Stichting Medical Credit Fund

Annual Report 2021

29 April 2022 | Amsterdam

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Amsterdam, 29 April 2022

Medical Credit Fund in 2021

**MCF only issued loans from January to July during 2021*

LOANS

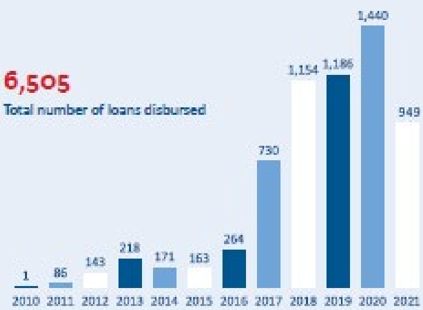
96.2%
Loan repayment performance

6,505
Loans disbursed

USD 19,203,421
Total portfolio outstanding

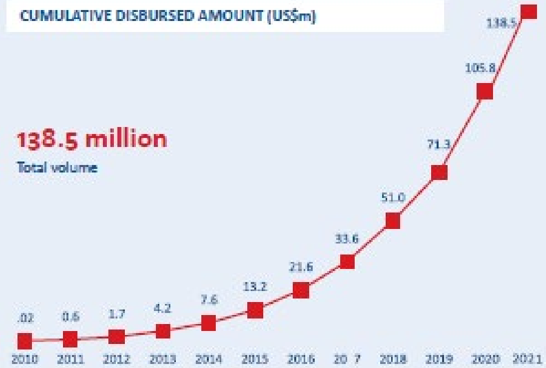
NUMBER OF LOANS DISBURSED

6,505
Total number of loans disbursed

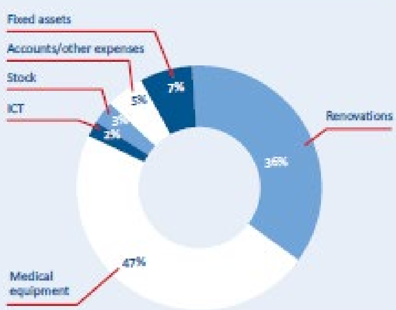


CUMULATIVE DISBURSED AMOUNT (US$m)

138.5 million
Total volume

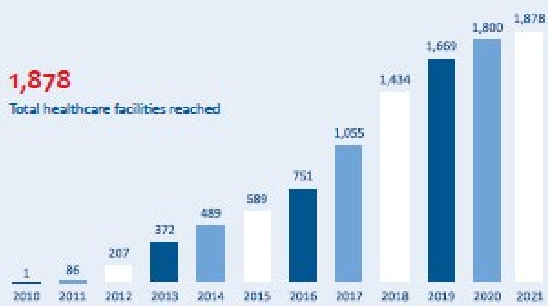


TYPE OF INVESTMENTS FINANCED THROUGH LOANS



NUMBER OF NEW HEALTHCARE FACILITIES RECEIVING A LOAN/YEAR

1,878
Total healthcare facilities reached



CAPACITY BUILDING

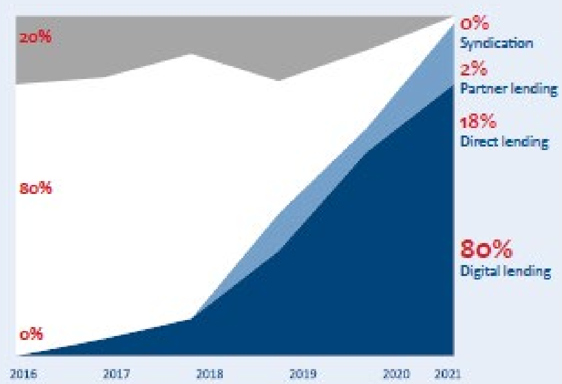
NUMBER OF HEALTH SME STAFF TRAINED

2,628
Financial partner staff trained

3,618
Business assessments

1,587
SafeCare assessments

PERCENTAGE OF LOAN VOLUME PER TYPE/YEAR



RISK SHARING

AT THE END OF 2021

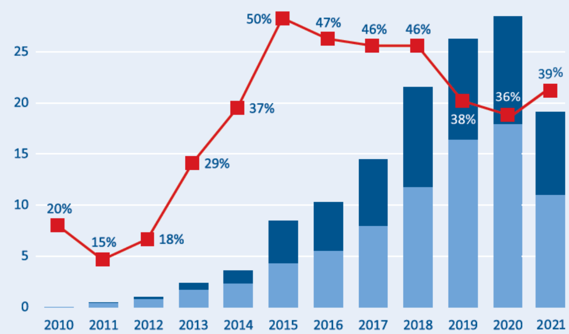
17
Financial partners

11,249,098
Risk portion Medical Credit Fund (USD)

7,954,323
Partner risk (USD)

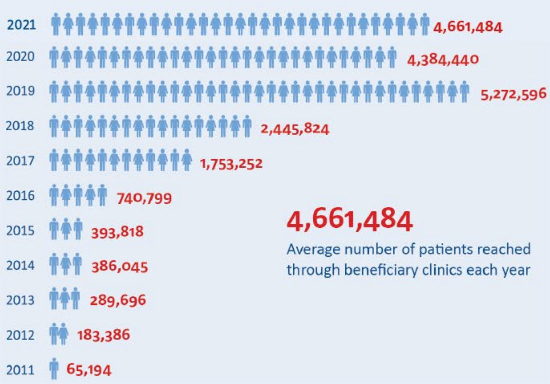
39%
Repayment risk (%)

RISK SHARING BETWEEN MCF AND FINANCIAL PARTNERS (US$m)



SOCIAL IMPACT

AVERAGE NO. OF PATIENTS REACHED VIA BENEFICIARY CLINICS/YEAR

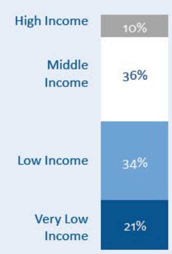


4,661,484
Average number of patients reached through beneficiary clinics each year

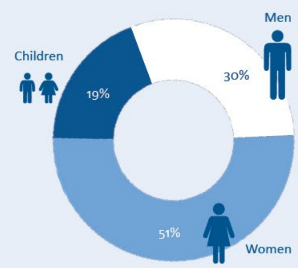
DEMOGRAPHIC INFORMATION OF POPULATION REACHED

55% of patients visiting the MCF beneficiary facilities and pharmacies come from low to very low income groups

SOCIO ECONOMIC STATUS

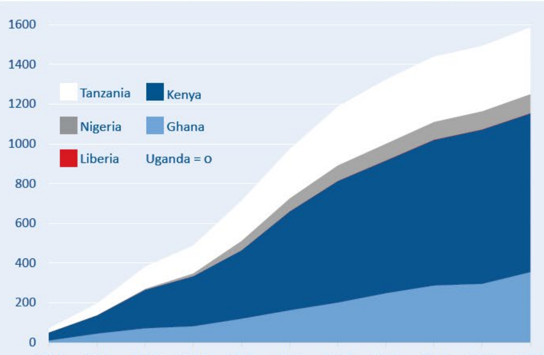


GENDER OF SMEs REACHED

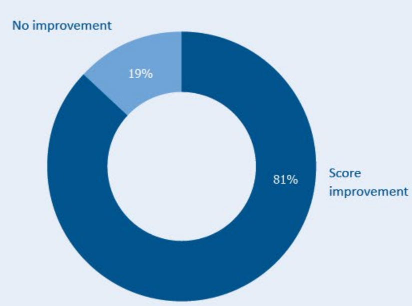


QUALITY IMPROVEMENT

TOTAL NUMBER OF APPROVED SAFECARE ASSESSMENTS (CUMULATIVE)



81% of beneficiary health SMEs improved their SafeCare score



Managing Director Update

I am very proud to present to you the Stichting Medical Credit Fund's (MCF) annual report and financial statements for 2021. Since inception, our mission has been to help small and medium-sized enterprises in the health sector in sub-Saharan Africa strengthen their businesses and improve the quality of care they provide to their communities. We do this with a small but dedicated MCF team based in Dar es Salaam, Nairobi, Lagos, Accra and Amsterdam.

In 2021, we operated under the difficult circumstances imposed by the Covid-19 pandemic. Travel restrictions and lockdowns made our work harder in a time when the health sector needed our support more than ever. Existing clients struggled to repay their loans and new clients came to us for urgent help to survive. Like in 2020, we continued to lend actively, offering flexible repayment terms to existing and new clients while combining our loans with additional support through technical assistance.

But we did more than that. In July 2021, we launched our second fund. This new fund will ensure continued loans for health MSMEs in sub-Saharan Africa for the next decade. With a ten-year track record of MCF, we have a long list of lessons learned. In the new fund we are continuing what worked well and have implemented improvements to address the challenges faced. To name a few, MCF II will focus on expanding the digital loan product offering, improve support to female entrepreneurs and enhance the support beyond the loan to improve the quality of care our clients provide to their communities. Stichting MCF is the fund manager of MCF II.

And we have successfully raised funding for the new fund, a total of 32.5 million Euro. I am proud to announce that British International Investment, FMO, Swedfund and Philips are the funders of MCF II besides the Dutch Government through the Ministry of Foreign Affairs who provided the initial investment of 7.5 million Euro.

With the start of the new fund, MCF I has ceased lending in July 2021. By end of 2021, many short-term loans were repaid, and the outstanding loan portfolio has shrunk rapidly. Other loans have longer tenures and will continue to run for several years to come. We will continue to support our MCF I clients and honor obligations towards our investors and other stakeholders.

It has truly been a tough but excellent year. I would like to thank my fellow MCF colleagues for their passionate and very effective work in difficult times.

Arjan Poels

Managing Director


Pharmacy
AmoVulin

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MANAGEMENT BOARD REPORT

FINANCIAL STATEMENTS

1. Mobilizing Investments for Health

The Medical Credit Fund (MCF) is the first and only fund dedicated to increasing access to financing for small and medium sized companies in the health sector (health SMEs) in Africa. We combine loans to health SMEs with technical assistance (TA) that supports business and quality improvement — so that health SMEs can deliver better services to more customers.

1.1 INVESTING IN HEALTH SMEs IN AFRICA

With limited resources, lack of efficiency and limited capacity of governments, public health systems in Africa are not able to serve their populations adequately. This has become even more apparent during the COVID-19 pandemic. Public healthcare facilities often suffer from weak infrastructure, shortages of staff and supplies, and as a result provide poor quality services. The private sector fills this gap and complements the public sector in providing healthcare services. About half of the African population, including those in lower income groups, seek healthcare from private providers and pay for these services out of pocket. However, the private health sector is poorly regulated and highly fragmented. Most companies in the private health sector are small and medium-sized businesses. The SMEs that serve lower income groups face intense challenges like sub-standard infrastructure and equipment, a scarcity of skilled medical staff and poor-quality services. Health SMEs also have difficulty accessing capital to improve this situation because of their lack of banking history, limited collateral and the perceived high risk of the sector. During the pandemic, this situation has even worsened as patients avoided seeking healthcare and private healthcare facilities saw patient numbers and revenues decrease. Health SMEs were in need of working capital financing to cover liquidity gaps and purchase protective equipment at a time when banks were restricting their lending to SMEs.

1.2 OBJECTIVES AND APPROACH

To address these constraints, MCF was founded in 2009 by the PharmAccess Group, a group dedicated to connecting more people to better healthcare in Africa. Together with PharmAccess and its local partners, MCF works to mobilize capital for health SMEs and increase their bankability.

MCF seeks to achieve impact in three dimensions:

- Financial: Demonstrating that the private health sector is bankable and can provide a reasonable return to investors. As trust in the sector increases, local markets start financing health SMEs, and financing becomes more affordable.
- Developmental: A stronger and more efficient healthcare value chain will deliver better services to patients.
- Social: Better healthcare services will be available to more people, including those in urban slums and rural areas who are currently underserved.

The true catalyst for MCF took place in 2010, when the Fund received the G20 Financial Challenge Award from President Obama. The G20 had launched the Challenge to identify the best models for catalyzing finance for SMEs. A milestone for the development of MCF, the award kickstarted our first funding round, and helped establish and recognize the Fund for its innovative approach.

Other recognition has followed. In October 2014, the Medical Credit Fund was also selected as first runner-up for the SME Finance Innovation Award 2014 for DEG, FMO and PROPARCO. In March 2016, the Fund and SafeCare—its partner in improving clinical quality—were awarded a Finalist Award in the OECD DAC prize contest. In June 2017, MCF was nominated for the Financial Times/IFC Transformational Business Finance Award. In 2021, MCF won the Finance for the Future Awards in the 'Moving Financial Markets' category for the digital loan product in Kenya.

1.3 BLENDED CAPITAL STRUCTURE

MCF is financed through a mix of grants and debt financing from public and private parties. By using public funds to catalyze funding from private sources, MCF has been able to significantly increase its impact. The Fund's capital base of first loss is funded by grants from public and private parties and this serves as a risk cushion for investors, comprising a mix of private investors and semi-public development finance institutions.

We had our first close in 2012, following the G20 Award, with a total capital raise of 28 million in US dollars (EUR 25 million). In 2016, MCF expanded its mandate in response to the market demand for more flexible financing solutions. Since then, MCF can do larger loans (up to USD 2.5 million), provide loans in new geographic areas in sub-Saharan Africa as well as lend to a broader range of healthcare enterprises in the value chain. We partner with non-bank financial institutions (NBFIs) as well. To finance this expanded mandate, MCF raised new capital from lenders and providers of first-loss capital in three closings in 2016, 2017, and 2018. This has brought the total capital available for lending to more than USD 47.1 million including the first-loss capital which was expanded to USD 5.6m.

To date, MCF has been able to leverage its capital to disburse USD 138 million in loans to 1,878 Healthcare Facilities at a repayment rate of 96.2%.

In 2020, MCF started preparations for its further growth and launched a second fund, again in a blended structure. This new fund, MCF II, was launched in July 2021 as a Cooperative registered in the Netherlands and had its first close of USD 32.5 million completed in December. Since then, MCF loans are disbursed using MCF II funds, while the MCF I portfolio is winding down as loans are being repaid. The MCF I portfolio has come down to USD 19.2 million (from USD 27 million end of 2020).

1.4 A UNIQUE APPROACH: COMBINING LOANS WITH TECHNICAL ASSISTANCE

Loan Program

MCF helps health SMEs access capital in two ways: through partners, but also directly. The partner program of MCF I built on co-financing or guarantee arrangements with banks and non-bank financial institutions (NBFIs) in order to provide the necessary comfort to the financial partner to lend to the health SME. MCF also works with financial partners through syndication, which is a model continued for MCF II.

Moreover, the Medical Credit Fund improves or develops new loan products and services if the existing ones pose barriers to access for health SMEs. While MCF does not necessarily require partners to operate, we don't shy away from unconventional collaborations and technologies either, especially if they can contribute to developing flexible solutions that work for our clients. In this capacity, Medical Credit Fund has successfully launched a loan product with the Ghanaian National Health Insurance Agency that finances receivables on insurance claims. Cash Advance—the digital loan product in Kenya that draws on revenues from M-PESA mobile payment tills—is another example of how MCF has implemented an unconventional approach to provide innovative, flexible solutions for health SMEs.

Over the past years, MCF has seen an increase in its direct lending program driven by the success of the Cash Advance product, but also by a growth in direct term loans. Cash Advance loans have proven very valuable during the COVID-19 pandemic to support healthcare providers to bridge working capital gaps at a time when banks had further limited their SME lending. In 2021 the Cash Advance loans contributed 80% of MCF's disbursement volume. Through its direct term loans MCF was able to cater to the demand for flexible loans by clients to finance working capital or invest in infrastructure and equipment.

The loan portfolio of MCF I is segmented into partner loans, syndication, direct loans and digital loans according to the size and structure of the loan:

- **Partner Loans**: These build on the presence and capacity of our financial partners to provide health SMEs with capital for their investments. To reach more relatively small SMEs, collateral requirements for small loans are more flexible using a largely standardized loan process. For larger loans a more conventional collateral package and due diligence process is applied.
- **Syndication**: For larger loans, MCF can lend alongside a bank or a NBFI in a syndicate loan arrangement.
- **Direct lending**: These are term loans provided by MCF directly to allow more flexibility in collateral requirements and repayment schedule.
- **Digital lending**: Following the introduction of the Cash Advance product, which is mainly used for working capital, MCF has also developed the Mobile Cash Advance loan based on the same principles, but with a longer tenure to allow for equipment financing.

Overall, MCF offers various loan products to cater to the needs of Health SMEs, which can range from working capital to financing larger and more complex construction products. All loans are in local currency and at interest rates in line with prevailing market rates.

Table 1: Medical Credit Fund I loan products

LOAN PRODUCT		LOAN SIZE (USD)	TENURE	SECURITIES
Partner Lending	**Small Loans**	< 15,000	< 12 months	Chattel mortgages, personal guarantees
	Medium and Large Loans	15,000–200,000	< 60 months	Conventional collateral, such as landed property and marketable assets
	Extra Large Loans	200,000–2.5m	< 120 months	
Syndication	**Syndicate Loans**	100,000–2.5m	< 120 months	Conventional collateral, such as landed property and marketable assets
Direct Lending	**Term Loans**	50,000–2.5m		Conventional collateral, such as landed property and marketable assets
Digital Lending	**Cash Advance**	100–50,000	< 6 months	Digital revenues on M-PESA and M-TIBA[1] tills

In 2020 and 2021, PharmAccess and MCF have provided training and support to improve the COVID-19 preparedness of healthcare providers, including the introduction of the SafeCare4COVID app and various webinars and tools to assist providers in their response to the pandemic.

Over the past few years this approach has proven its added value: the repayment rates of Medical Credit Fund loans have been very high—96-97%—and among the best performing of the partner banks' SME loan portfolios.

1.5 IMPLEMENTATION PARTNERS

To achieve its objectives, Medical Credit Fund works with strong local and international partners in the financial and healthcare sectors. Banks and NBFIs are partners in MCF's lending activities, while local health organizations and NGOs provide technical assistance services to healthcare facilities. In addition,

MCF and PharmAccess have partnered with local universities to develop training programs for the sector. Table 2 provides an overview of our partners.

[1] M-TIBA is the digital payment platform for health that was established by CarePay and PharmAccess in partnership with Safaricom and M-PESA Foundation.

Table 2: MCF Partner Organizations in 2021

	Technical Partners	Financial Partners
Ghana	Marie Stopes Ghana (MSG) National Health Insurance Agency (NHIA)	Fidelity Bank Omni Bank Republic Bank
Kenya	Kisumu Medical and Education Trust (KMET) Marie Stopes Kenya (MSK) Strathmore Business School Architectural Association Kenya (AAK) CarePay Savannah Informatics	Credit Bank Sidian Bank GT Bank Kenya
Nigeria	Society for Family Health (SFH) Marie Stopes Nigeria (MSN) Enterprise Development Centre (EDC)	Access Bank Bank of Industry (BOI)
Tanzania	Association of Private Health Facilities in Tanzania (APHFTA) Christian Social Services Commission (CSSC)	BancABC NMB EFTA
Other/multiple countries	Uganda Healthcare Federation (Uganda) AMPC International Consultants PharmAccess Group	African Guarantee Fund (Kenya, Tanzania) Facts (Kenya, Uganda) Grofin (multiple countries) GT Bank Uganda TLG Capital (Liberia, Nigeria) Health Finance Coalition (Ghana, Nigeria)

Besides the above partners, MCF has partnerships with several medical equipment suppliers.

2. The Loan Program: Portfolio Performance, Disbursement and the Rise of Digital Lending

In terms of loans disbursed, 2021 was again a good year, with digital loans as a main driver, both in numbers and in volume. Despite the prolonged COVID-19 pandemic, the portfolio continued to grow, whilst portfolio quality stabilized.

MCF successfully closed its funding round for a follow-up fund, MCF II, with EUR 32.5 million in capital commitments. The last MCF I loan was disbursed in July 2021 and as a result the loan portfolio of the existing fund is becoming smaller as loans are being repaid.

2.1 FINANCIAL PARTNERS

In 2021, MCF had active partnership contracts with 17 financial partners. The main ones (in terms of the outstanding loan portfolio) are Sidian Bank, Guarantee Trust Bank, and Credit Bank (Kenya), Fidelity Bank and Republic Bank (Ghana), Guarantee Trust Bank (Uganda), Access Bank (Nigeria), and TLG Capital, Grofin and Facts (multiple countries).

However, MCF's transition to direct and digital loans meant that partner lending in 2021 decreased to 2% of total disbursement volume versus 23% in 2020. The portfolio share of partner lending has also been shrinking from 41% December 2020 to 28% in 2021.

The downward trend on partner lending is partly due to MCF's increased focus on direct lending, but also relates to partners losing appetite to lend to the healthcare sector due to COVID-19, which hit local economies in general and the health care sector specifically. In 2020, several loan applications that were approved by MCF, were not approved or not perfected by partners for this reason.

2.2 LOAN DISBURSEMENTS

The year 2021 showed again a high growth in the number and volume of loans disbursed, with disbursements until July 2021 amounting to USD 32.8 million and 949 loans. Disbursements thereafter were made from MCF II. Digital loans were the main driver, both in numbers (87% of disbursements, reaching 826) and in volume (79%, or USD 26 million). The latter being the result of several high-volume repeat borrowers and a growing average loan size, arriving at USD 31.4K per loan (+ 29%). As MCF's digital loan products only available in Kenya at this moment, most disbursements are attributed to Kenya.

Figure 1: Loans disbursed per year (number)

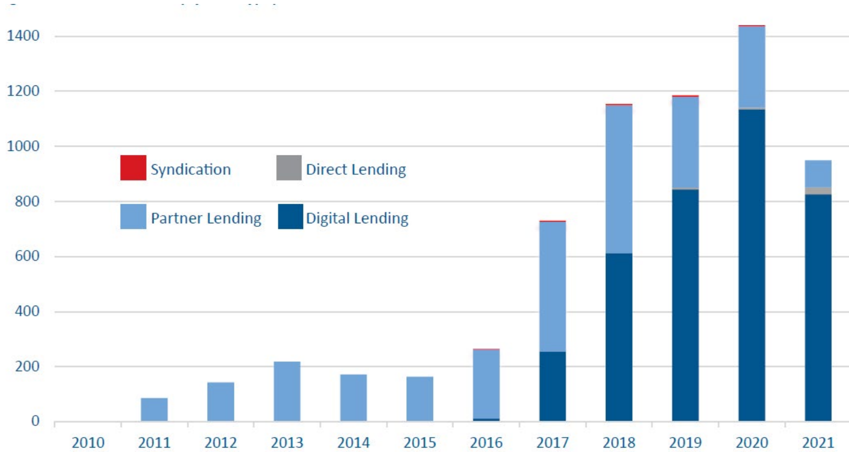
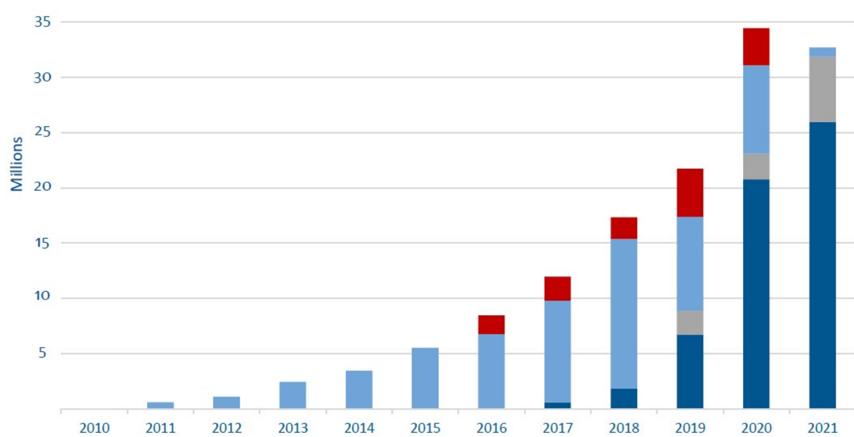


Figure 2: Disbursements per year (loan volume)



2.3 PORTFOLIO OUTSTANDING

MCF managed a smooth transition from MCF I to MCF II with loans being disbursed from the successor fund as from August 2021. As a result, the outstanding portfolio of MCF I is slowly decreasing as loans are being repaid. While the total outstanding portfolio amounted to USD 28.5 million end of 2020, it has reduced to USD 19.2 million by end of 2021. This is because most the digital loans are short-term working capital and mobile asset financing loans, which were repaid quickly resulting in the portfolio outstanding to decline from prior year.

The partner lending share of the portfolio has decreased to 28% (from 41% in 2020), while the portion of syndicated loans in the portfolio has increased as these tend to be larger, longer-term loans. As digital loans have a short tenure, their share in the portfolio by end of 2021 has decreased rapidly since new loans were transitioned to MCF II (to 2% of the outstanding portfolio).

Figure 3: MCF Portfolio Outstanding Volume (by loan type)

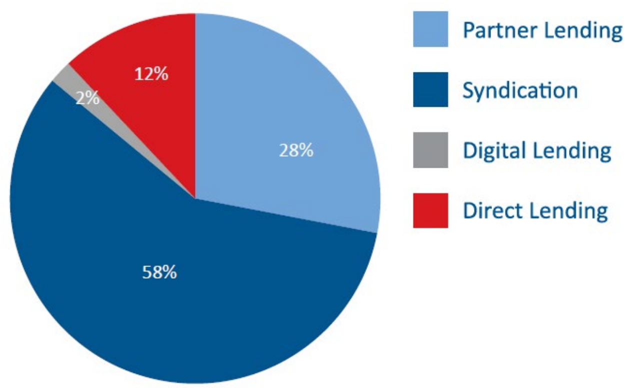
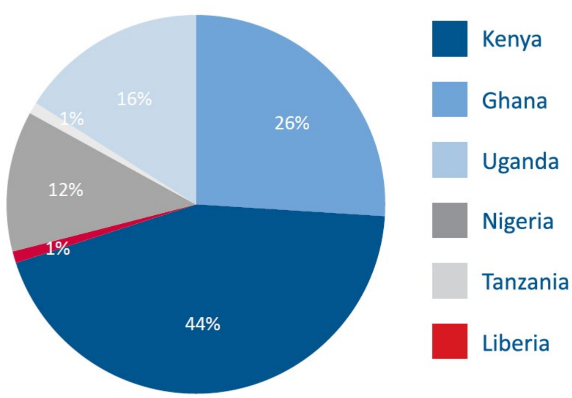


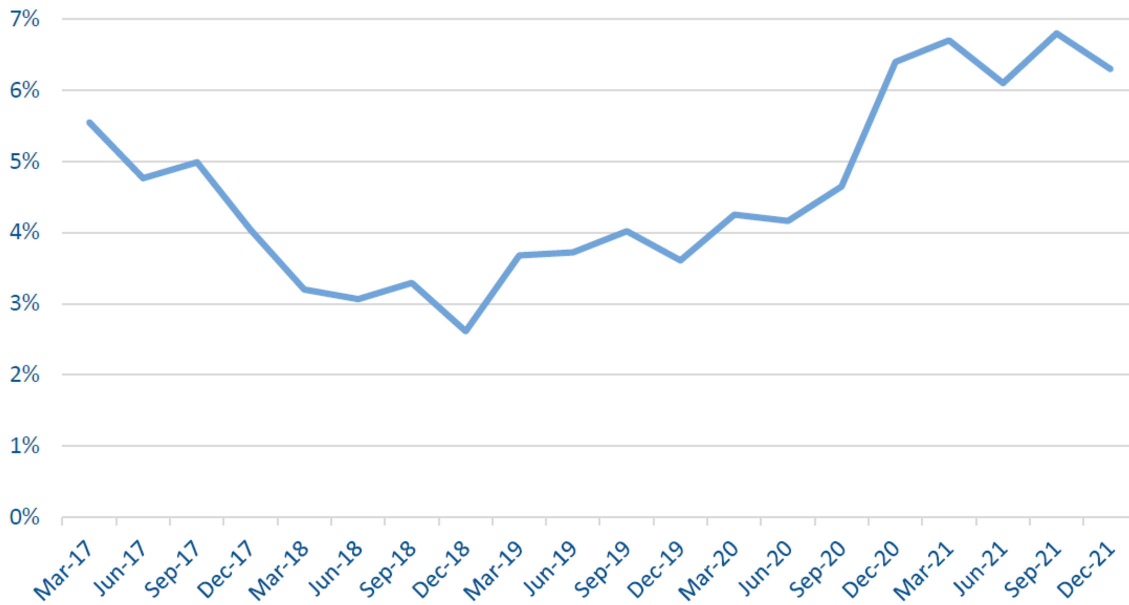
Figure 4: MCF Portfolio Outstanding Volume (by country)



2.4 PORTFOLIO QUALITY

The quality of the loan portfolio can be measured in terms of the Portfolio at Risk (PAR). PAR is a standard international metric of portfolio quality and reflects the portion of a portfolio that is deemed at risk because installments are overdue by a number of days. The portfolio quality stabilized during the year, with non-performing loans (PAR90—more than 90 days overdue) decreasing just slightly from 6.4% at December 2020 to 6.3% by the end of 2021. Many of the Funds borrowers have recovered from the impact at the height of the COVID-19 pandemic. As a result of COVID, borrowers had fewer patient visits and – as a result – lower revenues. At the same time, they suffered from higher operating expenses for medicines, Personal Protective Equipment (PPEs) and supplies.

Figure 5: NPL (PAR90)



2.5 DIGITAL LENDING

In 2021, the Cash Advance continued to be MCF's driver for growth. For many healthcare providers and pharmacies, the product was one of the few remaining borrowing options during the COVID-19 pandemic. It helped them to bridge periods of liquidity constraints. Combining MCF I and MCF II, a total of 1,343 Cash Advances were disbursed in 2021 (1,135 in 2020) at a volume of USD 32.3 million (USD 20.8 million in 2020).

A new digital loan product that has been piloted since 2020 is the Claims Advance. For this product, MCF partners with Savannah Informatics in Kenya. Savannah is in the business of digitizing health insurance claims. With the permission of healthcare providers on the Savannah platform, MCF has access to transactional data on which it can base its lending decisions. So far, the product has been piloted with 6 clients, which all turned into repeat borrowers. No loan arrears were reported. Upon a positive evaluation, the product will be scaled in 2022.

In 2020 we also started to 'export' the Cash Advance concept and other digital loan concepts to other countries. Pilot projects have been initiated in Tanzania, Uganda and Ghana and new partnerships in Nigeria are in the making. These are expected to yield results in 2022.

JAMII MEDICAL CENTRE

Jamii Medical Centre is a hospital in the East of Nairobi, deep into a slum community of about 800,000 people. Dr. Seline Ojwang and her husband Dr. Ray Ojwang are running the clinic together. Seline is responsible for the daily operations; Ray ensures staff of the clinic is properly qualified and trained.

COVID-19 has been a challenge: due to misinformation and fear, many patients decided to postpone their health visits, meaning revenues declined. Digital loans appeared to be crucial for the facility to get through the pandemic.

Seline Oiwang:
"Both during and before the pandemic, MCF helped us to make the necessary investments in our hospital. Loans repaid themself.
Our facility grew from 15 to 80 patients a day and we now also provide free immunization for children. Thanks to MCF we have been able to buy a variety of medical equipment, like a biochemistry machine and an ambulance. MCF enabled us to set up a proper laboratory and an equipped maternity.
We are especially happy with the ability to receive small digital loans within 24 hours, to fill account deficits. It is hard to get loans from Kenyan banks, and it would take months to receive them. Together with SafeCare we were able to grow and improve quality: we started at SafeCare level 1 and are now at level 4. Our next goal: an operation theater!''

3. Technical Assistance Program

Together with its strategic partner, PharmAccess Foundation, the Medical Credit Fund provides support services or technical assistance (TA) and training to its (potential) borrowers. Before the loan approval, TA focuses on assessing the SME's clinical and business risks. Following loan approval, the support services aim to help the health SME with business growth and quality improvement.

As will be further alluded to below, a key component of TA is the SafeCare standards. SafeCare is part of the PharmAccess Group and began as a formal initiative between PharmAccess, the Joint Commission International (JCI) and the Council for Health Service Accreditation of Southern Africa (COHSASA). They collaborated to develop quality standards for healthcare.

TA IN PRACTICE

The Technical Assistance process starts with the preparation of a Business Assessment by an MCF business advisor. The assessment describes the business and financial profile of the business, its strategy and investment plan, and its repayment capacity. Finally, it offers a credit risk analysis. This assessment adds value for the SME owner/manager as it includes business recommendations such as how to improve on debt collection or finetune its investment plan. It also serves as the basis for the loan application. MCF underwrites loans based on the Business Assessment and the document helps financial partners complete their credit assessment. For digital loans, which are mostly used for working capital, the appraisal process is based on a lighter business check and an analysis of historical mobile money cash flows.

Most MCF borrowers are healthcare providers. For healthcare providers applying for larger loans, the SafeCare standards play an important role in the technical assistance program, which supports them in achieving quality improvement. The SafeCare TA starts with a SafeCare Assessment, which leads to a Quality Improvement Plan (QIP) (See Annex 1 for more information on SafeCare). The QIP lists (high) risk areas that must be addressed and require funding, e.g. renovations, medical equipment or ICT hardware and software. Most activities in a QIP, however, are "no-budget activities", which means that they need no investments to be implemented, such as the implementation of Standard Operating Procedures (SOPs), the implementation of hand washing policies, the formation of quality improvement teams, and the development of job descriptions.

The QIP also helps the SMEs prioritize the improvements. In most cases, this starts with the formation of a Quality Improvement Team. This team, consisting of key staff, will meet periodically and monitor progress. Relying on the online SafeCare Library for templates of SOPs, checklists and supporting documentation, the team will begin implementing improvement activities. The library not only contains materials on clinical subjects like infection prevention and laboratory procedures, but also offers business-oriented materials such as trade receivables management and budgeting guidelines. The teams can reach out to PharmAccess or its TA partner for additional support on specific topics. Depending on the facility's location, the SafeCare Quality Advisor will monitor progress through either on-site visits or other forms of communication (phone, e-mail, WhatsApp). In the latter case, the improvement team will usually send pictures or digital documents as evidence of implemented activities. Gradually, SafeCare is transforming into a digital self-managed platform, where the client can monitor its own improvement process and get (digital) support where necessary.

For loans larger than USD 200,000, especially those involving construction, additional technical assistance and monitoring activities may be warranted, as these loans come with higher risks. If required, a tailormade technical assistance program will be offered to address specific risk or improvement areas. These clients are also closely monitored by the MCF team. Shortly after loan disbursement, the MCF business advisor contacts the client to determine if investments have been implemented as laid out in the credit proposal. If applicable, MCF will determine where and why there were deviations. After this, the client is monitored on a quarterly basis, whereby the project progress, business developments and business progress and (new) service uptake is discussed. The MCF Business Advisor will also consult the (TA partner's) Quality Advisor and the Financial Partner's credit officer to collect additional information and record all the information in a quarterly monitoring report. Also, for larger loans, external expertise may be required for specific subjects. For large construction projects, external parties may be sought to review architectural drawings or provide project management services.

To build local expertise in hospital design, MCF and PharmAccess have initiated a series of workshops for architects on hospital planning and design in partnership with the Architectural Association of Kenya. Although the workshops used to take place physically in the pre-COVID-19 era, MCF used the opportunity of organizing virtual workshops in May 2021 on lessons learned from COVID-19 on hospital design.

Together with the Architectural Association of Kenya, MCF organized a series of webinars for architects titled

'Healthcare Facility Design: What can we learn from COVID-19?'

The three-day webinar series brought a rich panel of both local and international experts to facilitate discussions on the lessons of COVID-19 and space design.

The following topics were covered:

- *What is COVID-19 (Sars-Cov-2) and how does it spread?*
- *Status of COVID-19 in Kenya and what does it mean for healthcare facilities.*
- *Planning for the COVID-19 pandemic in hospitals experience from South Africa.*
- *How have Kenyan Hospitals prepared for COVID-19?*
- *Redesigning Hospital Spaces on the Fly to Protect Healthcare Workers - experience from New York.*
- *What does infection control mean in clinical practice - what have we learned from COVID-19?*

The online format enabled 85 participants to convene – a larger number of people than would have been possible for a physical session. The workshop series was well received by all participants.

PARTNERS

From the start, Medical Credit Fund has worked with banks and other financial institutions in the disbursement of its loans to attract local capital and encourage local financial institutions to enter the health sector. Over the years, MCF has trained over 2,600 bank staff on financing health sector companies and has worked closely with these institutions during due diligence and thereafter. For its digital loans, Medical Credit Fund has entered into partnerships with technology companies (like CarePay in Kenya) and organizations handling insurance claims (Savannah Informatics, National Health Insurance Agency Ghana).

Managing TA for healthcare facilities is largely carried out by MCF's strategic partner, PharmAccess. In Kenya, Ghana, and Nigeria, PharmAccess partners with local social franchise organizations, such as KMET in Kenya, to provide TA. In Tanzania, through the HDIF partnership, PharmAccess has provided TA to 400 healthcare facilities by working with the Association of Private Health Facilities in Tanzania (APHFTA), PRINMAT and Christian Social Services Commission (CSSC). In Ghana, PharmAccess has entered a partnership with the Christian Health Association of Ghana (CHAG), which is representing a network of over 300 faith-based healthcare facilities serving low-income populations. CHAG has been granted a SafeCare license and CHAG staff has been trained to provide technical assistance.

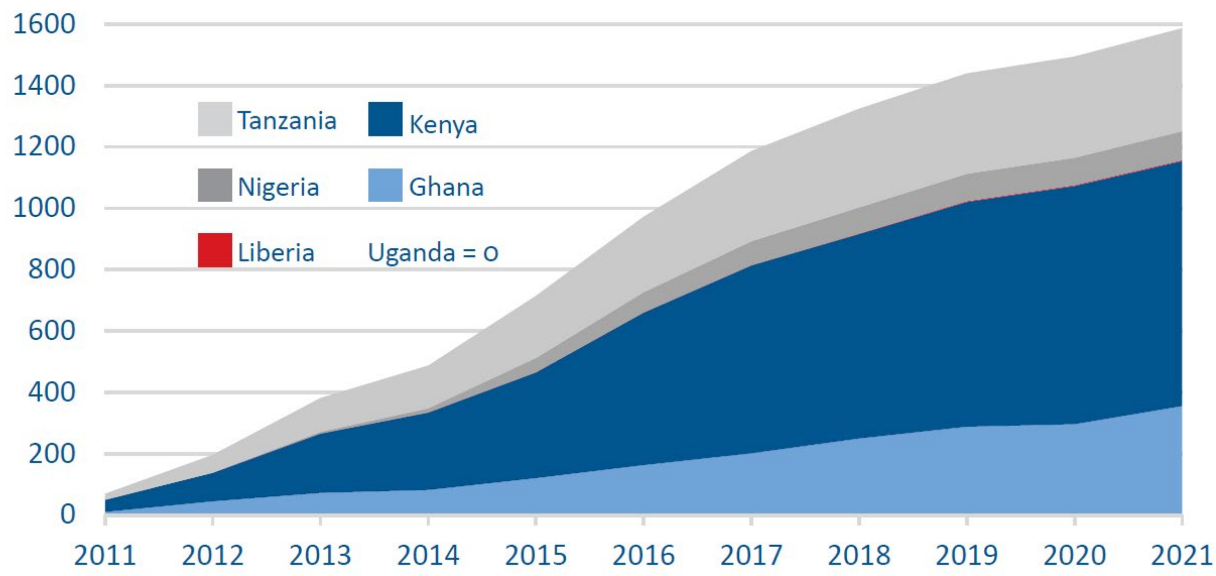
For the larger investments, MCF and PharmAccess often work with both local and international consultancy companies and training institutions to provide tailor-made assistance. For health infrastructure development, AMPC, a Dutch consultancy company, plays a role in advising large loan borrowers and training the Fund's own staff. AMPC was also involved in the FDOV program with Strathmore University and the hospital design training of local architects.

ACTIVITIES AND RESULTS

Quality

The Medical Credit Fund measures its developmental results related to quality improvement of healthcare providers using the SafeCare baseline and follow-up assessments. These assessments provide insight into the overall performance and consequently the degree of improvement of a healthcare facility after receiving the loan and technical assistance. To date, 1,587 SafeCare assessments have been approved for healthcare facilities that have received a MCF loan or are in the pipeline for a loan. In the past ten years, 80% of beneficiary health SMEs improved their SafeCare score.

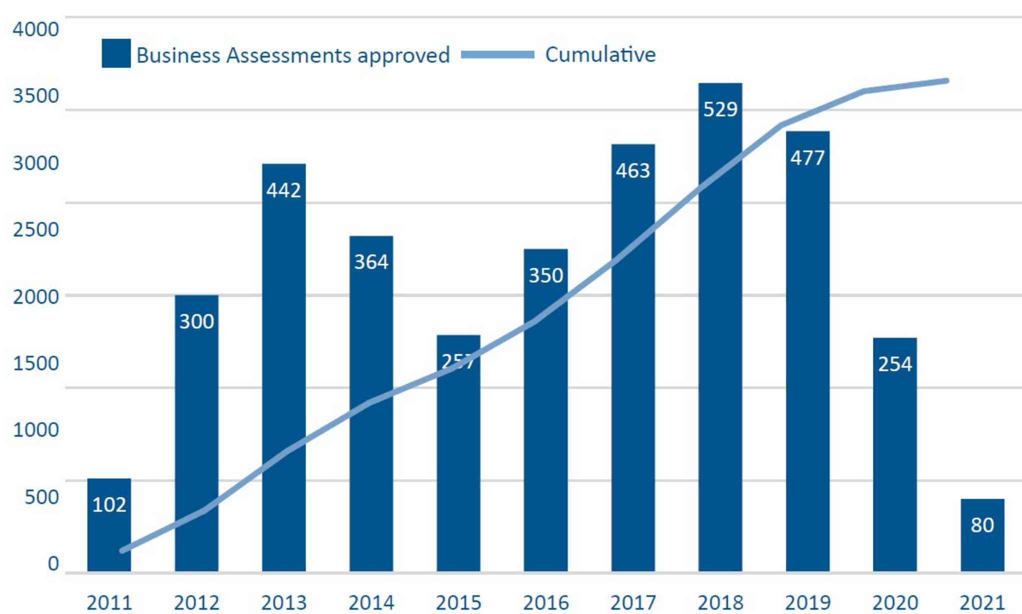
Figure 6: SafeCare assessments per country



Business Assessments

To date, 3,618 business assessments have been approved for MCF facilities.

Figure 7: Business Assessments approved

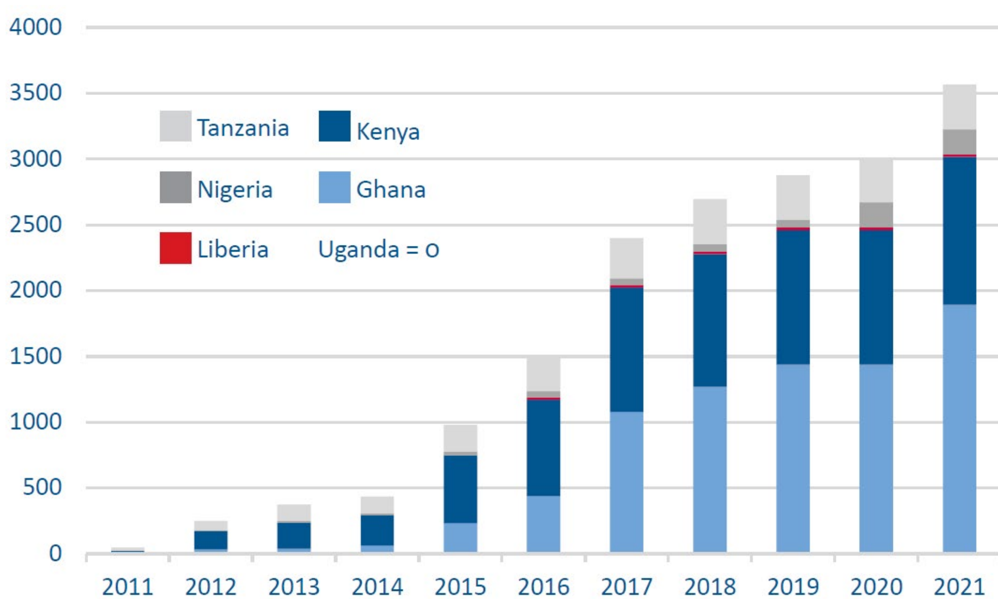


Capacity building

The TA and training activities related to Medical Credit Fund have reached significant numbers of healthcare professionals and financial partner staff. In total 2,628 financial partner staff and 3,566 health SME staff were trained.

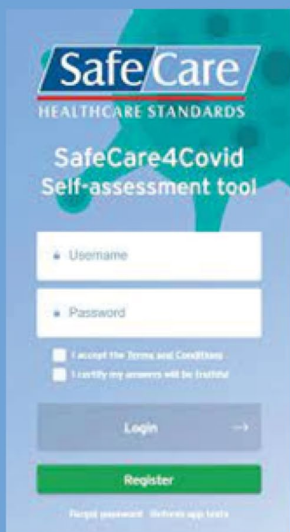
Figure 8: Financial partner staff trained to date (total 2,628)

Figure 9: Health SME staff trained



Improve COVID-19 Preparedness of MCF clinics using the SafeCare4COVID app

The pandemic has made 2020 and 2021 exceptionally difficult years for private healthcare providers in Africa. PharmAccess, SafeCare and MCF have taken numerous initiatives to support health SMEs to weather the crisis. SafeCare has developed the SafeCare4COVID app (SC4C), a self-assessment tool for healthcare providers to measure their COVID-19 preparedness and define areas for improvement.



MCF worked together with SafeCare to disseminate the app among MCF Cash Advance clients in Kenya. The aim was to increase their COVID-19 preparedness by designing and implementing a targeted support programme using the SC4C app. After a thorough needs analysis, MCF and SafeCare have offered both online and offline support to these health SMEs around three main topics:

Infection Prevention Control (IPC)
Mental Health
Finance Management

A total of 100 participants from different facilities were trained on these topics. A survey showed that approximately 90% of participants disseminated training materials to other facility staff.

In addition to the trainings, MCF and SafeCare piloted various digital interventions to support the facilities in the same three topics as mentioned above; an online training programme on finance management, an online learning tool to disseminate large chunks of information on IPC easily to facility staff and a possibility to access an online therapy session. Although some of these interventions need some adjustments, it has been useful to explore new methods to support MCF clients with digital loans.

On average, participants have shown an increase in score improvement at the end of project [analysis to be completed]. Learnings on the most efficient way to support clients with digital loans will be implemented in future MCF TA programs.

In addition to staff attending existing trainings in quality improvement and business skills, more than 300 health SME managers participated in the comprehensive capacity building programs, including executive healthcare management courses at the Strathmore Business School in Kenya and the Enterprise Development Center of the Pan-Atlantic University in Nigeria. Although these results may be less tangible in terms of numbers, this form of assistance has led to valuable results for individual health SMEs and contributes towards their longer-term clinical and business objectives.

HEALTH MANAGEMENT PROGRAMME

MCF has partnered with the Enterprise Development Centre (EDC) to set up the Healthcare Management Programme (HMP): a certificate programme designed to build the capacity of healthcare professionals in bridging the gap between medical practice and business management in the key areas of quality, business, finance and inventory management.

The programme has been designed with a robust curriculum and is delivered with a seasoned world-class faculty. The goal is to assist healthcare professionals in building their capacity to better manage their business. The programme enables participants to understand the operating environment and the opportunities for healthcare businesses in Nigeria, to develop a firm grasp of the business of healthcare, to understand how to create budgets and financial plans and to understand the basic knowledge and skills needed to manage people, processes and programmes efficiently.

In 2021, the programme completed cohort 6 and 7 in July and November respectively, with a total of 44 participants who fully paid and graduated. The course arrangement is a hybrid one, with participants scheduled to attend class physically as well as virtual sessions.

4. Country Overviews

4.1 KENYA

The Medical Credit Fund has its largest operations in Kenya thanks to the digital loan product that was launched in 2016. Between January and July 2021, 846 loans with a total value of USD 27.7 million were disbursed, from which 842 were digital loans with a total value of USD 26.5 million. Digital loans have increasingly shown to be instrumental for healthcare providers to bridge liquidity gaps.

Table 3: Overview loan portfolio in Kenya (MCF I operated between January and July 2021)

# of loans disbursed since inception	Volume of loans disbursed since inception (USD)*	Number of loans disbursed in 2021	Volume of loans disbursed in 2021 (USD)*	Outstanding portfolio per 31 December 2021(USD)	PAR90
4,331	91.2 million	846	27.7 million	8.5 million	7.9%

* Funded/guaranteed by partners and MCF together

SORI LAKESIDE HOSPITAL

In Kenya, breast cancer is the most common cancer among women of all ages and has the third highest mortality. For treatment, people often need to travel far, especially those living outside Nairobi. Sori Lakeside hospital used its loan to make cancer diagnosis and treatment better accessible for people living in the Lake Victoria region, West Kenya.

Sori Lakeside has been an MCF client since 2015. Together with SafeCare the staff accomplished significant quality improvement: it rose from SafeCare level 1 to 4. With the current loan, the hospital will purchase a mammogram machine and a CT scan, and further equip the laboratory. All are key in diagnosing breast cancer.

John Okeyo, Director Sori Lakeside: *"The nearest cancer facility is from Sori Lakeside is Eldoret which is 160 kilometers away. We have been referring patients daily due to lack of cancer equipment. This means a lot of money required for transport, fatigue along the way. Many patients lose hope and give up on treatment and appropriate follow ups. Thanks to the MCF loan, we will be able to serve patients instead of referring them to hospitals far away."*

4.2 GHANA

MCF Ghana disbursed 78 loans, with a total value of USD 4.7 million between January and July 2021. Although no digital loans have been disbursed in Ghana yet, MCF Ghana piloted a digital loan product in 2021 to expand its reach under MCF II. The roll-out of this product is planned for Q2 2022.

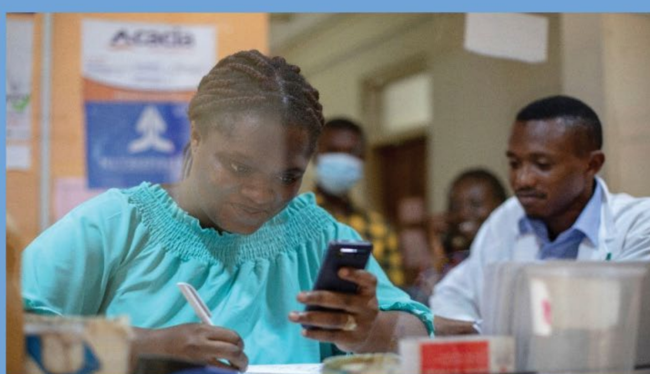
Table 4: Overview loan portfolio in Ghana (MCF I operated between January and July 2021)

# of loans disbursed since inception	Volume of loans disbursed since inception (USD)*	Number of loans disbursed in 2021	Volume of loans disbursed in 2021 (USD)*	Outstanding portfolioper 31 December 2021 (USD)	PAR90
864	23.4 million	78	4.7 million	5 million	4.7%

* Funded/guaranteed by partners and MCF together

OASIS MEDICAL CONSULT

Dr. Margaret Twum is the only radiologist in the Western Region of Ghana. In her facility, Oasis Medical Consult, she receives about 40 patients a day for services like mammograms, thoracoscopy and general X-rays. Dr. Twum received a loan from Medical Credit Fund which she used to purchase a CT scan to investigate and detect complex bone fractures and tumors.



Dr. Twum: *"I've tried to get a loan from a bank, but it implied a lot of bureaucratic procedures and eventually, I didn't receive the loan. Then I turned to Medical Credit Fund. They assessed my facility and asked me to improve the laboratory as well as some HR policy. I received the loan for the CT scan, and the assessment actually helped upgrading the facility."*

4.3 NIGERIA

29 loans have been disbursed from January to July 2021 in Nigeria, with a volume of USD 0.3 million.

Table 5: Overview loan portfolio in Nigeria (MCF I operated between January and July 2021)

# of loans disbursed since inception	Volume of loans disbursed since inception (USD)*	Number of loans disbursed in 2021	Volume of loans disbursed in 2021 (USD)*	Outstanding portfolio per 31 December 2021 (USD)	PAR90
926	10.4 million	29	0.3 million	2.3 million	8.5%

* Funded/guaranteed by partners and MCF together

D-Hub Pharmacy

Mrs. Kenny Kentimu Okojie is the founder of D-Hub Pharmacy in Ikeja, Lagos. She is a trained pharmacist, who founded D-Hub Pharmacy in 2004. In 2017, she received a first loan from MCF. At the time, she mainly used it to purchase additional medicines for her pharmacy.

When COVID-19 hit, it quickly appeared that the pharmacy alone would not generate enough revenue to survive. She received a loan which enabled her to expand her pharmacy into a health shop. She was able to purchase additional space and to stock a wide diversity of products. This enabled her to gain additional revenues, which appeared to be crucial to get through the pandemic.

“We did a whole lot of construction to bring the place to the standard that we want. We then shelved it and stocked up. The loan was very helpful. In my business, as soon as you stock and open, you are immediately selling. So I was able to start paying back the loan immediately”.

4.4 TANZANIA

MCF Tanzania has not disbursed any loan under MCF I in 2021. In 2019 MCF disbursed its first syndicated loan in Tanzania of $1.1 million to K's Hospital to finance construction of a new hospital. During 2021, after construction was completed, this facility was refinanced and taken over by a local Tanzanian commercial bank.

Table 6: Overview loan portfolio in Tanzania (MCF I operated between January and July 2021)

# of loans disbursed since inception	Volume of loans disbursed since inception (USD)*	Number of loans disbursed in 2021	Volume of loans disbursed in 2021 (USD)*	Outstanding portfolio per 31 December 2021 (USD)	PAR90
364	6.2 million	0	0	0.1 million	14.6%

*Funded/guaranteed by partners and MCF together

ST. MAXIMILIANCOLBE HEALTH COLLEGE

In efforts to increase the numbers of health professionals in Sub-Saharan Africa, Medical Credit Fund also supports medical schools.

Seven years ago, Elizabeth Nkonyoka started a School in Pharmaceutical Sciences, a private institute. Public health schools work with enrollment quotas as they face shortages in staff, budget and materials. Private schools like hers fill a gap, allowing more students to start a career in health and improve access to care on a national level.

Elizabeth started raising capital for construction work, allowing the school to grow. She had an excellent business record and a huge societal need to fill: Tanzania is in dire need of more healthcare staff. But Elizabeth received rejection after rejection- banks appeared unwilling to provide loans for construction work.

Elizabeth: "Thanks to a friend I came across MCF. Now that this loan is accepted, I can introduce new courses like nursing and medical laboratory. Also, I will double the student intake from 400 to 800. The Tabora region is one of the least developed areas in Tanzania. Shortages in health workers are everywhere but especially in less developed regions like ours. The school does provide employment for the community and gives students, who come from all over Tanzania, new connections, and opportunities to work here, in Tabora. In the future I would like to allow more and more students from the lowest income groups, including orphans. Currently we have set up a system for some students to enroll for free, while they work for pharmacies that pay a share in their tuition fees. Also, my big goal is to turn the school into a university- it is what Tabora needs!''

4.5 UGANDA

Medical Credit Fund started working in Uganda in 2018. Operations are managed from the Kenya office. In 2021, no loans have been disbursed in Uganda. The portfolio outstanding is USD 3.1 million with no loans in PAR90.

Table 7: Overview loan portfolio in Uganda (MCF I operated between January and July 2021)

# of loans disbursed since inception	Volume of loans disbursed since inception (USD)*	Number of loans disbursed in 2021	Volume of loans disbursed in 2021 (USD)*	Outstanding portfolio per 31 December 2021 (USD)	PAR90
19	6.9 million	0	0	3.1 million	0%

*Funded/guaranteed by partners and MCF together

HUMAN DIAGNOSTICS LTD

Human Diagnostics Uganda Ltd. (HDU) specializes in the distribution and limited production of medical laboratory diagnostic reagents. Before the pandemic, Human Diagnostics was producing a small amount of hand sanitizing products.

To address the increasing demand of these products, Human Diagnostics made use of the TA support through MCF investor British International Investment, to buy new machinery to increase production. The new machines also allow to produce the hand sanitizer in new formats, suitable for individuals. Not only is Human Diagnostics distributing the product in bulk to its original customers (hospitals, clinics, etc.), but it has also been able to diversify its customer base.

Ronald Zakayo Watanda, CEO: *"I am thankful for the flexibility of the financing MCF has provided to support my company. It allowed me to expand my business and diversify my client base."*

5. Financial Overview: Income, Expenditure and Funding Positions

5.1 RESULT ON LOAN PORTFOLIO

During 2021, the MCF lending program transitioned from Stichting Medical Credit Fund to MCF2, with the final new loan being issued on 23rd July 2021. Looking back at the 10-year history we are proud to say that through Stichting Medical Credit Fund, $138.5 million in capital (6,505 loans) was deployed to 1,878 small and medium healthcare providers across 6 countries in Sub-Saharan Africa. Whilst the actual loan losses incurred will only be known once the last loan is repaid, the repayment rate of the portfolio has averaged at an excellent 96.2% across 10 years of lending, and the Fund has only incurred cumulative actual write-offs of $1.3 million since inception to date.

The Fund posts an annual profit on the loan portfolio of $534k for 2021, well up from the $7k posted in the previous year (2020) which was impacted by the Covid pandemic. Fund profitability has been driven by a positive result across the East African region which benefited from a more stable macro-economic environment. East Africa profits were partially offset by portfolio losses incurred in Ghana and Nigeria. Although Ghana maintained its strongest portfolio quality in many years, results were severally impacted by high hedging costs coupled with a depreciating Cedi relative to the US Dollar. Whilst Nigeria results were hampered by a weaker portfolio quality in addition to FX losses driven a depreciating Naira.

Overall, the loan portfolio generated USD 3.0 million in interest income (USD 3.1 million in 2020) and USD 653k in non-interest revenues (USD 384k in 2020) during 2021. Interest costs on borrowings of USD 0.9k were incurred in 2021 down from prior year (USD 1.1 million in 2020) as the Fund repaid USD 7.3 million of its Debt position.

Loan portfolio costs incurred during 2021 of USD 730k were also down from 2020 (USD 1.4 million). In the prior the Fund incurred significant loan loss provisioning as loan portfolio quality worsened because of the COVID pandemic, in comparison portfolio quality has stabilized in 2021 and a signification portfolio of the portfolio has also been repaid since the fund stopped issuing new loans.

5.2 FUND MANAGEMENT

Over 2021 the core expenditure to manage the fund amounted to USD 2.5 million, an increase of USD 100k from USD 2.4 million incurred in 2020. The higher cost base can also be attributed in part due to inflation, and some one-off legal costs incurred for the establishment of MCF2. Fund Management costs have been fully funded by grants and other reserves.

5.3 GRANT POSITIONS

At the end of 2021, The Medical Credit Fund has an overall grant position of USD 8.3 million of which USD 5.6 million is a first loss cushion for any future losses realized on the loan portfolio, whilst USD 2.6 million has been secured to fund our management costs for 2022, and USD 0.1 million is available to be used for specific projects related to product development. This first-loss cushion is about 50% of the Medical Credit Fund's total credit exposure on loans.

Table 8: Grant Position 2021

	Off Balance Sheet (A)	Deferred Income (B)	Grant Position (A+B)
	USD	USD	USD
First-Loss	–	5,590,127	5,590,127
Management Costs	2,601,135	–	2,601,135
Projects	–	113,737	113,737
TOTAL	**2,601,135**	**5,703,864**	**8,304,999**

5.4 DEBT POSITION

The Medical Credit Fund has $19.7 million outstanding in debt ($27.0 million in 2020) from the lender group with USD 6.5 million becoming due in the next 12 months. The Medical Credit Fund is now fully drawn on all lender commitments, and the loan portfolio will be wound down in order to repay all debt obligations until the last loan is repaid in 2026.

6. Risk Management and Governance

6.1 CREDIT RISK MANAGEMENT

The Medical Credit Fund is exposed to various financial risk types. Credit risk or repayment risk, foreign currency risk and liquidity risk are the most applicable. The Fund has a direct exposure to repayment risk of the loans disbursed to the health SMEs in the program, and shares part of this repayment risk with its financial partners. The loans underwritten through financial partners are subject to a dual underwriting and appraisal procedure and monitoring process, as the financial partners and MCF each use their own underwriting procedure. Since 2016, the Medical Credit Fund has also begun to underwrite some loan products directly without a financial partner.

The first component to managing credit risk is the MCF credit assessment or due diligence. This process differs depending on the loan type:

- Digital Loans - Digital platforms give MCF direct oversight on a live basis to the revenue or cashflow data of the business, whether the revenue stream be mobile money or health insurance claims. Transparency in data, allows MCF to automate the credit appraisal process through various algorithms.
- Term Loans – The Fund uses a standardized business template to analyze the many aspects of a health SME’s business profile, market position, investment risk, bank account history, and financial statements. The template focuses on the specialized nature of the healthcare business, including clinical quality aspects. The credit analysis combines healthcare sector specifics with a thorough financial analysis.

Although unsecured in the traditional sense, the Digital Loans are being “secured” by the revenues that are running over the CarePay platform and benefit from personal guarantees. Mobile Asset Finance loans are secured by the underlying medical equipment to be financed, whilst Term loans are secured by tangible collaterals, like land, property, and marketable fixed assets. In addition, most healthcare providers are also enrolled in a technical assistance (TA) program which plays a central role to strengthen business sustainability of our borrowers and reduce credit risk.

The Medical Credit Fund transfers part of this repayment risk to Credit Guarantors. On some of the larger credit exposures the Fund has entered into guarantee agreements with partners such as the African Guarantee Fund and the Health Finance Coalition who can take up to 50% of the credit risk.

As described in section 6.3 Governance, there exists a Credit Committee consisting of members of the Management Board, the Supervisory Board (PharmAccess), and external experts which approve all loans with a credit exposure above USD 100,000.

MCF staff and its technical partners perform periodic visits to perform monitoring of the health SMEs. When a client falls into arrears, there is a follow-up by the MCF Business Advisor who is responsible for that borrower. When needed, clients are monitored more frequently. MCF also holds monthly portfolio meetings at both the local offices and at its head office in Amsterdam to discuss arrears, write-offs, and the pipeline.

On the loans underwritten through Financial Partners, the Medical Credit Fund also runs a credit risk on the Financial Partner itself. MCF has incurred losses in the past due to bankruptcy of financial partners which is detailed in Note 2.3 of the financial statements. To reduce its exposures on Financial Partners the Medical Credit Fund altered its strategy in 2016 when it began to also underwrite loans directly or alternatively in syndication alongside a Financial Partner. Financial Partner exposures are monitored on a regular basis in Asset Liability Management (ALM) meetings, and each year a detailed financial assessment of financial partner exposures are performed to determine if there are any indicators of elevated credit risk.

6.2 FOREX RISK, INTEREST RATES, AND LIQUIDITY MANAGEMENT

The foreign currency and liquidity risk are monitored on a regular basis in Asset Liability Management (ALM) meetings. The Medical Credit Fund has introduced guidelines for its cash positions and currency risk exposure, whereby an individual forex exposure on the outstanding loan portfolio above USD 1,250,000 is hedged, using a forward or cross currency swap instrument of the local currency against the dollar. As Medical Credit Fund borrowings are also in USD, the Medical Credit Fund hedged the local currencies against the USD exposure instead of towards the EUR exposure.

Hedging costs are mostly driven by interest rate differentials between currencies, the so-called interest rate parity. When interest rates rise in local currency, the hedging costs of the respective currency will also rise, ceteris paribus. The costs of hedging for the Medical Credit Fund, therefore, are to be implicitly covered by the interest income that is earned on its local loan portfolio. Market inefficiencies and changes in expectations, however, can lead to discrepancies. These hedges are not perfect hedges and as such, the Medical Credit Fund has not applied hedging accounting in its books.

For more information on Medical Credit Funds exposure and approach to managing Forex, Interest rate, and Liquidity risk we refer you to Note 1.8 of our annual financial statements.

6.3 GOVERNANCE

The Medical Credit Fund operates within the scope of PharmAccess, leveraging its existing networks, market knowledge and partners. Following the signing of a Support and Facility Agreement, PharmAccess has equipped a division, including all necessary support staff, which has, amongst other things, the delegated responsibility for the implementation of the TA activities for the Medical Credit Fund. In addition, PharmAccess' institutional infrastructure in the areas of human resources, administration, IT support, marketing and communication has been placed at the disposal of the Fund. The Medical Credit Fund can therefore fully utilize and reap the benefits of PharmAccess' unique organizational and health sector related assets such as market intelligence, program management skills, quality standard frameworks and investment and support capacities.

Governance Structure

The key features of the structure are:

- **Management**: Each of the entities within PharmAccess are managed by the PharmAccess structure: the executive board consists of the PharmAccess Group Foundation (PGF) together with the Managing Director of each entity. The management responsibility of all entities (PAI, HIF, the Medical Credit Fund, SafeCare) is vested in the members of PGF's executive board ("statutair bestuur"), who has delegated the management of MCF to the MCF Management Board. The MCF Management Board consists of the MCF Managing Director and Finance Director.
- **Supervision**: All entities including PGF are supervised by one Supervisory Board. Two members of the Supervisory board have the Medical Credit Fund as a special responsibility and interest area.

The Supervisory Board has appointed an Audit Committee consisting of three of its members. A Medical Credit Fund Credit Committee was established that reviews and approves all investments with a MCF credit exposure larger than USD 100,000 and new partners and products. The Supervisory Board of PGF and Credit Committee are composed of a group of senior professionals, representing comprehensive experience in the health sector, non-governmental organizations, finance, investing and banking in Africa, and knowledge of healthcare in general and specifically in Africa.

During 2021, four Supervisory Board meetings and two Audit Committee meetings were held. During these meetings, the Supervisory Board reviewed and approved the activity plan, budgets and annual accounts. Furthermore, the progress of the Medical Credit Fund in relation to its goals and ambitions was monitored and the challenges faced were deliberated. The Supervisory Board provided feedback on the proposed product developments with the aim to further innovate and to achieve the mission.

7. Outlook 2022

The 2022 outlook for Stichting Medical Credit Fund as an entity looks different to previous years now that all new lending under the MCF program has transitioned to MCF II.

From a loan portfolio perspective, the focus will be on maintaining quality of the remaining portfolio and managing the loan portfolio downwards in order to repay the Funds debt. SafeCare and other technical assistance programs for our borrowers will continue as normal.

The Liquidity of Stichting Medical Credit Fund remains strong with sufficient cash already available to service all its debt obligations in the next 12 years months.

Stichting Medical Credit Fund has been appointed as the Fund Manager of MCF II from which it earns a fund management fee, an additional revenue stream which will further support the Fund towards a sustainable business model. MCF II will continue to provide private healthcare facilities across sub-Saharan Africa with access to affordable capital to improve the quality of the services they provide and strengthen healthcare systems across the continent.

Annex 1: SafeCare

SafeCare

The SafeCare methodology entails a set of international (ISQua accredited) clinical standards that evaluate the structures and processes that guide the delivery of healthcare.

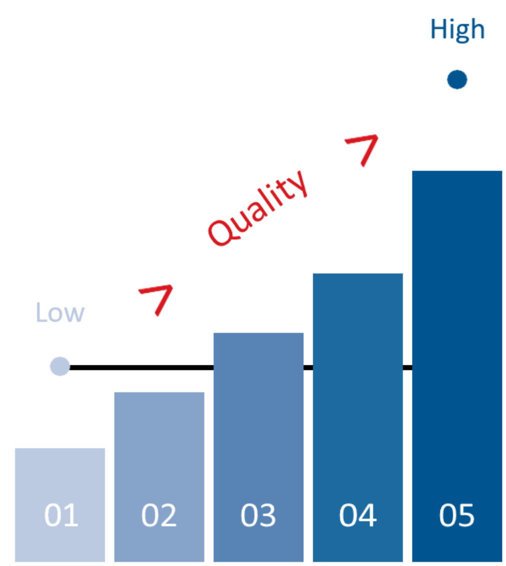
Stepwise improvement

With SafeCare, healthcare providers in resource-poor countries can gain insight in identified gaps and challenges and take a stepwise approach towards higher quality. Through tailor-made quality improvement plans, technical support, consulting visits and innovative quality improvement platforms, facilities progress along a quality improvement trajectory with achievable, measurable steps. Ultimately, facilities are equipped to monitor and improve their quality by integrating principles of continuous quality improvement into their daily operations.

Figure 10: SafeCare Stepwise approach

SAFECARE CERTIFICATE LEVELS

01	The quality of the services provided is likely to fluctuate and there is a risk of unsafe situations.
02	The facility is starting to put processes in place for high-risk procedures, however the quality of services provided is still likely to fluctuate and the risk of unsafe situations remains high.
03	The facility is starting to operate according to structured processes and procedures. However, not all high-risk procedures are controlled, thus the quality of services provided can still fluctuate.
04	The facility is accustomed to operate according to standardized procedures and has started to monitor the implementation of their procedures and guidelines. Most high-risk procedures are monitored and controlled, and the quality of services provided is less likely to fluctuate.
05	The facility is regularly monitoring the implementation of treatment guidelines and standard operating procedures through internal audits.



SafeCare Standards

The SafeCare standards cover a full range of medical to non-medical aspects of care, enabling a holistic view on all required components for safe and efficient delivery of healthcare services. Topics range from human resource management to laboratory services and in-patient care. The four broad categories are divided into 13 sub-categories (Service Elements), which are linked to separate management responsibilities within the healthcare facility.

Ten topics are specifically surveyed: emergency Care, HIV/TB/Malaria, infection Prevention, life and fire safety, maternal, neonatal and child health (MNCH), patient centeredness, quality assurance, business management, staff allocation and guidance and Supply Chain management.

Any issues that impact the safety, quality or financial sustainability of a facility are highlighted as priority areas, so prompt and effective action can be taken. Depending on a facility's performance against the SafeCare standards, it will be awarded a certificate of improvement reflecting the quality level, ranging from one (very modest quality) to five (high quality), based on their scoring. The certification process aims to introduce a transparent, positive, and encouraging rating system, which recognizes each step forward in quality improvement.

Management

- Governance & Management
- Human Resource Management
- Patient and Family Rights & Access to Care
- Management of Information
- Risk Management

Clinical

- Primary Healthcare (Outpatient) Services
- Inpatient Care
- Surgery and Anesthesia Services

Clinical Support

- Laboratory Services
- Diagnostic Imaging Services
- Medication Management

Ancillary

- Facility Management Services
- Support Services

Data-driven decision making

SafeCare methodology also allows other stakeholders—ranging from donors, insurance companies, investors and provider networks to governments— to accurately assess, benchmark and monitor healthcare quality and allocate resources more effectively. By differentiating between facilities operating at different levels, benchmarking is possible at regional, national and international levels. Robust online due diligence reports are combined with cost-efficient improvement strategies, which can guide fact-based decision making, and get a better grip on (health) outcomes, training needs, risk management for quality investments and contracting.

Digital technologies

Acting on digital technologies, SafeCare has streamlined the assessment process by developing an automated assessment tool which, through standardization, improves process efficiency and enables scaling. SafeCare is in the development phase of an all-stakeholder Quality Platform that provides the means to guide progress, investment and decision making. The SafeCare Quality Dashboard, an interactive quality-management platform, complements technical assistance and helps to motivate and incentivize healthcare facilities to improve.

COVID-19

As a response to the COVID-19 pandemic, SafeCare developed a globally accessible free mobile app, that facility staff can use to self-assess their COVID-19 preparedness:

DIGITAL SOLUTIONS TO COMBAT THE COVID-19 PANDEMIC IN SUB-SAHARAN AFRICA

OUR APPROACH

As the number of COVID-19 cases in Africa continues to grow -currently 52 countries in the continent are seeing the virus spread to regions beyond the capital cities- local, innovative solutions are needed to help curb the impact. To quote Dr Matshidiso Moeti, WHO Regional Director for Africa: "Tackling cases in rural areas that often lack the resources of urban centres will pose an immense challenge for already strained health systems in Africa."

To build a resilient healthcare response it is generally agreed that the following activities are needed:

1. Protection of health worker staff and patients to avoid facility based infections and spreading of the disease;
2. Collection of real time data on the availability of services, HR resources, equipment to test and treat the disease, and importantly, the availability of PPEs. Data should be collected from both the public and the private sector. This will inform key stakeholders with real time data needed for allocation of supplies, and allocation of patients;
3. Set up and maintain up-to-date processes and knowledge to manage the disease, also in relation to non-COVID cases.

With the surge in mobile technologies and most of the worldwide population within reach of a mobile phone, using this opportunity will provide the broadest and fastest impact on the pandemic. PharmAccess is determined to combat this new viral disease and prepare and inform providers, communities and policy makers to address the imminent situation and minimize the negative health and economic outcomes using mobile technology. Banking on 20 years of experience in the quality field and a wide experience with digital innovations, PharmAccess has developed the 'SafeCare4Covid app' build onto the data, documentation and guidelines developed by the WHO, to prepare and support public and private healthcare providers for Covid-19 worldwide and even in the most rural regions.

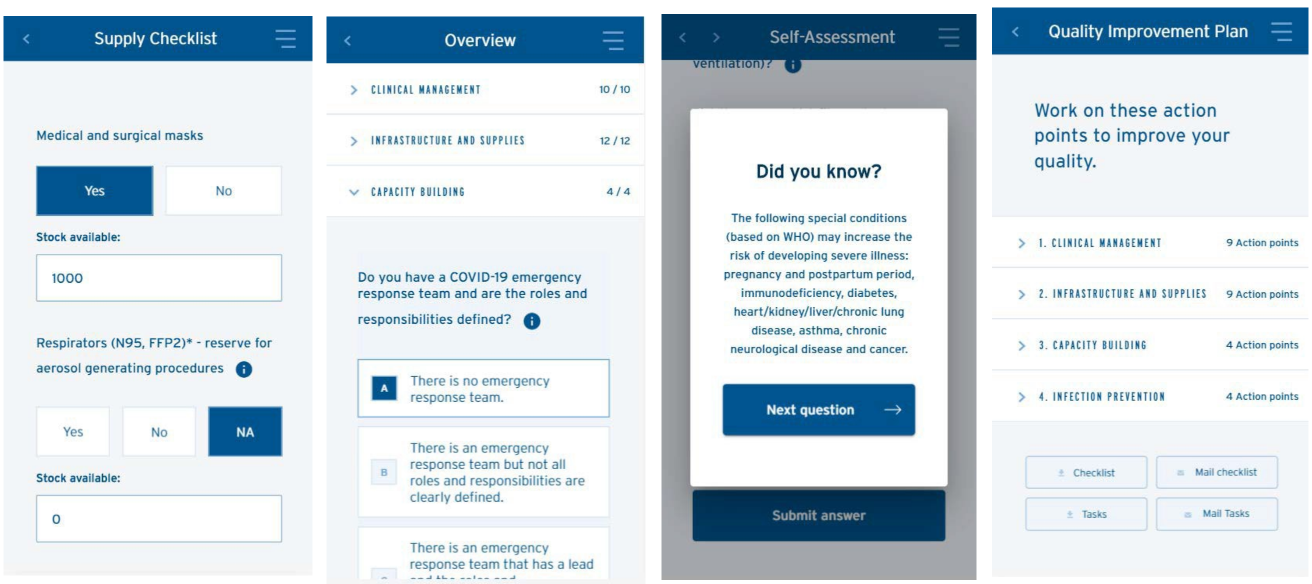
SAFECARE4COVID APP

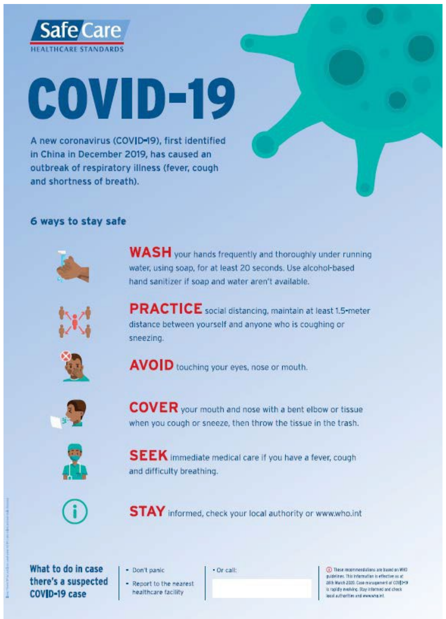
With this free, globally accessible mobile app, facility staff can do a self-assessment using their own mobile phone, to report on the availability of equipment, staff and supplies, as well as check on their own processes and knowledge to treat patients for Covid-19 while staying safe. Data derived from the SafeCare4Covid app can be used through dashboards by stakeholders for data driven resource allocation and patient allocation.

Access the SafeCare4Covid app: covid.safe-care.org

The app contains:

- On-boarding questions, which is a collection of facilities profile data such as no. of suspected and confirmed cases
- A supply checklist, structured per type of facility (identification of gaps on e.g. PPEs, oxygen and infection prevention supplies) partly based on the WHO checklist (https://www.who.int/emergencies/diseases/novel-coronavirus-2019/technical-guidance/covid-19-critical-items)
- Self-assessment of facility preparedness and capabilities, guidelines, triage and other processes
- Quality improvement plan based on the self-assessment
- Resources, guidelines and posters based on WHO information on e.g. how to stay safe can be downloaded
- List of 10 COVID-19 fact ''did you know'' questions sandwiched between the self-assessment questions to combat misinformation





Mock-up dashboard

PHARMACCESS AND SAFECARE

PharmAccess (http://www.pharmaccess.org) is an international organization, supported by the Dutch Ministry of Foreign affairs and has offices in Nigeria, Ghana, Kenya, Tanzania and the Netherlands. PharmAccess strives to improve quality of and facilitate access to healthcare in sub-Saharan Africa. Within PharmAccess, SafeCare is a unique standards-based and ISQua accredited incremental approach for measuring and improving the quality of healthcare services in resource restricted settings. To date, almost 6000 SafeCare quality assessments have been performed in sub-Saharan Africa.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