



ENDOWMENT FUND DESIGN, POLICY & GUIDELINES - BRIEF

1. INTRODUCTION

Tanzania is a low middle-income country with an estimated population of 58 million with 35% being within the age group of 15-35 years, and an average life expectancy at birth of 63 years for females and 59 years for males. Tanzania similar to many other Sub-Saharan African countries, is committed in reaching its development goals stipulated in the National and International frameworks.

Whereas there are major achievements registered in the health sector yet still the country is faced with un-equitable challenging situation by having pockets of high HIV prevalence across Tanzanian regions above 10%; high maternal deaths of about 8000 pregnant women dying every year, and a shortage crisis in Human resource for health, whereas the community is served with only 49% of the required workforce, which has high rural/urban disparity. Furthermore, our Country and the World is grappling with the increased incidences of emerging and re-emerging diseases such as, COVID19 pandemic, Ebola and others, which all require resilient and stronger health systems and multisectoral strategies to combat them.

The Benjamin W. Mkapa Foundation (BMF) is a local Tanzanian TRUST founded by the Former President of the United Republic of Tanzania His Excellency (Late) Benjamin William Mkapa. It was registered in April 2006 with the main objective to supplement and complement the development efforts of the Government of the United Republic of Tanzania. The Trust **Vision is "Healthy lives and well-being for all in Tanzania and the rest of Africa"** and its mission is **"To contribute towards attainment of better health outcomes through innovative health and related system solutions"**

BMF for the last fifteen years has been implementing various initiatives ranging from small to large scale that aim to accelerate the delivery of equitable and quality health services particularly in rural areas of Tanzania. The major focus areas of the interventions are on strengthening prevention and curative care on TB, HIV and AIDS; Maternal, Newborn, Child and Adolescent health; Non- Communicable Diseases as well as reinforcing Health Systems, particularly Human Resources for Health, Health Infrastructure and Health Financing. The Projects funded by a range of donors and supporters including Corporates, **have directly and indirectly impacted approximately 20 million people and geographically reached more than 90% of the country and have registered major milestones including:**

- As a trusted partner of the Government has collaborated with the relevant Ministries in **reviewing and development of various health related policies, Strategic Plans and Training Guidelines** to enhance planning, recruitment and retention of health workers.
- **Recruitment of about 3760 skilled health professionals** that were posted to work and serve in public health facilities in rural areas including port of entries. Under different programs we have been able to successfully mainstream more than 80% of the retained health care workers into the government system. .
- **Provision of students grants (scholarships) to 933 health students** training in health training institutions thus increasing production of health workforce within the country.
- **Deployment and utilization of 5378 Community Health Workers** at the villages that have improved Maternal, Child, Nutrition services and combatting COVID-19

- About **537 health infrastructures were improved or erected**, including construction of 482 staff houses for health workers in 268 rural health facilities in 17 regions (52 districts), construction of 12 operating theatres and 5 maternity wards, as well as renovating/rehabilitating 26 Tuberculosis diagnostic or laboratory facilities, 7 COVID-19 Isolation Centres and 4 Primary Health Care facilities.
- Provision of maternal health services strengthened by capacitating health workers with training on Comprehensive Emergency Care, and **equipping the constructed theatres with basic theatre equipment's**.
- Awareness raising, prevention, quality assurance on care and treatment for **COVID-19** through facility and community-based program including policy frameworks development and improvement.
- Reaching directly **more than 47,000 adolescents and young people** with appropriate information and knowledge on Sexual and Reproductive health and rights and HIV/AIDS and also indirectly **reached 8 Million via different** media strategies.

Financially BMF has noted a steady growth in its grant portfolio with experience in managing grants, mainly from the bilateral donors that supported BMF at different times **within 15 years**. The financial partners include the Norway Government, Irish aid, USAID, Abbott Fund, the Global Fund to fight against AIDS, TB and Malaria; UNICEF, FCDO (DFID), UNFPA, UK Comic Relief and Walter Reed. Since year 2012, BMF has expanded its strategy of funds mobilization by engaging Private Corporations within the country towards supporting the noble home-grown initiative of the

Mkapa Fellows Program and some of the partners include African Barrick Gold, AngloGold Ashanti, banking industry and others. On this note, the Mkapa Foundation plays a critical complementary role to addressing the bottlenecks in Health Sector through close collaboration with the Government, Development Partners, Private sector and other stakeholders including the Community

To attain, sustain and scale up its mission and objectives, the Foundation requires organizational and financial long-term sustainability by minimizing the over-reliance of donor based financial resources. In this regard the Benjamin Mkapa Foundation has resolved to establish an Endowment Fund (EF) in July 2021 with the view of mobilizing financial resources which will be invested in perpetuity to generate fixed income streams that will be used towards supporting and sustaining the Foundation's complementary efforts to the Government of Tanzania to attain the Universal Health Coverage targets that has been a fundamental drive of the efforts initiated by H.E. Late Benjamin William Mkapa.

BMF's source of funds can only be assured from secure incomes earned on its capital investments. The future sustainability of BMF greatly depends on expansion and effective management of the endowment capital. The Endowment Fund will raise money within the country and internationally from the Government, Philanthropists, Corporates, Private Foundations, Development Agencies, and individuals' including Friends of BMF, Board of Trustees and Staff.

BMF is Implementing a 5 years Strategic Business Plan (2019- 2024) which will be ending June 2024, whereas the Endowment Fund is one of the resource mobilization strategy of the Strategic Business

Plan. Up to 30 June 2024 it is projected that the Endowment Fund will grow into Tanzanian Shillings 19.2 billion (equivalent to US \$ 8.6 million). It is further projected that during the first five years of the Endowment Fund (2021/22- 2025/26), the Endowment Fund will grow to Tanzanian Shillings 33.7 billion (equivalent to US \$ 15.2 Million).

2. RATIONALE FOR AN ENDOWMENT FUND

- Endowment Fund is a capital fund created through gifts and contributions of financial assets usually cash not to be used but held in perpetuity for the purpose of being invested in different asset classes with objective of generating steady revenue or income to be used by the recipient entity in accordance with the endowment agreement. The principal fund shall be invested in different asset classes as per approved investment policy to generate fixed income that will then be used for instance to cover normal core operating costs and to scale up BMF programmes through various modalities. These asset classes may be in capital markets such as bonds, equities and real sectors such as, manufacturing and real estate investments.

Against the backdrop of challenges around limited availability of unrestricted funds and therefore shortage of funds being allocated to support the institutional development and sustainability as well as limitations on multi-year funding for the entire 5 years Strategic Business Plan or longer-term initiatives, it has become necessary to consider the establishment of an Endowment Fund, as one of the solutions for this strategic challenge.

To put the need for sustainable financial resources mobilization in perspective and emphasis on the importance of establishment of BMF Endowment Fund now, the 5-year Strategic Plan of BMF that is currently underway covering the period of 2019-2024 will require TZS 156 billion (US\$67.8 Million) in order to achieve the following strategic goals: -

- i. Strengthened systems to accelerate the attainment of national Universal Health Coverage targets
- ii. Intensified use of evidence-based approaches for high impact interventions
- iii. Enhanced institutional performance and sustainability.

Among the Resource Mobilization strategies to be applied by BMF is the **establishment of an Endowment Fund which has emerged as a strong innovative finance tool that can provide the Foundation with a long-term source of income.**

In addition to the implementation of 5-year Strategic Business Plan (2019-2024) pointed out above, BMF continue to mobilize resources for the following initiatives: -

- i. Awarding annual scholarships to health workers keen to continue with further studies in clinical, public health and any other related disciplines in medical field
- ii. Deployment of skilled health workers also known as the “Mkapa Fellows” to underserved areas
- iii. Support remote health facilities within the country with refurbishment and/or equipment
- iv. Supporting emerging and re-emerging health conditions and emergencies such as COVID-19

- v. Awarding the civil societies and/or grass-root community-based organizations combatting challenges of public health significance.

3. THE INVESTMENT POLICY

The key underlying investment principles are:-

- i. **Preservation of Purchasing Power** - means preserving principal plus achieving growth in excess of the rate of inflation.
- ii. **Risk Aversion** - the investment strategy is broadly conservative and income oriented.
- iii. **Adherence to Investment Discipline** – Managers will be evaluated regularly for adherence to investment discipline.

The Investment policy reflects the investment objectives, guidelines and constraints of the entire Benjamin Mkapa Endowment Fund and clearly stipulates the following:

- i) Purpose of the Policy
- ii) Delegation of Authority
- iii) General Investment Principles and Guidelines
- iv) Key Design Parameters
- vi) Investment Strategy
- vii) Spending Policy
- viii) Receipts of Gifts/Contribution to the Endowment Fund
- ix) Investment Objectives and Specific Investment Goals
- x) Definition of Risk
- xi) Liquidity
- xii) Marketability of Assets

4. GOALS OF THE ENDOWMENT FUND

The Endowment Fund is geared towards mobilizing financial resources needed by BMF in supporting and sustaining complementary efforts to the Government of Tanzania for attaining the Universal Health Coverage targets that have been a fundamental drive of the efforts initiated by His Excellency Late Benjamin William Mkapa.

The Endowment Fund will aim to support (but not limited to):

- i) **Awarding of annual scholarships to health workers** keen to continue with further studies in clinical, public health and any other related issues in medical field. This will target to fill up the gaps of specific health cadres in high demand within the country and particularly those serving at the Primary Health Care levels.
- ii) **Deployment of Skilled Health Workers also known as the “Mkapa Fellows” to underserved areas.** The intention is to address the bottleneck of shortage of skilled health personnel in both Government and Non- Government health care facilities to ensure equitable quality access of health services within the society,
- iii) **Support remote health facilities within the country with refurbishment and/or equipment.** This will target the facilities which serve significant population and is limited with basic essential health services to save lives, such as maternal, newborn, child and adolescent health care.
- iv) **Supporting the emerging and re-emerging health conditions and emergencies,** such as COVID-19, Ebola and alike. This will adhere

to the WHO defined principle of emergency preparedness, readiness and response in context of primary and secondary prevention, curative and rehabilitation care.

- v) **Awarding the Civil Societies and/or grass-root Community Based Organizations** combatting challenges of public health significance- This aims to empower the community to continue identifying and having community owned solutions through working within sustainable community-based systems and structure.
- vi) **Co-support the Annual MKAPA Legacy Month and other Board approved interventions.** The month of July which is dedicated as the Mkapa Legacy Month will be used as an avenue to raise awareness and appreciate the visionary leadership of H.E. Mkapa thus allowing the public and key stakeholders of BMF commemorate the life and legacy as well as having continuous history of H.E. Mkapa, for generations to come. Whereas the Legacy Month will be co-supported technically and financially with other Institutions such as, the Private Sector, Government, Philanthropist, and others, yet still the Endowment Fund will co-sponsor where there is gap.

The BMF Board will have mandate to present other identified intervention which are relevant to the course of Endowment Fund for discussion and deliberations.

5. ENDOWMENT FUND GOVERNANCE STRUCTURE

The key underlying governance of the BMF Endowment Fund will be transparency, accountability, flexibility, efficiency and trustworthy. The Board of Trustees of the Endowment Fund is a Fiduciary and is responsible for directing and monitoring the investment management of Fund assets. The Board will be the owner and overall responsible to govern the BMF Endowment Fund. The Endowment fund will be subjected to external auditor review.

The organization structure of the Endowment will be comprised of the following:

- i) BMF Board of Trustees
- ii) Investment / Fund Manager
- iii) CEO
- iv) Director of Finance and Grants
- v) Other Specialized Experts such as Tax attorneys, Actuaries, Investment consultants and others

For inquiries regarding the BMF Endowment Fund please contact us through the following:

Email: Donations@mkapafoundation.or.tz or use **Telephone:** +255 22 222 1282, Mobile no. +255 768 125 491

If you wish to donate to the BMF Endowment Fund please use the following bank details, and once donation is received Acknowledgement receipt will be submitted to you:

Branch Name: BMF - Endowment Fund

Branch Account Number: 011103039922 TZS
011105018533 USD

Bank Name: National Bank of Commerce Limited

Branch: Corporate Branch

Bank Address: NBC House, Azikiwe

Street/Sokoine Drive, P.O. Box 1863 Dares Salaam

Telephone: +255 (0) 768980801

Swift Code: NLCBTZTX

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