

# PROJECT STATUS REPORT

JANUARY 2014 - JUNE 2014

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Micro finance Integrated Business Model for Health Services

Project Number: RG-M1207 - Operation Number: ATN/ME-13183-RG

**Result:** Develop and expand sustainable business models providing health services through MFIs to low-income women in Nicaragua, Honduras, Ecuador and Haiti.

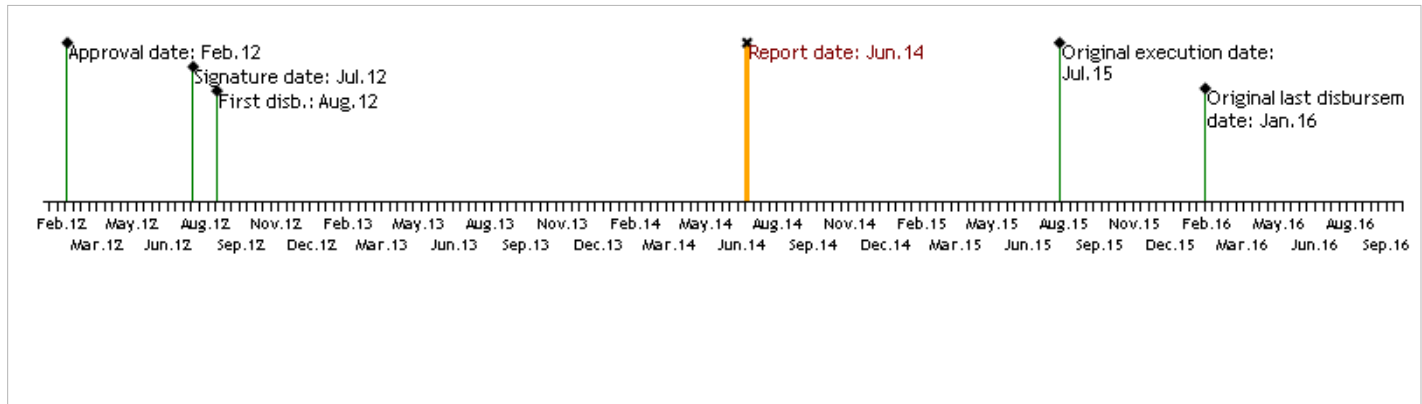
**Country Administrator**  
UNITED STATES

**Beneficiary Country**  
ECUADOR, HAITI, HONDURAS,  
NICARAGUA

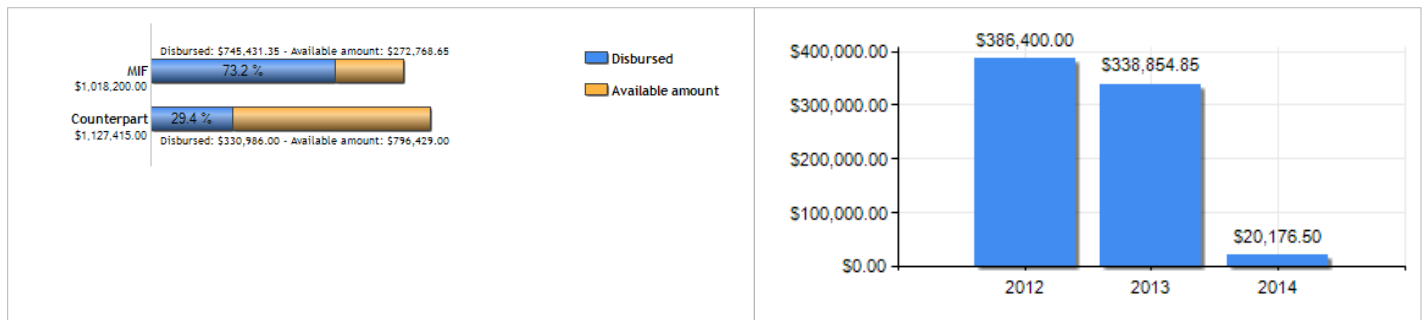
**Executing Agency:** GLOBAL PARTNERSHIPS

**Design Team Leader:** Bloomgarden, David  
**Supervision Team Leader:** Bloomgarden, David

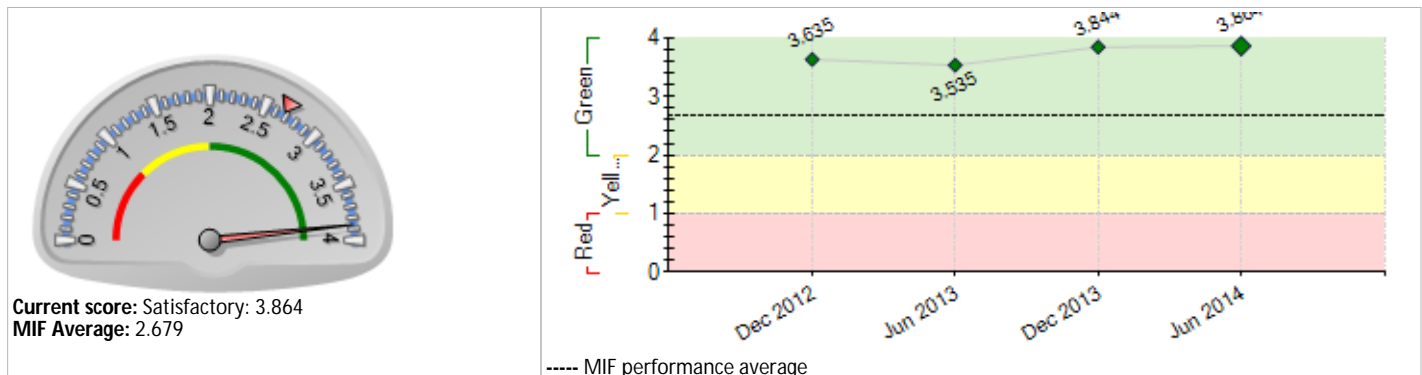
### TIMELINE



### FUNDS



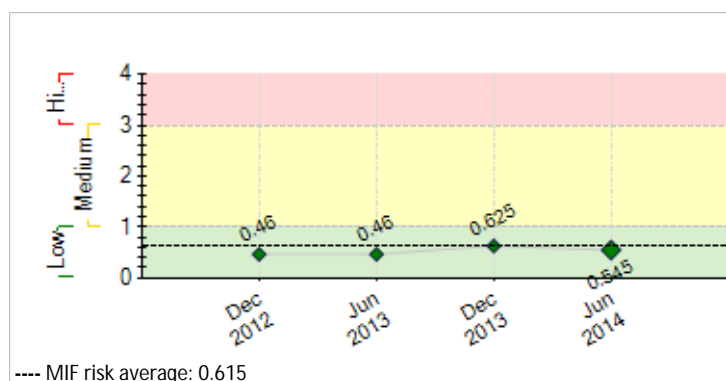
### PERFORMANCE SCORE



### EXTERNAL RISKS

#### INSTITUTIONAL CAPACITY

**Risk**  
**Financial Management:** Low  
**Procurement:** Low  
**Technical Capacity:** Low



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

The three remaining partners are actively scaling or have achieved scale with their health services models.

**Pro Mujer in Nicaragua (PMN)** has reached sustainability with its education product, and at least a portion of the PMN health services package (education and screening) is available to 100% of microfinance clients. The optional services package is voluntary, but is now accessible to 80% of PMN's clients, if they choose to purchase it.

**Fundación ESPOIR** has also reached sustainability with its education product. Its compulsory micro-insurance product has reached sustainability as well, with 100% enrollment of ESPOIR's village bank clients (38,968 as of Q1 2014).

**COMIXMUL's** community pharmacies are accessible to their microfinance clients, extending throughout their service area.

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

Although changes are taking place in the project, the established indicators' objectives are being met and surpassed. In terms of financial management, the project is executing slower than expected: the estimated required funds from the Bank resulted in excess for the period considering the mentioned changes (more details in the semester's report); GP did not disburse the portion requested for Fonkoze, and some activities with the other countries are being modified to adapt the project to the reality of implementation, thus requiring less MIF funds during the last several months, but results are being achieved as planned.

### Summary of project performance in the last six months

GP visited each partner at least once this semester, ESPOIR twice, & Fonkoze once in January, prior to suspending our health services partnership. GP also visited one pipeline partner, Friendship Bridge, with whom we have since signed an MoU. GP is currently considering whether or not to add this partner to the Project.

**PMN's** Managua branch opened in March. The expansion of the optional services package to this branch means that 80% of PMN's client base now has access to it, with 7,183 active subscriptions as of Q1. PMN's Masaya branch reached sustainability in February.

**COMIXMUL's** average monthly income per pharmacy was \$66, an overall sustainability of 54%. For the month of June, that figure increased to \$88, an overall sustainability of 71%. Break-even was recalculated at \$123/month.

**ESPOIR** achieved 100% enrollment in its insurance product, as noted above. 8,688 primary care consults were delivered in Q1. Although the Cuenca clinic will close with the Azuay branch office, which has been experiencing difficulties, the clinic achieved sustainability in Q1. Cuenca patients will continue to receive care through the third-party linkage model offered by ESPOIR's insurance product. The Portoviejo clinic is at 55% sustainability as of June, its 9th month in business.

GP's VP, Health Services Fund left the organization in May. GP hired a Health Services Officer in April. GP's Chief Program & Impact Officer and Grants Officer are both devoting significant time to the project.

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The project has undergone some important changes as mentioned by the EA: Fonkoze decided not to continue acting in Haiti, the Project Coordinator left the entity and was replaced, all circumstances that caused slight delays in the implementation, but most important the underuse of MIF resources. The mid term evaluation was finalized and approved without major observations, and was an invaluable source of information that allowed all parties to decide that changes were necessary. Additional staff was assigned to the project by GP. Additionally, the model proved not to be as effective in Ecuador (Espoir) the way it was planned, and in Honduras (Comixmul) some adjustments of the model are necessary as well. To solve all these obstacles GP and MIF team are in conversations about all the necessary details to be modified within the program to improve even more not only results and adequate use of resources in terms of time, but as important, sustainability of the model: changed and additional activities are being planned. GP and MIF teams together decided not to include a "replacement" for Fonkoze in Haiti, but to use the available resources, from both sides, to strengthen the remaining local partners and the model in those countries. A visit from MIF supervision team is programmed for September, accompanied by GP, in order to support such strengthening and any necessary modifications to the project to improve it. Project documents will be adjusted accordingly.

## SECTION 3: INDICATORS AND MILESTONES

Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
<b>Result:</b> Develop and expand sustainable business models providing health services through	0	1	2	3	4	2	
<b>R.1</b> Microfinance partners in 4 countries are delivering a package that includes some combination of preventive health education, early diagnostics exams, services and/or products to most or all of their low-income clients.		Oct 2013	Aug 2015		Oct 2015	Jun 2013	

MFIs to low-income women in Nicaragua, Honduras, Ecuador and Haiti.	R.2	Percentage of low income women accessing improved health package services rate these services as satisfactory or better.	0				70	1	
							Oct 2015	Jun 2013	
	R.3	Low-income women have improved access to health services	0				75000	88408	
							Oct 2015	Dec 2013	
	R.4	Health Services models implemented by microfinance partners have achieved financial sustainability beyond their pilot zones	0				2	0	
							Oct 2015		

<b>Component 1:</b> Develop Sustainable Business Models  <b>Weight:</b> 15% <b>Classification:</b> High Satisfactory	C1.11	Approval by MIF of standard partnership operational guidelines and performance indicators.						Yes	Finished
							Jan 2014	Jul 2012	
	C1.12	Partners have clearly articulated health services packages that are ready to pilot in 1-2 branches.	0	3			4	4	On Course
				Jul 2013			Oct 2015	Jun 2013	

<b>Component 2:</b> Pilot, Prove and Scale Sustainable Health Services Models  <b>Weight:</b> 75% <b>Classification:</b> High Satisfactory	C2.11	Partners successfully finalized pilot implementation and is ready to scale the Health Services package to other zones beyond the defined pilot area.	0	1	2		4	3	On Course
				Jul 2013	Jul 2014		Jun 2016	Jun 2014	
	C2.12	Partners started pilot implementation of Health Services packages.	0	1			3	4	Finished
				Jul 2013			Jul 2015	Dec 2013	
	C2.13	MFI partners are delivering their Health Services package to 50% or more of their clients.	0	1			3	2	On Course
				Jul 2014			Jul 2015	Mar 2014	
	C2.14	MFI partners have proven sustainable business models that can deliver essential health services with financial sustainability in their pilot zones.	0				4	2	On Course
							Jul 2014	May 2014	

<b>Component 3:</b> Communication, Learning and Catalyzing  <b>Weight:</b> 10% <b>Classification:</b> High Satisfactory	C3.11	Documented and disseminated learning around what are the key success criteria of integrated business models that effectively deliver essential health services to low-income women across 4 different country contexts.	0				1		
							Jul 2015		
	C3.12	Pipeline of additional MFI partners developed who are interested in potentially adapting and implementing sustainable health services delivery models	0				1	2	On Course
							Jul 2015	Dec 2013	

Milestones		Planned	Due Date	Achieved	Date achieved	Status
M0	Conditions Prior	1	Jan 2013	1	Jan 2013	Achieved
M1	Partner health services package assessments conducted by GP	2	Jul 2013	3	Oct 2012	Achieved
M2	[*] Low income women enrolled in health services packages	10000	Jan 2014	57146	Jun 2013	Achieved
M3	[*] MFI partners have successfully finalized pilot implementation and have initiated expansion of their Health Services package to other zones.	1	Jul 2014	1	Mar 2014	Achieved
M4	At least 30,000 low income women are enrolled in health services packages	30000	Jan 2015	57146	Jun 2013	Achieved

[\*] Indicate that the milestone has been reformulated

**CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE**

[X] Others, which?: Lack of commitment by one of the local partners, who abandoned the project. Changes in the staff of the EA. Demand for services vs payment methods and method for provision of services not completely realistic.

**SECTION 4: RISKS****MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. The (lack of) sustainability and scale of the financial services side of the business may directly impact the options available to MFIs in terms of a financially sustainable health services business serving the same clients.	Medium	Incorporate into program due diligence process a stronger evaluation component of the strength and competitiveness of the financial services business prior to designing any health services program.	Coordinador del proyecto
2. The lack of private sector health care providers with aligned motivations and economic incentives to serve a low income population may jeopardize the ability to negotiate access to screening and primary care services via linkages.	Medium	GP will spend more time analyzing market conditions in which a linkages strategy seems to have potential in order to strengthen the ability to anticipate program design options earlier on.	Coordinador del proyecto
3. The macro and political environment in the four countries of operation: Nicaragua, Haiti, Honduras, and Ecuador, as well as the broader region, may not remain supportive of the private micro-finance sector broadly speaking, which may affect the financial viability of the MFIs and Cooperatives to remain viable.	Low	To offset this risk, project staff will seek to engage health officials through consultations and seminars associated with this program to demonstrate results and maintain support for this initiative.	Invitado Proyecto
4. Regional conferences targeting MFI and/or Cooperative audiences may not prioritize MFI and Health business models as part of their broader agenda.	Low	To mitigate this risk, GP has budgeted for one regional workshop in its project, and plans to co-convene and organize the referenced workshop together with MIF in forums such as FOROMIC to improve chances of success. GP will of course be open to participating in additional conferences and workshops that include the topic of sustainable business models that successfully deliver health services as they occur.	Invitado Proyecto
5. Much of the knowledge transfer and catalyzing activities depend on partner MFIs and Cooperatives remaining open to broad dissemination of their respective health models with other institutions in the public and private sectors.	Low	In order to mitigate this risk, Global Partnerships will continue to include "open sourcing" clauses in its partner agreements, and will continue to communicate clearly from the outset with each partner regarding the expectation that all aspects of the business model be available for sharing with other interested institutions and stakeholders.	Invitado Proyecto

PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 8 IN EFFECT RISKS: 8 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 0

## SECTION 5: SUSTAINABILITY

**Likelihood of project sustainability after project completion:** P - Probable

### CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[X] Each country has very different needs/demands.

which are coming up during implementation. These are being addressed, but at the moment Adjustments are being coordinated, and results of such measures are still to be seen.

### Actions related to sustainability which will be or have been implemented:

PMN's Masaya clinic reached sustainability during the reporting period, and GP continues to monitor all Project-related PMN clinics. Clinic sustainability is a function of client traffic and subsequent purchases and, as such, will tend to fluctuate, but PMN and GP conduct careful monitoring and evaluation to diminish risk.

In the COMIXMUL community pharmacies program, 29 lower-performing sites were transferred and COMIXMUL/FUDEIMFA took steps to begin the process of securing sanitary licenses from the Ministry of Health. The program continues to track toward sustainability, and GP and COMIXMUL continue to refine the personal, geographic, and social characteristics of the ideal community pharmacist. Sustainability varies by location and sites will need to be monitored and moved accordingly as traffic shifts over time.

Fundación ESPOIR's third-party linkage model for microinsurance reached sustainability in Q1, with 100% participation. The fact that this product is mandatory for ESPOIR clients makes it inherently sustainable, as ESPOIR retains 10% of client fees to cover their costs, with the remainder passed on to health providers for services delivered to ESPOIR clients.

## SECTION 6: PRACTICAL LESSONS

1. As COMIXMUL's community pharmacy program continues tracking toward sustainability, GP and COMIXMUL continue to add to our learnings on what success looks like for this program.	Relative to Sustainability	Author Pinneo, Jessalyn
In addition to the profile of the community (number of residents, proximity to a medical center, etc.), we've learned that one of the most critical factors to a pharmacy's success is the profile of the pharmacist. Key indicators of a successful community pharmacist include:  Personal characteristics - Is the pharmacist a nurse? A community health promoter? Geographic characteristics - Is the pharmacist's home centrally located in the village? Social characteristics - Is the pharmacist well-respected in the community? Energetic and outgoing?		
This lesson will play a role in determining any future relocations of COMIXMUL community pharmacies, as well as provide insight for any similar programs implemented by other organizations.		
2. GP's initial plan for the Project was to work with our partners to improve access to health services for low-income women, primarily by building clinics & incorporating health education & screening into the MFI business model.	Design	Pinneo, Jessalyn
While our ultimate objective has not changed & our partners have proven that MFIs can very effectively deliver health education & screening to their clients, it has become clear that the most efficient & cost-effective way to bring health care to low-income MFI clients is often not through brick-and-mortar clinics. Instead, the implementation of third-party linkage models can allow GP's partners to continue doing what they do best - providing capital - while offering a microinsurance network that lets their clients access health care provided by professionals in pre-existing facilities as part of their participation in the MFI.		
Please see documentation attached to C.2.1.4 (ESPOIR) for further details on this innovative solution & its impact on Project spending.		