

## INNOVATIVE FINANCING FOR PRESERVICE EDUCATION

The Joint Learning Initiative<sup>1</sup> estimated a shortage of four million health workers, one million of which are needed in sub-Saharan Africa alone. Despite significant investments in scaling up health workers, the available funding falls grossly short of what is required. Clearly, if health worker needs are to be met, new sources of funding for health worker education must be found. Below is a brief summary of some innovative forms of financing for health professional schools to consider. The complete version is published as CapacityPlus Technical Brief #8 ([www.capacityplus.org/technical-brief-8](http://www.capacityplus.org/technical-brief-8)).

### ALUMNI

Tapping into alumni as a source of funding requires relatively small investments in alumni affairs programs to track alumni and offer programs to engage them in the ongoing life of the school.

### CLINICAL CARE

Clinical care can contribute to covering the costs of education by subsidizing faculty salaries, funding the purchase of equipment used in clinical teaching, or generating profits that are invested in education.

### CONCESSIONARY LENDING

Donors can set up subsidized loan programs to help establish or expand health professional schools (e.g., through its Health in Africa program, the IFC offers concessionary loans).

### DIASPORA

Either large donations from individuals or collected donations from diaspora organizations, such as the Association of Nigerian Physicians in the Americas, can be sought.

### DIVERTING EXISTING FINANCIAL STREAMS

Many developing countries spend large sums in training their health workers overseas. These individuals often do not return. Such funding could be directed at supporting or establishing health professional schools in-country, which respond to national needs.

### DONATIONS AND ENDOWMENTS

Tapping into the potential of large donations and establishing endowment funds represent major potential sources of school revenue, usually requiring a donor development office. (School board members are often looked to or required to make donations.)

### LOCAL DEVELOPMENT FUNDS

The community-based medical schools of the "Toward Equity for Health Network" have had success in persuading local governments to use development funds to fund medical schools.

### GIFTS-IN-KIND

Gifts-in-kind can include land, buildings, or access to buildings; they can also come from community members providing services, such as allowing students to stay in their homes in the absence of dormitories or hostels.

## **STUDENT LOANS**

Creating a student revolving loan fund is a way to link past beneficiaries to future students. By connecting student loan repayments to professional certification renewal, or deducting payments directly out of paychecks, repayment performance can be improved. Repayments can fund new students' education.

## **MATCHING FUNDS**

Schools can work with large donors to set up matching funds that challenge other donors to make donations.

## **MICRODONATIONS**

Through new mechanisms such as GlobalGiving.org, minimum donations of \$10 can be made toward the training of a health worker. This taps into a large pool of small donors.

## **PRIVATE FOR-PROFIT INVESTORS**

Although most private medical, nursing, and midwifery schools are nonprofit, an increasing number are for-profit. Such schools can tap into funds available from wealthy investors.

## **PRIVATE FOUNDATIONS**

Many private foundations in developing countries as well as developed countries are potential sources of funding for capital investments, operating costs, and student scholarships.

## **RELIGIOUS COMMUNITIES AND INSTITUTIONS**

Religious communities and institutions are potentially large sources of financing. Many are quite willing to invest in the training of health workers.

## **RESEARCH FUNDING**

Research funding from external sources such as the US National Institutes for Health or the UK Wellcome Trust can be used to subsidize salaries of faculty, research assistants, equipment, or the stipends of students.

## **SCHOLARSHIPS**

Partial or full scholarships provided by governments, foundations, nongovernmental organizations or companies can pay directly for education.

## **TIERED FINANCIAL SUPPORT**

To provide appropriate subsidized levels of assistance to applicants and enrolled students, many health professional schools have tiered, need-based criteria for school scholarships. This improves access of qualified students who face financial constraints.

## **TUITION AND SCHOOL FEES**

For many private schools student-provided tuition is often the only or main source of funding whereas most public-sector schools receive significant funding from a Ministry of Health or Ministry of Education, subsidizing and thereby reducing student-provided tuition and school fees.

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<sup>i</sup> Joint Learning Initiative. 2004. Human resources for health: Overcoming the crisis. [http://www.who.int/hrh/documents/JLi\\_hrh\\_report.pdf](http://www.who.int/hrh/documents/JLi_hrh_report.pdf)