's largest pharmacy benefit management business. During 2001, CDC financed a management buy-out of the company. The business was acquired from Glaxo/Eli Lilly. Medikredit is helping to improve the overall affordability of health care in South Africa.
- A US\$1 million investment in The Medicine Shoppe, a regional chain of pharmacies offering basic health services in India. CDC invested in the holding company, Melrose, in 2000 to fund expansion. Currently, there are 29 Medicine Shoppe outlets in India, based on a community pharmacy model, operating primarily in residential areas.

Application Procedure: Please contact Suzanne Ross at the above address for information on CDC funding.

11.3 Overseas Private Investment Corporation (OPIC) USA

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> Grant
Contact	Vice President - Finance Department		
Address	Overseas Private Investment Corporation 1100 New York Avenue, N.W. Washington, D.C. 20527 USA		
Telephone	(202) 336-8799		
Fax	(202) 408-9859		
E-mail	info@opic.gov		
Web	http://www.opic.gov		
Financing Region	Loans, Loan Guarantees Global (less developed, developing countries and transitional economies)		

Description: OPIC's mission is to mobilize and facilitate the participation of U.S. private capital and skills in the economic and social development of less developed countries. It achieves this through political risk insurance and financing.

Financing for Not-for-Profit Sector: OPIC typically does not fund the not-for-profit sector. In 2000, however, OPIC initiated its first partnership with an NGO. OPIC and EnviroVentures Inc., a wholly owned investment facility of the US-based NGO, Counterpart International, launched a US\$1 million credit facility for small and medium-sized businesses in the Philippines. EnviroVentures provides business support to small and medium sized businesses that have an environmental component as their core service or product and would not otherwise have access to affordable credit. These loans can include health service providers although none have been funded to date.

Financing for Commercial Sector: OPIC provides long and medium term financing through direct loans and loan guarantees to private commercial ventures involving significant equity and/or management participation by U.S. businesses. OPIC provides financing in countries where commercial financing is scarce. OPIC does not have a specific health focus but will consider health projects if they fit its criteria.

Financing Criteria and Terms:

Range: Up to \$200 million

Interest Rates: Fixed or variable, comparable to other US government guaranteed issue

Other: At least 25 percent U.S. ownership, more than 50 percent private ownership

Application Procedure: Applications for OPIC financing are available on Form 115 on the OPIC web site at www.opic.gov.

11.4 OPIC Supported Investment Funds (USA)

Recipient Type	<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Non-Profit	<input type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input type="checkbox"/> Grant
Contact	Vice President, OPIC Investment Funds		
Address	Overseas Private Investment Corporation 1100 New York Avenue, N.W. Washington, D.C. 20527 USA		
Telephone	(202) 336-8799		
Fax	(202) 842-5194		
E-mail	info@opic.gov		
Web	http://www.opic.gov/investmentfunds		
Financing Region	Equity Global		

Description: OPIC has supported the creation of privately owned, privately managed investment funds that make direct equity and equity-related investments in new, expanding or privatizing companies. While none of the funds have a health niche, some will consider projects in the health sector. The funds have invested US\$2.1 billion in 370 businesses in 48 countries with an average investment size of US\$5.7 million per company. These funds are capitalized with a combination of OPIC and/or private funding.

Financing for Commercial Sector: OPIC supported investment funds only provide financing to the private commercial sector. OPIC supported investment funds typically are organized and structured like other private equity investment vehicles, as limited partnerships or limited liability companies. OPIC supplements private equity capital by lending or guaranteeing long-term debt (typically with a 10 to 12 year maturity) to a fund. Together these funds total approximately US\$3.2 billion. Each fund has its own financing criteria and terms.

Application Procedure: For additional information, contact the OPIC Investment Funds office in Washington D.C. at the above address.

12 Foundations

12.1 Bill and Melinda Gates Foundations

Recipient Type	<input type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Address	PO Box 23350 Seattle, WA 98102		
Telephone	(206) 709-3140		
E-mail	info@gatesfoundation.org		
Web	http://www.gatesfoundation.org		
Financing Region	Grants, Scholarships Global		

Description: The Bill and Melinda Gates Foundation includes global health as one of its key program areas. The three priorities within the health program include infectious disease and vaccines, HIV/AIDS and TB, and reproductive and child health. Since inception, the foundation has supported over US\$2.5 billion in health initiatives, representing over half of its overall giving. The Global Health Program directs its resources to

- Promote research and development of health technologies that will accelerate prevention, elimination or eradication of diseases, as well as increase their affordability in low-resource settings.
- Support programs that demonstrate effectiveness and feasibility of wide scale implementation of innovative health interventions, allowing other organizations and governments to confidently invest in similar models.
- Encourage sustainable access by developing countries to existing and future health technology interventions through catalytic financing mechanisms.
- Increase the visibility of effective public health approaches and strengthen support for public health leadership in developing countries.

Amount Available: The foundation has assets of US\$21 billion.

Financing for Public Sector: The foundation partners with the public sector in developing countries to achieve its objectives. It also has supported the work of some of the multilateral organizations that are engaged in health activities, such as the UNFPA. An example of a public sector project is in 2001 the foundation contributed \$4 million to the Zambian Ministry of Health to develop a state-of-the-art, electronic obstetric and newborn medical record in Lusaka, Zambia. The initiative represents a major commitment to technological infrastructure enhancement in the linked Lusaka District Health Clinics and the University Teaching Hospital.

Financing for Not-for-Profit Sector: The Foundation works closely with not-for-profit organizations in the implementation of its programs. An example of this type of project is The Program for Appropriate Technology in Health (PATH) has received \$70,000,000 for over 10 years from the Gates Foundation to support the elimination of epidemic meningitis in Sub-Saharan Africa.

Application Process: Applicants should review program guidelines on the web site before submitting letters of inquiry. Unsolicited proposals are not accepted.

12.2 The David and Lucile Packard Foundation

Recipient Type	<input type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Address	300 Second Street, Suite 200 Los Altos, California 94022 USA		
Telephone Web	(650) 948-7658 / (650) 917-4700 http://www.packard.org		
Financing Region	Grants Focused in Ethiopia, India, Mexico, Myanmar, Nigeria, Pakistan, the Philippines and Sudan		

Description: The Foundation awards grants to not-for-profit organizations in the areas of conservation, population, science, children, families and communities, arts, and organizational effectiveness and philanthropy. Population funding supports programs that

- Provide family planning options and reproductive health services to women and men
- Provide information and services to prevent childbearing and to promote safe sex to young people
- Mobilize interest, commitment and resources that address population in developing countries
- Preserve and enhance reproductive rights
- Support the development of the next generation of population and reproductive health experts

Funding is available for both international and domestic programs, but there is a special focus on the Northern California Counties. Grants in 2002 are expected to reach approximately US\$250 million.

Amount Available: Foundation assets of US\$6.2 billion.

Financing for Not-for-Profit Sector: The Packard Foundation provides most of its funding to not-for-profit organizations. Examples of the foundation's support include

- A US\$40,000 grant to Aahung in Pakistan to provide family planning and reproductive health services.
- A US\$550,000 grant over three years to Action Health Incorporated to expand access to sexual and reproductive health services for youth in northern Nigeria.

Application Process: Applicants are encouraged to submit a letter of inquiry before submitting a proposal. The letter of inquiry should include a descriptive title for the project and explain the project objectives, significance, funding needs, and relationship to specific grant-making priorities of the Packard Foundation.

12.3 Ford Foundation

Recipient Type	<input type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input checked="" type="checkbox"/> Equity	<input checked="" type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Contact	Virginia Davis Floyd, Director of Human Development and Reproductive Health Unit Helen R. Neuborne, Deputy Director		
Address	320 East 43 rd Street New York, NY 10017 USA		
Telephone	(212) 573-5000		
Fax	(212) 351-3677		
E-mail	Office-secretary@fordfound.org		
Web	Http://www.fordfound.org		
Financing Region	Grants and Program Related Investments (Debt, Equity, Loan Guarantees) Global		

Description: The Ford Foundation works in three broad programming areas: asset building and community development; peace and social justice; education, media, arts and culture. Within the asset building and community development area, the foundation supports three sub-categories: economic development, community and resource development, and human development and reproductive health. The Human Development and Reproductive Health Unit is further divided into two focus areas of children, youth, and families and sexuality and reproductive health. The Ford Foundation supports activities that are charitable, educational, or scientific as defined by the U.S. Internal Revenue Service and Treasury regulations. Support is given in the form of grants or program related investments (PRIs) that may be debt, equity, or loan guarantees. The foundation has earmarked approximately US\$180 million per year for PRIs. As of September 2001, US\$134.6 million in investments and \$115,000 in guarantees were outstanding. US\$26.2 million were committed and in the process of disbursement. Support is not given for routine operating costs or for religious activities.

Amount Available: Foundation assets of US\$10.7 billion.

Financing for Public Sector: The foundation provides financing to government agencies and national research institutes acting on issues identified at the U.N. Cairo and Beijing conferences.

Financing for Not-for-Profit Sector: The foundation primarily supports not-for-profit organizations. It supports NGOs that act on issues identified at the U.N. Cairo and Beijing conferences. Examples of its support to NGOs include

- A grant of US\$100,000 to the Center for Health Sciences, Training Research and Development in Nigeria for advocacy and research activities to advance youth sexual health, leadership skills and economic well-being. The Nigeria Youth Aids Program also received a grant of US\$200,000 for activities to advance youth reproductive health and development.
- The foundation has provided US\$250,000 endowment support to the Nehru Foundation for Development to build the Center for Health Education Training and Nutrition Awareness (CHETNA).

Application Process: Before a proposal is submitted for a grant or a program related investment, a brief letter of inquiry is advisable to determine whether the Foundation's present interests and funds permit consideration of the request. The letter should include the purpose of the project, the problems and issues the proposed project will address, information about the organization, the estimated overall budget, the period of time for which funds are requested, and qualifications of those who will be engaged in the project. Requests in the United States should be sent to the above address. All other regions must send their requests to the appropriate regional office. See the web site for contact details on regional offices.

12.4 Hewlett Foundation

Recipient Type	<input type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Contact	Proposal Administrator		
Address	2121 Sand Hill Road Menlo Park, CA 94025 USA		
Telephone	(650) 234-4500		
Fax	(650) 234-4501		
E-mail	webmaster@hewlett.org		
Web	http://www.hewlett.org		
Financing Region	Grants Global		

Description: The Hewlett Foundation concentrates its resources on conflict resolution, education, environment, family and community development, performing arts, population, and U.S.-Latin America relations. The foundation has no geographic limitations stipulated in its charter; however, a portion of funds is earmarked for the San Francisco Bay Area.

Amount Available: Foundation assets of US\$5.9 billion.

Financing for Public Sector: Grants are provided to publicly funded universities for contraceptive development and population research and training.

Financing for Not-for-Profit Sector: The goal of the population program is to reduce population growth in countries, regions, and groups having high fertility. Focus areas include policy development and advocacy, strengthening human resources available for population work through advanced training, support of neglected elements of family planning services, and concentration of resources on demographically significant countries. The budget for the 2001 fiscal year for the population program was approximately US\$27 million. US\$32.35 million is budgeted for the year 2002. Examples of the Foundation's support in 2001 include

- A US\$500,000 grant to the African Population and Health Research Center in Nairobi, Kenya
- A US\$1 million grant to the Asian Forum of Parliamentarians on Population and Development in Bangkok, Thailand

Application Process: A letter of inquiry should be sent to the proposal Administrator. The letter should contain a brief statement of the applicant's need for funds and enough factual information to enable the staff to determine whether or not the application falls within the foundation's areas of interest. There are no maximum or minimum size grants.

12.5 The MacArthur Foundation

Recipient Type	<input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> Loan	<input checked="" type="checkbox"/> Public <input checked="" type="checkbox"/> Grant
Contact	Office of Grants Management		
Address	140 S. Dearborn Street Chicago, IL 60603-5285 USA		
Telephone	(312) 726-8000		
Fax	(312) 920-6258		
E-mail	4answers@macfound.org (general questions) population@macfound.org (specific health questions)		
Web	http://www.macfdn.org		
Financing Region	Grants, Fellowships, Program Related Investments (Loans) Population and reproductive health focuses on India, Mexico and Nigeria. Also offices in Brazil and Russia		

Description: The MacArthur Foundation supports programs in four areas: human and community development, global security and sustainability, general program, and fellows program. The global security and sustainability program focuses on international peace and security, conservation and sustainable development, population and reproductive health, human rights, and new governance to address the economic consequences of globalization.

Amount Available: The foundation's assets are US\$4.1 billion

Financing for Public Sector: The foundation will fund public sector programs as long as they are in line with its programmatic goals.

Financing for Not-for-Profit Sector: The foundation supports two themes within the population and reproductive health focus – reducing maternal mortality and morbidity and advancing the sexual reproductive health and rights of young people.

The foundation supports efforts of civil society organizations that are effective in analyzing how public funds are allocated and in providing a sound basis for budget allocations for health. The foundation supports civil society organizations that work for changes needed in health, education, and legal policies and help create the political will needed for their implementation. Special attention is given to activities that focus on increased budgets for maternal health, decreased deaths from abortion, and improved access to quality emergency obstetric care. Additionally, the foundation supports initiatives that increase the availability of gender-sensitive sexuality education, confidential health services, and programs for young men, and programs that decrease the incidence of sexual violence. Recent examples of the Foundation's support in the health sector include

- A three-year grant of US\$175,000 to the Action Research and Training for Health in support of a program to reduce maternal mortality in rural Rajasthan, India.
- A US\$90,000 grant supported the Alternativas de Capacitación y Desarrollo Comunitario in Mexico to design a reproductive and sexual health training model for young people in the Sierra Tarahumara region of Chihuahua.

Financing for Commercial Sector: The foundation seeks opportunities to make program-related investments (PRIs) to expand the range and impact of its programs. The foundation usually invests in intermediary organizations that subsequently make loans to individual projects. It also considers direct investment in projects closely related to the foundation's grant-making goals and not served by intermediary organizations. The foundation makes program related investments (PRIs) in two broad areas: affordable housing preservation and community development venture capital. By the end of 2003, it expects to invest US\$40 million and US\$20 million respectively in each of these areas.

Application Process: Applicants interested in support should submit a letter of inquiry. The format should be downloaded from the Internet. Contact the regional office for specific questions on regional priorities. Priority is given to network organizations in pursuit of a common goal.

12.6 Mellon Foundation

Recipient Type	<input type="checkbox"/> Commercial	<input checked="" type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Public
	<input type="checkbox"/> Equity	<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant
Contact	Carolyn Makinson, Program Officer Krista House, Associate Program Officer		
Address	140 East 62 nd Street New York, NY 10021		
Telephone	(212) 838-8400		
Web	http://www.mellon.org		
Financing Region	Grants, Fellowships Global, focus on South Africa		

Description: The Mellon Foundation awards grants in the areas of higher education, cultural affairs and performing arts, population, conservation and the environment, and public affairs. The foundation does not make grants to individuals or organizations with a local focus. In 2001, the foundation made 18 percent of its grants to organizations outside the United States, including a large percentage to developed countries. The foundation has determined that it will increase this percentage over time and has stated a new focus on South Africa.

Amount Available: The foundation has assets of US\$4.1 billion.

Financing for Public Sector: Public sector financing consists of grants for research and institution building of publicly funded universities.

Financing for Not-for-Profit Sector: The Population Program makes grants totaling approximately \$20 million per year in the areas of reproductive biology, applied contraceptive development, social science research and training, population policy, applied research on selected population topics related to developing countries, university-based applied research and teaching programs in the field of forced migration, applied research on selected topics related to forced migration, and cost-effective uses of information in research and teaching.

Within its Contraceptive Development Program, the foundation supported the CONRAD program of Eastern Virginia Medical School, Family Health International, and Population Council's International Committee on Contraception Research. The foundation provides grants to support research and interventions to improve reproductive health services for adolescents. For example, in 2001 the foundation provided support to promote collaboration between universities and practitioner organizations in applied research related to adolescents and/or to urban services in developing countries.

Application Process: Applications are reviewed throughout the year and no special forms are required. A short letter of inquiry should be submitted stating the need, nature and amount of the request, and justification for it. Applicants should submit evidence of suitable classification by the Internal Revenue Service and any supplementary materials. Unsolicited requests have a negligible chance of being funded and applicants are encouraged to explore their ideas with foundation staff in writing before submitting formal proposals. The Population Program rarely responds to unsolicited proposals and works with key institutions in fields of interest which are selected periodically either through competitions or other means. Programs are then developed over a number of years in collaboration with the selected institution.

12.7 Rockefeller Foundation

Recipient Type	<input type="checkbox"/> Commercial <input type="checkbox"/> Equity	<input checked="" type="checkbox"/> Non-Profit <input type="checkbox"/> Loan	<input type="checkbox"/> Public <input checked="" type="checkbox"/> Grant
Address	420 Fifth Avenue New York, NY 10018 USA		
Telephone	(212) 869-8500		
Fax	(212) 852-8279		
E-mail	health@rockfound.org		
Web	http://www.rockfound.org		
Financing Region	Grants, Fellowships USA, a special focus on Sub-Saharan Africa and South and Southeast Asia and limited focus in Latin America.		

Description: The Rockefeller Foundation supports programs in creativity and culture, food security, health equity, working communities and global inclusion. It has a goal to advance global health equity by reducing unfair differences in the health status of populations.

Amount Available: The foundation had US\$3.1 billion in assets as of year-end 2001.

Financing for Not-for-Profit Sector: To help achieve its health equity theme, the foundation seeks to counter health-product market failures with advocacy, capacity building, and support for specific product initiatives. Much of this work is being done through public/private partnerships, including a new alliance to accelerate tuberculosis drug development. Examples of partnerships and projects funded by the Foundation include

- The creation of a partnership in 2002 to speed the development of safe, effective microbicides – substances that can substantially reduce transmission of HIV and other sexually transmitted infections when applied in the vagina or rectum.
- The foundation supported the African Population and Health Research Center in Kenya to develop an urban equity gauge to document and highlight for policymakers the extent of health disparities in Nairobi.
- In Thailand, the foundation supported the AIDS Network Development Foundation to develop, analyze and document appropriate interventions for addressing HIV/AIDS vulnerability among minority, ethnic populations in the upper north of Thailand.

Application Process: Unsolicited grants are strongly discouraged. There is no standard format for proposals. Organizations seeking funding should contact the web site for application guidelines. If projects conform to the foundation's strategic interests, letters of inquiry should be sent to the foundation. Letters of inquiry should describe the purpose of the project, the issue which will be addressed, information about the organization, estimated budget and period for which funds are requested and qualifications of the personnel involved in the project.

Appendix A Glossary

The terms below will give health care managers the vocabulary that they will need to identify their financing needs, apply for financing, and negotiate financing terms.

Acceleration	After a default, the loan is fully due and payable. Repayments are accelerated to the present.
Ad valorem	Off the gross or stated value, usually a percentage.
Advance agent	The funder advances a loan drawdown.
Agent	The bank charged with administering the project financing. Generic: A party appointed to act on behalf of a principal entity/person.
All-in	Interest rate, which includes margin, commitment fees, and up-front fees.
Amortization	Reduction of capital or up-front expenses (capitalized) over time, often an equal amount p.a. Sometimes describes repayments.
Annuity	The sum of principal and interest is equal for each period.
APR	Annual Percentage Rate. The periodic rate times the number of periods in a year.
APY	Annual Percentage Yield. The effective, or true, annual rate of return. APY is the rate earned or paid in one year, taking into account compounding. APY is calculated by taking one plus the periodic rate and raising it to the number of periods in a year.
Arranger	The senior tier of a syndication. This implies the entity that agreed and negotiated the project finance structure. Also refers to the bank/underwriter entitled to syndicate the loan/bond issue.
Arrears	Loan payments that are past due. Also called delinquencies.
Asset	The physical project and its associated contracts, rights, and interests of every kind, in the present or future, which can be valued or used to repay debt.
Assignment	Grant of the right to step in to the position of a party to a contract or legal agreement.
Audit	An independent examination of the financial statements or project studies/projections.
Availability	The project financing is available for drawdown. A period prior to financial close may also be included.

Available cashflow	Total cash sources less total cash uses before payment of debt service.
Balance sheet	The accounts that show assets, liabilities, and net worth/shareholders' equity.
Balloon	A large single repayment.
Basis point (bp)	One hundred bp equals one percentage point.
Bearer bond	The bond certificate is itself negotiable. (It is not recorded as being owned by any particular investor.)
Best efforts	A very high standard of undertaking, nevertheless excusable in the event of force majeure or failure to execute the matter in question after trying to do so on a sustained, dedicated basis. Under English law, "best endeavors" is a preferable term.
Bid bond	A small percentage (one to three percent) of the tender contract price is established as a bid performance bond. Once the contract is awarded, bid bonds are refunded to the losers.
Bond	The paper evidence of a legal promise by the issuer to pay the investor on the declared terms. Bonds usually are negotiable. Bonds are customarily longer-term, such as five to 25 years. Short-term bonds are often referred to as notes.
BOT	Build own transfer where the project is transferred back to the party granting the concession. The transfer may be for value or at no cost.
Breakeven	The point at which all revenues cover all expenses.
Bullet	A one-time repayment, often after no or little amortization of the loan. A balloon.
Buyer credit	A financing provided to a buyer to pay for the supply of goods or services, usually by an exporting country or the supplier company.
Cap	A ceiling on an interest or FX rate through a swap, options, or buy agreement.
Capital expenditures	Amount used during a period to acquire or improve long-term assets such as property, plants, or equipment.
Capital markets	A broad term to include tradable debt, securities, and equity as distinct from private markets or banks.
Capitalized interest	Frequently used in project financing or construction loans. Accrued interest is capitalized and treated as principal.
Cashflow	The generation of cash by a project.

Charge	Under English law, the document evidencing mortgage security. A fixed charge refers to a defined set of assets and usually is registered. A floating Charge refers to other assets, which change from time to time (e.g., cash at bank, inventory, etc. which become a fixed charge after a default).
Co-financing	Where the different lenders agree to fund under the same documentation and security packages, yet may have different interest rates, repayment profiles, and terms, perhaps via A and B tranches.
Collateral	Additional security pledged to support a project financing.
Commitment fee	A per annum fee usually applied to the portion of the unused loan or project financing (the amount not yet drawn down) until the end of the availability period.
Compensation trade	The form of countertrade where an incoming investment is repaid from the units/revenues generated by that investment.
Complementary financing	Where different lenders agree to fund under similar yet parallel documentation and a pro-rata security package.
Completion	In project financing, when the project's cashflows become the primary method of repayment. It occurs after a completion test. Prior to completion, the primary source of repayment is usually from the sponsors or from the turnkey contractor.
Completion risk	Construction, development, or cost overrun risk. The risk that a project will not be able to pass its completion test.
Completion test	A test of the project's ability to perform as planned and generate the expected cashflows. The time when the project can move from recourse to a project financing.
Compound	Interest is reinvested to earn additional interest in the following periods.
Contingency	An additional amount/percentage to any cashflow item (e.g., Capex).
Contingent	For liabilities, those that do not yet appear on the balance sheet – guarantees, supports, and lawsuit settlements. For support or recourse, the trigger may occur at any time in the future.
Convertible	A financial instrument that can be exchanged for another security or equity interest at a pre-agreed time and exchange ratio.
Constant dollar	Inflation or escalation is not applicable. Prices and costs are deescalated/reescalated to a single point in time.
Counterparty	The other participant, usually in a swap or contract and includes intermediaries.

Countertrade	One party supplies a unit/funding in return for other material/funding. See barter.
Country risk	Includes sovereign risk but usually an estimate of the likelihood of a country debt rescheduling, which will prompt currency inconvertibility. Sometimes referred to as sovereign risk.
Coupon	The interest amount or rate payable on a bond. A coupon may be physically attached to the bond certificate.
Covenant	An agreed action to be undertaken (positive) or not done (negative). A breach of a covenant is a default.
Cover	The amount above unity of a debt service ratio.
CPI	Consumer price index, a measure of inflation at the consumer level.
Credit enhancement	The issuance of a guarantee, L/C or additional collateral to reinforce the credit strength of project financing or a loan.
Creditworthy	The risk of default on a debt obligation by that entity is deemed low.
Cross default	A default by another project participant or by the sponsor (other than the project financing) triggers a default.
Cross-collateral	Project participants agree to pool collateral (i.e., allow recourse to each other's collateral).
Cure	Make good a default.
Current asset	Cash or assets that can be converted to cash within one year.
Current dollar	Actual or real prices and costs. Escalation/inflation effects are included.
Current liabilities	Liabilities payable within one year.
Current ratio	Current assets divided by current liabilities (a liquidity ratio).
Cushion	The extra amount of net cashflow remaining after expected debt service.
Debt/Equity ratio	The amount of debt as a ratio of equity, often expressed as a percentage.
Discounted cashflow	Discounted cashflow where net cashflow is brought to a present value using a given percentage discount rate.
Debenture	A legal security over the issuer's general credit/balance sheet.
Debt service	Principal repayments plus interest payable; usually expressed as the annual dollar/currency amount per calendar or financial year.

Debt	The obligation to repay an agreed amount of money.
Debt/Equity swap	Debt in a blocked currency is swapped for equity in a local company project, usually at a discount.
Default interest	A higher interest rate payable after default.
Default	A covenant has been broken or an adverse event has occurred. A money default means a repayment was not made on time. A technical default means a project parameter is outside defined/agreed limits or a legal matter is not resolved yet.
Defeasance	Some or all of the debt is cash collateralised usually indirectly or via zero-coupon structures.
Deficiency agreement	Where cashflow, working capital, or revenues are below agreed levels or are insufficient to meet debt service, then a deficiency or make-up agreement provides the shortfall to be provided by the sponsor or another party — sometimes to a cumulative limit.
Deficiency	The amount by which project cashflow is not adequate for debt service.
Depreciation	Amortization for accounting (book), tax calculations, or income calculations. A regular reduction in asset value.
Derivative	A financial instrument based on an underlying contract or funding such as a swap, option, or hedge.
Devaluation	A formal reduction in the FX rate or gradual reduction according to FX market forces.
Direct placement	Selling a new issue not by offering it for sale publicly, but by placing it with one of several institutional investors.
Discount rate	The annual percentage applied to NPV or PV calculations (and is often the all-in Interest rate or the interest rate plus margin for project financing).
Dividend	The amount paid out per share, usually once or twice a year, by a company from its profits as decided by the board of directors.
Drawdown	The borrower obtains some of the project financing or loan, usually progressively according to construction expenditures plus IDC.
DSCR	Debt Service Cover Ratio; usually annual.
Due diligence	The analysis and appraisal of a business in preparation for a loan or venture capital investment.
Earnings	Net income, net profit.

Effective interest rate	Includes all direct financial costs of a loan, including commissions, fees, the calculation method, and other loan requirements on the total cost of the loan to the borrower.
Equity	In accounting, it is the net worth or total assets minus liabilities. In a project financing, equity is the cash or assets contributed by the sponsors. Equity represents ownership interest in a business.
Escrow	Where documents or money accounts are put beyond the reach of the parties.
Events of default	Contractually specified events that allow lenders to demand immediate repayment of debt.
Execute	Formal signing of documentation. Implement an action required under the documentation.
Fee	A fixed amount or a percentage of an underwriting or principal.
Finance lease	The lessor receives lease payments to cover its ownership costs. The lessee is responsible for maintenance, insurance, and taxes. Some finance leases are conditional sales or hire purchase agreements.
Financial close	When the documentation is executed and conditions precedent are satisfied or waived. Drawdowns are now permissible.
Financing agreements	The legal, binding contracts between the financier and the borrower/investee. Financing agreements specify the responsibilities of each party and are the formal legal foundation for the extension of financing and its final return.
Fixed cost	Operating cost, which does not vary per unit of output.
Fixed rate	Interest rate that is fixed for a defined period.
Float	See IPO.
Floating rate	Interest rate that is reset periodically – usually every couple of months, but sometimes daily.
Floor	A level that an interest rate or currency is structured not to go below.
Force majeure	Events outside the control of the parties. These events are acts of man, nature, governments/regulators, or impersonal events. Contract performance is forgiven or extended by the period of force majeure.
Foreign exchange	The conversion of one currency into another.
Forex	FX, foreign exchange.

FRNs	Floating Rate Notes where the interest is reset by a panel or by reference to a market floating rate.
Full recourse	No matter what risk event occurs, the borrower or its guarantors guarantee to repay the debt.
Funding risk	The impact on project cashflow from higher funding costs or lack of availability of funds. Interest risk.
FX rate	Foreign Exchange Rate. One currency unit expressed in terms of another.
FX risk	The effect on cashflow or debt service from a movement in the FX rate for revenue, costs, or debt service.
FX	Foreign exchange.
General partner	The partner with unlimited liability.
Goodwill	The amount paid in excess of book value on the balance sheet, usually for intangible assets such as trademarks or licenses.
Grace period	A period when interest or principal is not yet payable, usually a period after start-up or loan disbursement.
Guarantee	An undertaking to repay in the event of a default. It may be limited in time and amount.
Guarantor	A party that will guarantee repayment or performance of a covenant.
Hedge	To take a forward contract or option to effect an anticipated change in a currency, commodity, interest rate, or security, so that gains or losses are offset. A transaction that reduces the risk of an investment.
Hurdle rate	A minimum IRR.
IDC	Interest During Construction. It usually equals capitalized interest.
Illiquid	Not easily traded or not readily converted to cash.
Incipient default	Potential default.
Income	Operating cashflows less overheads and depreciation, before tax (BT) or after tax (AT). Earnings.
Inconvertibility	Where a local currency cannot be exchanged for another currency. Often includes transfer risk.
Indemnity	A legal obligation to cover a liability, regardless of how it arose.
Information	A document detailing the project and project financing – usually in

memorandum	connection with a syndication.
Infrastructure risk	The impact on project cashflows from infrastructure problems. Sometimes labelled transportation risk.
Instrument	A financial tool. Sometimes a discrete type of funding or a security.
Intangible assets	Good will patents and trademark valuation, deferred charges, and share/bond premiums.
Interest rate	The percentage payable to the lender calculated at an annual rate on the principal. May be all-in.
Interest risk	The impact on project cashflow from higher interest costs or lack of availability of funds. Funding risk.
Intermediary	An entity standing between parties to funding or a swap. An intermediary may be at risk.
Inverse order	Applied to the periodic repayment schedule and means from the end, expected maturity. Current order means the next periodic principal repayment.
Investment bank	The U.S. term for a merchant bank.
Investment grade	For a rating, the rating level above which institutional investors have been authorized to invest.
IPO	An Initial Public Offering of shares. A float. An enterprise's first sale of stock to the public. Investors purchasing stock in IPOs generally must be prepared to accept large risks for the possibility of large gains.
IRR	Internal Rate of Return. The discount rate to make the NPV zero. Multiple IRR's occur mathematically if the periodic cashflows change sign more than once.
Islamic loan	Interest cannot be charged. Rather the loan is structured using discounts, sale/lease, profit participation, or repurchase agreements.
Joint venture	JV. The legal means of dividing the project's equity by shareholdings in a company (incorporated JV) or by way of a contract (unincorporated JV).
L/C	Letter of Credit. A guarantee to pay limited to an amount and time triggered by defined events or exchange of agreed documents. Used for credit enhancement.
Latent default	A potential default that may have always been present but unidentified.
Lease rate	The equivalent interest rate calculated from a stream of lease payments.

Lease term	The life of a lease including any renewal options.
Lease	The owner of an asset (lessor) agrees to receive lease payments/rentals from the user (lessee), usually at a fixed rental level. The lessor/owner takes the benefit of depreciation as a tax deduction. Its primary security is the asset.
Legal risk	A risk that a defect in the documentation will affect cashflow or debt service.
Lessee	The user who pays lease rentals to the owner/lessor.
Lessor	The owner of a leased asset.
Leverage	The level of debt expressed as a percentage of equity or as a ratio to equity. The U.S./Canadian word for gearing.
Leveraged lease	A lessor borrows to finance a leased asset. Recourse may be limited to the lease rentals or the asset.
Liability	The obligation to repay a defined amount or to perform a service.
LIBOR	London Interbank Offered Rate, often quoted as a one-, three-, or six-month rate for US\$.
Lien	A legal security interest in an asset.
Limited recourse	Under certain conditions (legal or financial), there is access to the sponsor(s)'s credit or other legal security for repayment (besides the project's cashflows). There usually is recourse in the event of fraud or misrepresentation/non-disclosure. Thus non-recourse is better described as limited-recourse.
Liquid	Easily traded or converted to cash.
Liquidation	The process of disposal or sale of the project or project assets with the proceeds used to repay the project financing or loan.
Long-term	Three years or more. Accounting: more than one year.
LP	Limited Partner that is not liable for the debts of the partnership beyond the funds contributed.
Margin	The amount expressed in percent p.a. above the interest rate basis or cost of funds. For hedging and futures contracts, the cash collateral deposited with a trader or exchange as insurance against default.
Maturity	The final date a loan is repayable. The end of the term.
Medium-term	Two to six years.

Merchant bank	A bank that, besides lending and deposit taking (usually not from the public), engages in trading, advisory services, and as an underwriter and funds manager of securities. See investment bank.
Monetization	Securitization of the gross revenues of a contract.
Negative pledge	The borrower agrees not to pledge any of its assets as security and/or not to incur further indebtedness.
Negotiable	A financial instrument can be bought or sold by another investor, privately or via a stock exchange/computer trading.
Non-recourse	The financiers rely on the project's cashflows and collateral security over the project as the only means to repay debt service. This usually occurs after completion.
NPV	Net Present Value. The periodic net cashflows are each discounted by the discount rate to a present date and the appropriate cash outflows/investment for construction or acquisition are deducted from the total.
Operating cashflow	Project revenues less (cash) operating expenses.
Operating risk	Cost, technology, and management components, which impact operating expenses and project output/throughput. Cost includes inflation.
Operating expenses	Opex. Operating expenses always expressed as cash. Therefore, depletion and depreciation are excluded.
Overrun	The amount of capex or funding above the original estimate to complete the project.
p. a.	Per annum, yearly.
Pari passu	Equal ranking of security pro-rata to the amount owed.
Participant risk	The credit of the participants and the risk of non-performance under the project contracts or financing agreements.
Participant	A party to a funding. It usually refers to the lowest rank/smallest level of funding. Alternatively, it is one of the parties to the project financing/or the project documents.
Participation	The amount of loan/bond issue taken directly or from another direct lender/underwriter.
Partnership	The partners agree to a proportional share of profits and losses and thus have the same tax treatment.

Payback	The period in years to recover the investment or loan. It may be calculated on a discounted, non-discounted, leveraged, or unleveraged basis.
Penalty interest	A higher interest rate payable while a loan is delinquent.
Placement	Securities are placed with a small group of investors.
Point	One percentage point on a note or bond.
Political risk	Nine risks usually including currency inconvertibility, expropriation, war and insurrection, terrorism, environmental activities, landowner actions, non-government activists, legal, and bureaucratic/approvals. The first three are insurable. It overlaps with the political component of force majeure risk.
Potential default	A condition where a default would occur in time or where a notice or default event has not yet been formalized.
Prepayment	Repayment of greater than the scheduled amount. If forced, it is referred to as a mandatory prepayment.
PRI	Political Risk Insurance.
Prime rate	A (U.S.) bank interest rate charged by banks to their most creditworthy customers for short-term loans.
Principal	The quantity of the outstanding loan due to be paid.
Private placement	The placement of debt or equity investment is not publicized and may not be tradable.
Production loan	A project financing where the repayment is linked to the production, often on a \$/unit basis.
Payment	The amount that is required to repay a loan with interest and fees.
Proforma	A financial projection based on assumptions.
Project financing	A loan structure that relies for its repayment primarily on the project's cashflow with the project's assets, rights, and interests held as secondary security or collateral.
Project	The asset constructed with a loan or owned via a project financing, which is expected to produce cashflow at a debt service cover ratio sufficient to repay the project financing.
Public offering	Shares may be offered to the public at a fixed price in an advertised offer for sale.

PV	Present value where a stream of cashflows or accounting flows are discounted to the present at a discount rate.
Rating	The ranking, usually grades of A to E, of the creditworthiness/ability to repay. The ranking of bonds is related to its estimated percentage default rate. Countries are similarly ranked and may include an estimation of political risk.
Real interest rate	Interest rate that has been adjusted to compensate for the effects of inflation.
Recourse	In the event that the project (and its associated escrows, sinking funds, or cash reserves/standby facilities) cannot service the financing or completion cannot be achieved, then the financiers have recourse to either cash from other sponsor/corporate sources or other non-project security.
Representations	A series of statements about a project, a sponsor, or the obligations under the project contracts or the financing agreements.
Refinancing	The process of developing a new loan agreement before a previous one is completed. It can include changes in principal amount, term, etc.
Rescheduling	The process of changing the payment period and/or the size of payments, on an outstanding loan. It usually is done to prevent a borrower from falling into arrears or so that a borrower is no longer in arrears and is more likely to meet payments on time.
Reserve account	A separate amount of cash or L/C to service a payment requirement such as debt service or maintenance.
Retention	An amount held back from construction contract payments to ensure the contractor completes the construction before the retention (5 to 15 percent of the contract price) is returned to the contractor.
Return on equity	Indicator of profitability. Determined by dividing net income for the past 12 months by common stockholder equity. Investors use ROE as a measure of how a company is using its money.
Revenues	Sales or royalty proceeds. Quantity times price realized.
Risk	An event that can change the expected cashflow forecast for the project financing.
Security	A legal right of access to value through mortgages, contracts, cash accounts, guarantees, insurances, pledges, or cashflow including licenses, concessions and other assets. A negotiable certificate evidencing a debt or equity obligation/shareholding.

Senior	Ranking for repayment, security, or action. Most project financings are senior debt obligations with first, senior security.
Sensitivity	A change to a cashflow input to determine the change to DSCR.
Shareholders' equity	Net worth. Book value of total assets less total liabilities.
Short-term	Up to 12 months.
Sinking fund	A regular payment is set aside in anticipation of a future payment.
SOE	State-Owned Enterprise.
Sovereign risk	The government's part of political risk.
Sponsor	A party wishing to develop a project. A developer. A party providing financial support.
Structure	How a project financing or loan is drawn down, repaid, and collateralized.
Subordinated	The subordinated party accepts a lower priority of repayment and/or security than senior debt.
Sunk costs	Capital already spent.
Supplier credit	The supplier of goods or services agrees to deferred repayment terms.
Supply risk	The raw materials or input to a project change from those assumed/projected.
Swap	An exchange of the basis of obligations to repay principal, interest, or currency. For interest-rate swaps (floating to fixed), the underlying principal may not be exchanged.
Sweep	All available cashflow is used for debt service.
Syndication	The selling of a project finance to a group of prospective participants, the syndicate.
Tail	The remaining reserves after the project financing has been repaid. Sometimes means the residual.
Takeout	A financing to refinance or take out another (e.g., construction) loan.
Tenor	The number of years a loan is outstanding. The term.
Term	The loan life or tenor; the period to a loan's maturity. Generic: A condition attached.

Tranche	A separate portion of a loan or project financing, perhaps with different financiers, margins, and terms.
Transfer risk	Currency cannot be sent out of the country, usually because of central bank restrictions or a national debt rescheduling.
Turnkey	The construction of a project to meet a standard or the completion test where it is ready to produce cashflow.
Withholding	A tax on interest, royalty, or dividend payments, usually those paid overseas. It may be deducted at source.
Working capital	Cash required to fund inventories and accounts receivable. Accounting definition is current assets less current liabilities. It is recovered entirely when the project ceases.
Workout	The project financiers are responding to workout a potential problem or have arranged to take over the operation after a default to attempt to rehabilitate the cashflow generating capacity of the project.
Yield	The financial return, usually expressed as a percentage p.a.
Zero coupon	No interest is paid. A bond or note is issued at a discount that is calculated to yield a compound interest equivalent return.



COMMERCIAL MARKET STRATEGIES
NEW DIRECTIONS IN REPRODUCTIVE HEALTH



FUNDED BY:
US Agency for International Development
USAID Contract No. HRN-C-00-98-00039-00

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