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## **USAID/Nigeria Partners with Diamond Bank, Accion Microfinance to Develop Nigeria's Private Health Sector**

**ABUJA, October 5, 2010** - The United States through its Agency for International Development (USAID), and together with the Diamond Bank Plc and ACCION Microfinance Bank Limited, today announced the creation of a Development Credit Authority (DCA) guarantee of \$8.7 million to support Nigeria's private health sector and improve reproductive and maternal health services in the country.

USAID's DCA works with financial institutions to open up existing sources of local finance that can be used to invest in under-served markets to achieve development results.

Nigeria's private health sector accounts for two thirds of total health care delivery and plays a key role in the country's health insurance scheme, with 80 percent of its services managed by private health maintenance organizations. However, the sector has limited access to financing, which undermines its ability to expand, purchase new equipment, and make improvements. Also, private healthcare providers frequently face stock shortages of basic, non-prescription medicines (including anti-malarials, pain killers, and vitamins) in rural and under-served areas. Private health care providers in Nigeria are small and medium enterprises and cannot meet the high collateral requirements imposed by most financial institutions; they are also unable to access loan products with long terms.

The program announced today will promote lending to the private health sector, especially to enterprises that offer family planning, reproductive health, and maternal and child health services. The guarantee of credit will allow Diamond Bank and ACCION Microfinance Bank to increase significantly their lending to the health care market and improve product terms by reducing collateral requirements and offering longer loan terms. With technical assistance offered by USAID in the form of market information, linkages to the sector, and training to front line lending staff, both institutions will have increased know-how and confidence in the sector and will be motivated to increase lending during and after the life of the guarantee.

"The American people, through USAID, are proud to encourage sector lending in Nigerian industries vital to economic development," said USAID's Acting Mission Director, Ms. Michelle Godette. "Strengthening the ability of financial institutions to lend increases access to credit, enabling individuals to improve their lives and spur regional growth."

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