



## Summa and Mujeres en Desarrollo Dominicana, Inc.

**Summary:** A loan to a multi-sectoral NGO can create a local endowment fund that will cross-subsidize a rural health program.

### Background

International donors typically reduce their level of funding or pull out completely as a developing country reaches significant economic and social milestones. Despite development gains, often there are still high levels of poverty and significant social issues that must be addressed for a country to continue to move forward. As a result, non-governmental organizations (NGOs) that started operating with donor funds still have work to do, but must find ways to replace donor support. Even in countries where donors are still active, NGOs are being encouraged to diversify their funding sources and plan for the future. This phenomenon is occurring in many parts of Latin America as well as Asia.

The Dominican Republic is a case in point. The Dominican Republic is the largest democratic country in the Caribbean, with a growth rate that is five times the average of the rest of Latin America, despite recent downturns in its economy.<sup>1</sup> Even with economic gains, the Dominican Republic has many social issues to contend with, especially in the health sector. Adolescent fertility is on the rise. Sexually transmitted infections (STIs) are a serious health problem, with more than 10,000 cases reported each year. The HIV/AIDS infection rate has increased annually,

with more than 70 percent of reported cases from heterosexual activity. Given its geographic location, climate, heavy tourist trade, migratory movements, and significant poverty, the country is vulnerable to the introduction and circulation of infectious agents and outbreaks of epidemics.<sup>2</sup> Overall, access to family planning is relatively good, but there are still large populations without sufficient care, especially in rural areas.

Mujeres en Desarrollo Dominicana, Inc. (MUDE) is an NGO that was created in 1979 to respond to the needs of lower-income women in the Dominican Republic. MUDE is a multi-sectoral NGO and operates a number of programs, including microfinance, community organization, training, social services, and health. The health program focuses on family planning and reproductive health care in nearly 250 poor communities in rural areas and provides services to approximately 58,000 women of reproductive age. The health program provides training, education, and medical visits and disseminates products and information to prevent HIV/AIDS, STIs, cervical cancer, breast cancer, and unintended pregnancies.

As with many multi-sectoral NGOs, some of MUDE's programs are more sustainable than others. While the microfinance pro-

gram is largely sustainable, MUDE's health program has depended on the support of the United States Agency for International Development (USAID). Several years ago, USAID began encouraging MUDE to develop a sustainability plan that would create an alternative to the health program support received from USAID and build a base for gradual decreased dependence on international donors. As part of this plan, MUDE requested a loan from the Summa Foundation to be used as loan capital in its microcredit program. MUDE is seeking to leverage the strength of its microcredit program to generate income that can be used to cross-subsidize the health program. Net income generated from the intervention will be used to create a local endowment fund that will help support the health program in the future.

### Objective

The objective of the loan is to increase the sustainability of MUDE's health program by creating a local endowment fund that will provide an alternative to donor support in the future. The loan will improve MUDE's ability to continue delivering quality reproductive health services and products by strengthening sustainability.

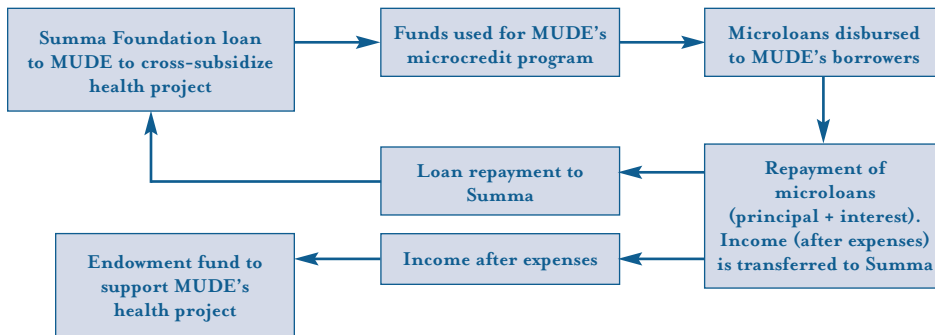
<sup>1</sup> US Country Commercial Guide: Dominican Republic. 2003.

<sup>2</sup> PAHO Basic Country Health Profile, Dominican Republic, Summary. 2000.

## Loan Structure

The Summa Foundation provided a loan that partially funds MUDE's microcredit program. Income generated from microcredit loans after loan repayment and expenses periodically will be transferred to the Summa Foundation for the creation of a local endowment fund that will begin to support MUDE's health program in 2005. The flowchart below depicts the flow of funds.

Figure 1. Loan structure



## Outcomes

Summa projects that the local endowment fund balance will be approximately \$125,000 after five years. The balance was \$18,722 by April 2003, which is 15 percent of the goal. In addition to taking steps to improve sustainability during the loan term, MUDE also will continue to achieve positive public health outcomes. MUDE expects to reach 75,000 women of reproductive age in 320 rural communities during the loan term. During the first year and a half of the loan, MUDE's health program had 59,040 client visits, generating a total of 10,892 couple years of protection (CYPs).

## More Information

For more information or to download a copy of this *Investment Brief*, please visit the Summa Foundation website at [www.summafund.com](http://www.summafund.com).



1001 G Street NW, Suite 400W  
Washington, DC 20001

Telephone: (202) 220-2150  
Fax: (202) 220-2189

[www.summafund.com](http://www.summafund.com)

The Summa Foundation, a not-for-profit investment fund, 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.



Summa currently operates under the United States Agency for International Development's Commercial Market Strategies (CMS) project. Implemented by Deloitte Touche Tohmatsu (Contract No. HRN-C-00-98-00039-00) and subcontractors (Abt Associates, Inc. and Population Services International), CMS works throughout the developing world to expand the role of the private sector in the delivery of quality reproductive health care.



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