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ACCÈSBANQUE MADAGASCAR AND THE MALAGASY PRIVATE HEALTH SECTOR

A success story about access to finance for the health sector

THE PRIVATE HEALTH SECTOR IS A GROWING SOURCE OF ESSENTIAL HEALTH SERVICES FOR THE MALAGASY PEOPLE.

Access to healthcare remains scarce in Madagascar, but 52 percent of all health facilities in the country today are private. As reliance on private health facilities grows, there is an increasing need for loans to finance this growth and needed investments. However, the availability of loans for the sector is limited, with only two percent of private providers stating that they have received a bank loan in the past.¹

In 2016, AccèsBanque Madagascar made a commitment to increase financing to the private health sector. To mitigate credit risks associated with this sector, the bank entered a risk sharing arrangement with the United States Agency for International Development (USAID) and partnered with USAID's flagship project in the health sector, Sustaining Health Outcomes through the Private Health Sector (SHOPS) Plus. SHOPS Plus provided the bank with the technical support to develop a loan portfolio and to strengthen the business management skills of private health facility owners.

"AccèsBanque was an ideal partner because they invested, as an institution, in reaching USAID beneficiary type borrowers," said Chris Thurlow, an economist at USAID. **"Particularly with a difficult sector like health, their activities were mutually reinforcing with the USAID activity. AccèsBanque's commitment to small enterprise lending is exemplary, and we were proud to support them in the execution of that strategy."**

As a leading bank for the private health sector in Madagascar, AccèsBanque's strategy is to build on the success of its partnership with SHOPS Plus and USAID, refining the bank's role in improving the availability of health services to the Malagasy population.

"We learned a lot from the SHOPS Plus project, and indeed we will continue working with the health and WASH sectors," said Mikhail Velichko, Managing Director of AccèsBanque Madagascar. **"It's strategic for the bank, and the sectors have a lot of potential."**

More than 60% of people in Madagascar have to travel more than 5 kilometers (3.1 miles) to get to the nearest health facility



Only 46% of births in Madagascar are attended by skilled health staff

In a recent survey, 53% of private health facilities stated that they lack necessary equipment and supplies²



As a result of the partnership, AccèsBanque increased its health portfolio, expanded product offering, and developed partnerships with actors in the health ecosystem.

Additional achievements include:



Tailored loan application process, including a scorecard to improve efficiencies and decision-making process



More than 400 loans to health facilities for a total of more than \$2.2 million



Bank health loan portfolio grew by 500% from 2016 to 2021



Bank staff "Health Champions" identified and trained to sustain the access to finance activities and offer business training to health providers



Business and financial management training provided to owners of health facilities



Partnerships developed with WASH sector stakeholders



USAID
FROM THE AMERICAN PEOPLE

SHOPS PLUS

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¹ Source: SHOPS Plus census 2019-2021.

² Ibid.