

Medical Credit Fund (MCF): Digital Loans to Reach Healthcare Providers in Africa

Across Sub-Saharan Africa, private small and medium-sized health facilities (health SMEs) provide about 50% of healthcare services, including to the poor. Yet these healthcare providers are often excluded from bank financing, which typically demands collateral and lengthy processing that they cannot afford. As a result, health SMEs cannot grow or invest in their facilities to deliver quality care to the communities they serve.

Medical Credit Fund (MCF) closes this gap with loan products tailored to these markets: alongside its secured loan products, it has developed a digital loan product by leveraging the region's existing mobile money ecosystem. MCF's digital loans offer collateral-free, fast-disbursing financing built around health SMEs' cash-flow realities and have been pivotal in expanding access to finance. Since its 2017 Kenya launch, MCF has disbursed more than 10,000 digital loans worth over USD 100 million, expanded into Tanzania, and grown the share of loans to women-led facilities from 18% to 33%.

The lesson: digital lending can reach health SMEs at scale, supporting gender inclusion and reaching small businesses not served through conventional finance, ultimately revitalizing primary care and advancing Universal Health Coverage.

When a Financing Gap Becomes a Healthcare Gap

Private healthcare providers deliver roughly half of all healthcare services across Sub-Saharan Africa, including for the poor. The vast majority are small and medium-sized enterprises (SMEs): clinics, maternity homes, pharmacies, small diagnostic labs, and more. These are the facilities patients rely on for everyday care, yet they cannot access financing: they are too small and too informal for commercial banks, which typically require collateral and audited financials, that most health SMEs simply don't have. Women, who make up about two thirds of workers in the health sector in Africa, face particular barriers in accessing finance through traditional channels.

The consequence is chronic underinvestment across the healthcare sector: a pharmacy, often a patient's first point of entry, that cannot restock cannot provide the essential medicines for patients.

A clinic that cannot finance a diagnostic equipment, needs to refer patients elsewhere, often at higher cost and further distance. And a facility waiting for months for an insurance reimbursement, risks being unable to pay staff or rent, jeopardizing continuity of care altogether.

MCF plays a role in closing the financing gap, providing tailored loans to health SMEs that would otherwise have no access to financing.

A Digital Loan Product Designed for African Health SMEs

MCF's approach stands out for how it tailors loans to the realities of its target markets. Rather than following how conventional lenders work, MCF looked at how health SMEs actually operate, and built its digital loan product accordingly. The product was launched in 2017 in Kenya and was built on M-Pesa, Safaricom's mobile money network. Instead of requiring collateral, multi-year financial statements, or lengthy in-person appraisal, MCF's digital loan product uses alternative data, such as the mobile money transaction history, to assess a facility's repayment capacity. Healthcare providers can easily request a loan using their mobile phone, ranging in size from USD 100 to USD 300,000 in local currency. Funds are disbursed within days rather than months, and repayments happen through small, automatic daily deductions tied to the facility's own mobile money inflows. This keeps the product usable for providers with irregular income and avoids the need for lump-sum loan repayments.

The product is deliberately purpose-flexible, because health SMEs' capital needs vary widely and often arise on short notice. To draw on the examples in the previous section: a pharmacy might use a loan to restock essential medicines before shelves run empty, while a clinic uses one to acquire or repair diagnostic equipment, directly improving its ability to diagnose and treat patients. Other facilities draw on the product to bridge the gap between delivering care and receiving delayed insurance reimbursements, allowing them to keep paying staff and rent, and keep their doors open, without interrupting service.

The model is built to reach borrowers who would otherwise remain unbanked or underbanked. Digital delivery removes much of the manual cost of appraising and monitoring hundreds of small loans, allowing MCF to serve facilities a traditional relationship-banking model would consider too small or too costly to underwrite. This has made the product a meaningful driver of financial inclusion, reaching smaller and more remote health SMEs serving low-income communities. It has also been a meaningful driver of gender inclusion: female owners, who more often lack the collateral or credit history conventional lenders require, are now able to clear that first hurdle and access financing. With the introduction of digital loans, the share of MCF's loans going to women-led facilities has grown from 18% in 2017 to 33% in 2025.

Having proven the model in Kenya for almost a decade, MCF began replicating it in Tanzania in 2025, in partnership with Vodacom, adapting the product and the approach to the local mobile money infrastructure. With already more than 250 loans disbursed in the first 1.5 years, MCF has shown that the approach is a transferable financing model rather than a market-specific one.

For MCF, financing is only the starting point. Since day one, MCF has also combined loans with technical assistance to help clients improve healthcare quality alongside business strength, on the premise that the two reinforce each other. Our partner SafeCare works directly with healthcare providers on the ground, assessing where they stand in terms of healthcare quality and guiding them step by step toward safer, better care using internationally accredited standards tailored to their context.

The Reach of 10,000 Loans

MCF has disbursed more than 10,000 digital loans worth over USD 100 million since its 2017 launch in Kenya, a trajectory that began with just a handful of loans in its first year and has scaled to well over 1,500 disbursed annually. More than 1,000 healthcare providers have used the product to grow their businesses and improve their services, each serving an average of roughly 750 patients a month, over half of whom come from low-income communities, putting the product's reach squarely among the underserved patients it was designed for.

The impact of the loans is visible at the level of individual facilities. At Wama Hospital in Kenya, an MCF digital loan funded a new ambulance. Where expectant mothers with complications once had to arrange their own transport, Dr. Richard Wangombe, Co-Director of Wama Hospital, explains that this ambulance now puts the hospital "only a phone call away from saving the life of a mother and her

child." In Kenya specifically, changes in the public health insurance system have created working capital challenges for healthcare providers, which the product has helped to address.



Dr. Richard Wangombe, Wama Hospital, with the newly purchased ambulance

Other clients show what sustained access to financing can build over time. Josephine Suleiman of Oliveline Health in Kenya started a small maternal health facility several years ago, to serve a community that previously had to travel over several kilometers for care. Through more than thirty MCF digital loans over time, the facility has grown from five to over twenty beds and now offers a wide range of services, strengthening its operations and improving service delivery for far more patients than it could reach at the start.

Watch a video on Oliveline [here](#) (short version) or [here](#) (long version).

Together, these stories reflect how MCF's digital loans are giving health SMEs the capital to respond faster in emergencies and grow steadily over time, turning individual facilities into stronger, more resilient links in their communities' healthcare systems.

Looking at MCF's larger impact, when combining digital and non-digital loans, MCF has now disbursed over USD 200 million to over 2,500 African health SMEs. MCF has demonstrated that Africa's private health sector is bankable and can be leveraged to sustainably improve quality of services and advance UHC. This has been made possible by combining loans, with business support and linking clinics with the internationally accredited SafeCare Standards for sustained quality improvement. To date, SafeCare¹ has supported over 13,000 public-private healthcare facilities across 27 countries. Together, these models both with over 15 years of impact, demonstrate how leveraging digital innovation, blended finance and the private sector can revitalize primary care for

¹ <https://www.safe-care.org/>

the poor, strengthen healthcare systems and advance UHC.

Scaling Digital Loans across New Markets

Having validated the model for almost a decade in Kenya and demonstrated early traction in Tanzania, MCF is focused on replication of this successful approach: adapting the same collateral-free, data-driven loan products to local mobile money and payment infrastructure in new markets. Continued growth in lending to women-led facilities remains an explicit priority.

MCF is also studying its markets to understand which facility types and loan purposes generate the strongest gains in patient reach and quality of care, and adapting its loan products accordingly to serve a wider range of clients and needs. This ensures future growth translates into demonstrable health outcomes, not just disbursement volume.

Finally, MCF is exploring how AI can sharpen and streamline the lending process itself: supporting faster, more consistent loan appraisal and monitoring, while helping identify and correct patterns of bias (including gender bias) that can otherwise creep into credit decisions, so that access to finance depends on a facility's real repayment capacity rather than who happens is asking for it.