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Opportunities for investment in the private health sector in Côte d'Ivoire and Senegal

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Introduction

Medical Credit Fund

As part of the PharmAccess Group, Medical Credit Fund (MCF) focuses on improving access to debt financing for small and medium-sized companies (SMEs) in the health sector in sub-Saharan Africa. MCF works with financial partners (banks, non-bank financial institutions) to provide loans to health SMEs, healthcare providers and suppliers to the health sector, but can also lend directly to health SMEs or in partnership with industry players. Loans range from $100 for digital working capital loans to $2.5 million for term loans and are typically in local currency. The loans are often combined with a technical assistance programme focused on business and quality improvement, which is implemented in collaboration with technical assistance partners and using the internationally recognised SafeCare standards.

Lenders to MCF include CDC, the US International Development Finance Corporation (DFC), Calvert Foundation, International Finance Corporation (IFC), Agence Française de Développement (AFD), the European Investment Bank (EIB) and several private investors. Since its launch in 2009, MCF has extended over 4,500 loans totaling $83 million to health SMEs in Anglophone countries in West and East Africa (Ghana, Kenya, Liberia, Nigeria, Tanzania and Uganda). More information about MCF is available at www.medicalcreditfund.org.

CDC Group

CDC Group is the world's first impact investor with over 70 years of experience of successfully supporting the sustainable, long-term growth of businesses in Africa and South Asia. CDC is a UK champion of the UN's Sustainable Development Goals – the global blueprint to achieve a better and more sustainable future for us all.

The company has investments in over 1,200 businesses in emerging economies with total net assets of £6.4 billion and a portfolio of £4.7 billion. In 2020 CDC will invest over $1.5 billion in companies in Africa and Asia with a focus on fighting climate change, empowering women and creating new jobs and opportunities for millions of people.

About this report

To prepare for expansion into French-speaking West Africa, starting with Côte d'Ivoire and Senegal, MCF commissioned a market entry study, with support from CDC, to better understand the private health sector and opportunities for investment. The market study, carried out in the second half of 2019, was conducted by Propelevate, a consulting firm with experience in the private health sector and SME financing in West Africa. The study included document review and interviews with key informants in the health and finance sectors as well as with individual health SME and financial institutions. Key insights from this market entry study are used in this report.

Contents

Acknowledgements

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Photo credit: p.12, Amy Yee

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COVID-19

This market study was conducted before the outbreak of COVID-19. The insights in this report remain relevant – this global pandemic underscores the need for financing health SMEs. Private sector health facilities like pharmacies, clinics and hospitals are a crucial element of health systems in Côte d'Ivoire and Senegal. They play an important role complementing government efforts to combat the spread of COVID-19 by reacting appropriately to (suspected) COVID cases, and to ensure continuity of care for patients with other diseases, now and after the epidemic.

The reality of the pandemic does shift financing needs for health SMEs in the short term. Health SMEs might see their revenues decline as patients are unable or unwilling to seek care in all but the most extreme cases. At the same time, they need to purchase personal protective equipment (PPE) and other commodities to protect their staff, patients and communities from the infection – and vitally to train, accommodate, retain and pay their staff. To stay afloat, now and for the future, private health SMEs urgently need working capital and may postpone larger investments in equipment, expansion and upgrades.

The COVID-19 crisis has led to a rise in use of digital payments in West Africa as a way of mitigating risk of transmission. This increases opportunities to use digital cash flows for lending to health SMEs. Digital loans are especially suited to rapidly disburse flexible working capital loans to a large number of health SMEs.

Finally, the COVID-19 pandemic accentuates the need for quality standards to ensure the appropriate level of quality and safety of services provided in the private sector.

01

Economic overview

1.1 Côte d'Ivoire

Côte d'Ivoire has a population of 25 million people[1] with a per capita income of $3,733.[2] Just under 60 per cent of the population is under the age of 25.[3] The country has experienced strong economic recovery and growth since the end of the strife and civil wars that plagued the country between 2002 and 2011. The average growth rate has been 8 per cent since 2012, and today Côte d'Ivoire is the world's largest producer and exporter of cocoa and raw cashew nuts. The IMF estimates that 60–70 per cent of the Ivoirian economy is formal.[4]

The poverty level is now at 46 per cent, down from a high of 51 per cent in 2011.[5] This growth has not benefitted all – in 2018, Côte d'Ivoire ranked 170th among 189 countries on the UN Human Development Index.[4] Malnutrition and food insecurity remain challenges for rural communities, notably in western and northern Côte d'Ivoire, which are disproportionally more affected and vulnerable.[5]

Côte d'Ivoire has remained stable since the end of the post-electoral war in 2011. However, President Alassane Ouattara's recent decision to run for a third term, despite the constitutional limit of two terms, has already created tension and sparked protests, setting the stage for a turbulent election campaign.

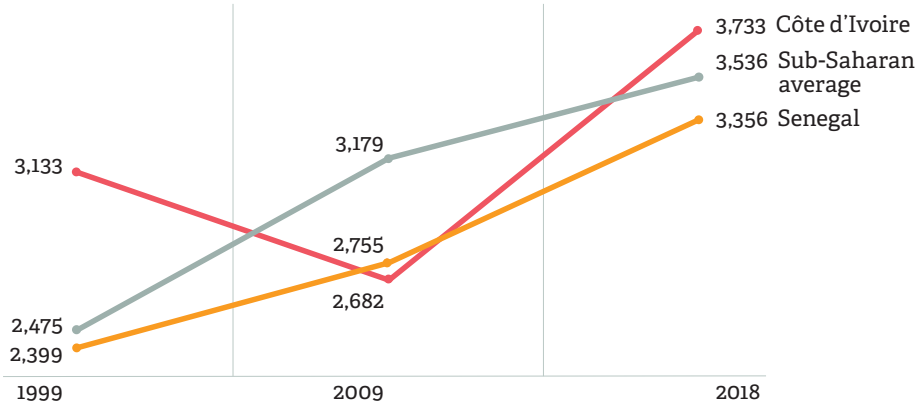

Figure 1: GDP per capita, purchasing power parity (constant 2011 international $) (Source: World Bank data, 2018)

1 World Bank data, 2018.
2 World Bank data, 2018, GDP per capita, PPP (purchasing power parity – current international $).
3 Index Mundi, 2019: Cote d'Ivoire Demographics Profile 2019.www.indexmundi.com/cote_d_ivoire/demographics_profile.html
4 World Bank. The World Bank In Côte d'Ivoire. www.worldbank.org/en/country/Côtedivoire/overview
5 World Food Programme. Côte d'Ivoire. www.wfp.org/countries/Côte-divoire

1.2 Senegal

Senegal has a population of 15.81 million people[1], with a per capita income of $3,356,522.[2] Roughly half of the population is based in greater Dakar and other urban areas,[6] and 60 per cent of the population is under the age of 25.[7]

Senegal's agriculture industry occupies roughly 70 per cent of the country's working population and contributes 15 per cent of its GDP.[8] Rainfall is relatively high and dependable in the south, but in the north the climatic shift the country has experienced during the past 25 years has resulted in crop and livestock production becoming even more difficult, leading to urbanisation and emigration.[7]

The poverty level was at 34 per cent in 2017[4] and in 2018, Senegal ranked 166th among 189 countries on the UN Human Development Index.[3]

Nonetheless Senegal is experiencing continued economic growth, on average 6 per cent annually since 2014, in part due to the government's ambitious 'Emerging Senegal' growth strategy. The recent discovery of oil and natural gas will undoubtedly affect the economy of Senegal; production is expected by 2022.[6]

Politically Senegal is a stable country; Presidential elections last took place in February 2019 when President Macky Sall was re-elected for a second, five-year term.

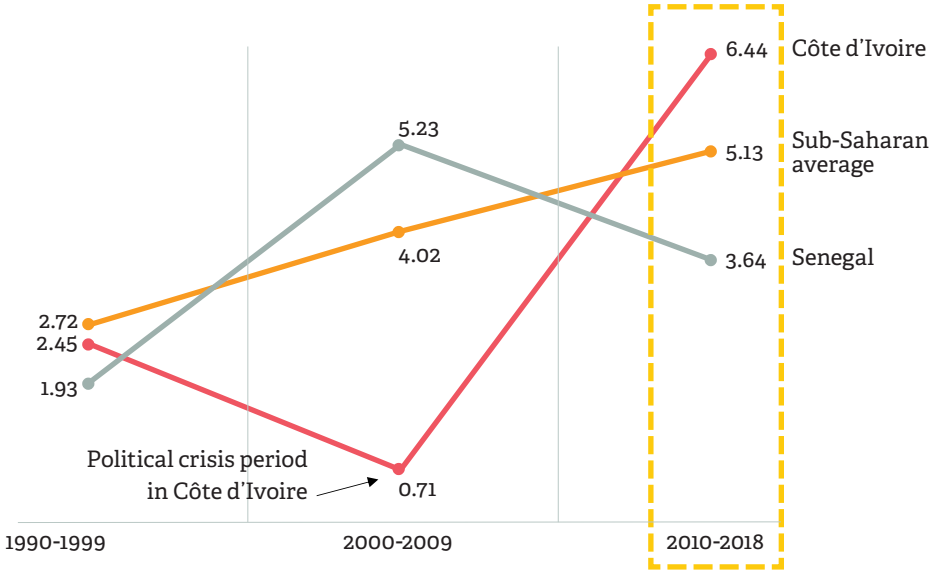

Figure 2: Average GDP growth per decade, in %
(Source: World Bank data, 2018)

6 www.worldbank.org/en/country/senegal/overview
7 World Food Programme. Senegal. www.wfp.org/countries/senegal
8 UN Development Programme: Climate Change Adaptation. Senegal. www.adaptation-undp.org/explore/western-africa/senegal

02

Monetary policy, legal and regulatory frameworks

The Central Bank of West African States (BCEAO) is the common issuing institution of the eight states in the West African Economic and Monetary Union (WAEMU), including Côte d'Ivoire and Senegal. The countries use a common currency, the CFA Franc which is pegged to the Euro (€1 = 655.957 CFA). WAEMU has planned to transition to a new currency, the Eco, in 2020, which will continue to be pegged to the Euro. If the Eco is adopted by additional West African countries, as planned, including eventually Nigeria and Ghana, exchange rate fluctuation could be expected.

BCEAO defines the regulatory framework for banks and financial institutions in both countries. Interest rates are capped at 15 per cent in banks and 24 per cent in microfinance institutions. The interest rate cap might contribute to the banks' low appetite for SME lending, along with other factors such as high operational costs of SME lending, general risk averseness and difficulty in risk assessment of SMEs.

The Organisation for the Harmonization of Business Law in Africa (OHADA) defines corporate law in 17 West and Central African countries, including Côte d'Ivoire and Senegal. In both countries business courts are operational, it is possible to legally enforce contracts, and registering collateral and addressing loan defaults is fairly straightforward.

There are many ongoing reforms to ease doing business and attract investment, and early-stage credit rating initiatives in each country. The finance sector has a growing interest and service offering for SME financing, although collateral requirements are high, limiting access to credit for SMEs. Though tax law varies across the two countries, there are tax incentives for investors to set up operations locally as there is considerable tax burden for foreign lenders (tax on interest revenues, value added tax and withholding tax).

There are many ongoing reforms to ease doing business and attract investment, and early-stage credit rating initiatives in each country.

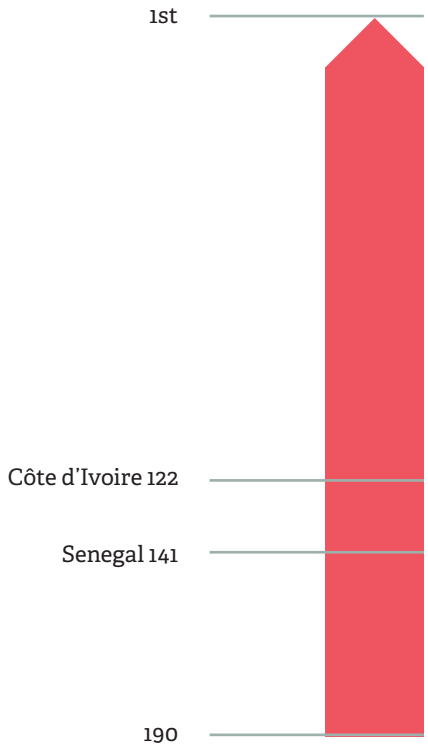

Figure 3: World Bank's ease of doing business rankings

03

Key health statistics

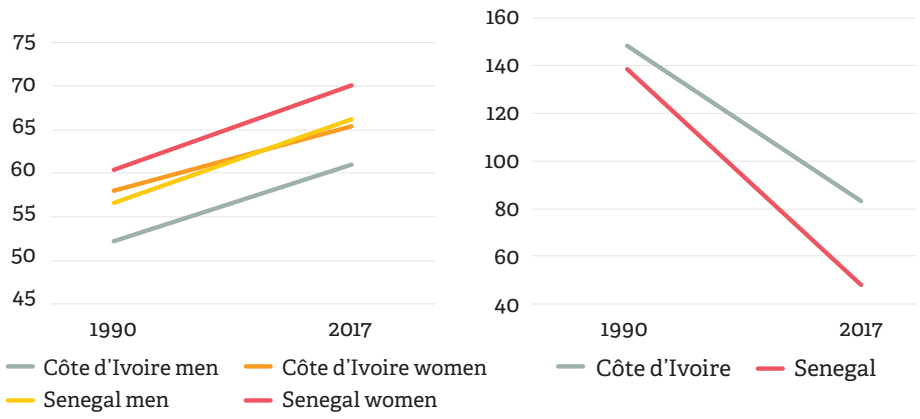

Figure 4: Change in life expectancy, 1990 to 2017 (Source: healthdata.org)

Figure 5: Mortality rates for under-fives per 1,000 live births, 1990-2017 (Source: healthdata.org)

Both Côte d'Ivoire and Senegal have seen a decrease in communicable, maternal, neonatal and nutritional diseases, and a rise in non-communicable diseases.

Both countries have experienced continued improvement in health indicators such as life expectancy and child mortality in the past few decades. Both have seen a decrease in communicable, maternal, neonatal and nutritional diseases, and a rise in non-communicable diseases.

The leading cause of death – neonatal disorders – is the same in both countries, but there are differences in other top causes of death. Notably, HIV and AIDS is the second leading cause of death in Côte d'Ivoire while it is not in Senegal's top ten. Senegal has a distinct rainy season, between July and October, when there is an increase in incidence of illness such as diarrheal disease and malaria.

Top ten causes of death, Côte d'Ivoire
1. Neonatal disorders
2. HIV and AIDS
3. Lower respiratory infections
4. Malaria
5. Ischemic heart disease
6. Diarrheal diseases
7. Stroke
8. Tuberculosis
9. Congenital defects
10. Road injuries

Table 1: Top ten causes of death, Côte d'Ivoire (Source: healthdata.org)

Top ten causes of death, Senegal
1. Neonatal disorders
2. Lower respiratory infections
3. Diarrheal diseases
4. Ischemic heart disease
5. Stroke
6. Tuberculosis
7. Diabetes
8. Malaria
9. Meningitis
10. Congenital defects

Table 2: Top ten causes of death, Senegal (Source: healthdata.org)

04

The private health sector

4.1 Overview of the sector

Côte d'Ivoire

The Ministry of Health and Public Hygiene (MoHPH) is responsible for overseeing the entire health sector in Côte d'Ivoire. The private health sector is overseen by the Directorate of Health Facilities and Professionals. It has few staff (four health professionals) and resources and is thus limited in its ability to provide the type of regulation and oversight that is needed in the private sector. According to a MoHPH census of private health facilities carried out in 2016, 70 per cent of healthcare facilities in Côte d'Ivoire are not fully authorised to operate. This is due in large part to the backlog created during the ten-year conflict, and current low level of resources.

Senegal

The Ministry of Health and Social Action (MoHSA) is responsible for overseeing the entire health sector in Senegal. Currently the number of professional staff dedicated to private health sector oversight is in the single digits, but MoHSA recognises the growing importance of the private health sector to meet the needs of a growing population. MoHSA has a recently created directorate to oversee the private health sector and plans to grow the number of staff overseeing it, update relevant policy, create a fixed pricing structure and define quality standards for private health facilities.

4.2 Health spending

Domestic government spending on health is low in both countries compared with the average in sub-Saharan Africa. Private health spending in Senegal has risen consistently for the past 15 years, while in Côte d'Ivoire it increased in 2016 after falling for nine years.

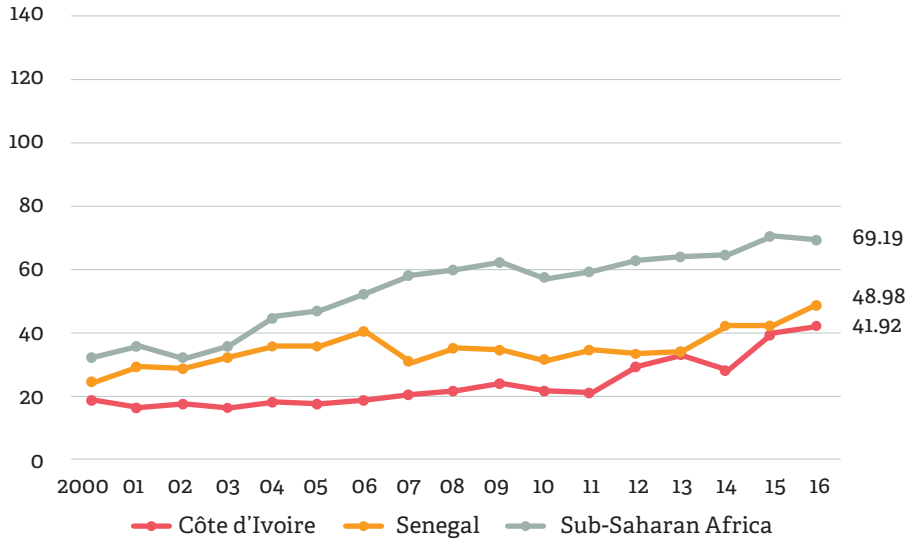

Figure 6: Domestic general government health expenditure per capita, PPP (current international $) (Source: World Bank data, 2018)

Domestic government spending on health is low in both countries compared with the average in sub-Saharan Africa.

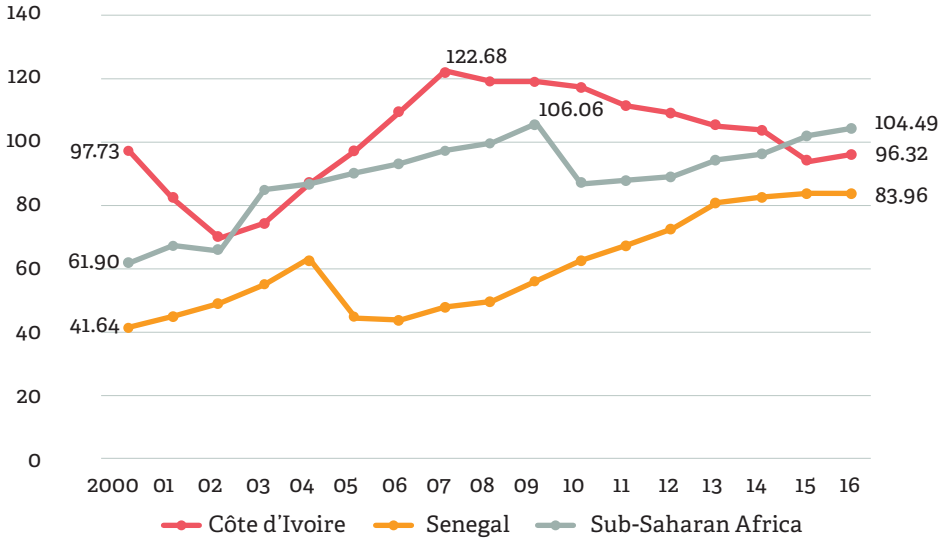

Figure 7: Domestic private health expenditure per capita, PPP (current international $)
(Source: World Bank data, 2018)

4.3 Size and composition

	Côte d'Ivoire	Senegal
Paramedical practices	964	443
Medical practices	114	359
Clinics	136	118
Polyclinics/hospitals	13	3
Dental practices	101	207
Laboratories and imaging centres	24	33
Pharmacies and pharmacy outlets	1,080	1,250
Pharmaceutical wholesalers	5	6
Equipment/supply distributors	135	87
Total	**2,572**	**2,503**

Table 3: Number of private health SMEs
Data sources: (Côte d'Ivoire)
- *For service providers: Côte d'Ivoire Health Sector Assessment, 2011, conducted by Abt Associates, funded by USAID*
- *For pharmacies: Ministry of Health data, 2019*
- *For distributors: www.goafricaonline.com, 2019*

Data sources: (Senegal)
- *For service providers: Cartographie du secteur privé de la santé au Sénégal 2016–2017 (data collection in 2016)*
- *For pharmacies: Ministry of Health data, 2019*
- *For distributors: www.goafricaonline.com, 2019*

Paramedical practices are operated by nurses, midwives or medical technicians and offer primary, pre-natal and ante-natal care. Both **medical practices** and **clinics** are operated by doctors; a clinic is larger, could be run by a specialist and could offer some limited in-patient care. **Polyclinics**, like **hospitals**, offer multiple specialisations and in-patient services. **Pharmacy outlets** are typically in peri-urban or more rural areas, are smaller, subject to less stringent regulation and owned by a pharmacist assistant, nurse or midwife. Of the **equipment/supply distributors** in each country less than 20 sell medical equipment – the rest sell medical supplies. In both countries, health facilities are heavily concentrated in urban areas; in Senegal 80 per cent are in the greater Dakar area.[9]

9 SHOPS, 2016. Senegal Private Health Sector Assessment: Selected Health Products and Services. www.shopsplusproject.org/resource-center/senegal-private-health-sector-assessment-selected-health-products-and-services

4.4 Health insurance

Côte d'Ivoire

While exact figures are not available, it is estimated that between 4 and 15 per cent of the population have some sort of health insurance through their employer or purchased directly.

The government is in the process of setting up a system of universal health coverage to cover basic health services for all, which costs 1,000 CFA ($1.70) per month per person. While employers have begun collecting and contributing to this insurance, (50:50 employer–employee), it is not yet clear how required payments will translate to services, nor if and how the private sector will be included.

Senegal

Roughly 20 per cent[10] of the population have some degree of health insurance coverage.[15] Those that do are mainly civil servants and people employed in the formal, private sector.

The government is looking to address the gap by offering universal health coverage which should cover 75 per cent of the population for basic needs. This universal coverage will target people working in the informal sector, older people and children under five. It is not yet clear if and how the private sector will be included in this plan.

4.5 Comparisons with other African countries

Ghana and Kenya have been selected as comparator countries to Côte d'Ivoire and Senegal.

1. More private sector primary healthcare and less specialised and in-patient care

The composition of the private health sector in Côte d'Ivoire and Senegal differs from that of Ghana and Kenya. In Ghana and Kenya hospitals constitute a larger percentage of private health facilities, 5 and 4 per cent respectively, compared with 1 per cent in Côte d'Ivoire and 0.3 per cent in Senegal. Conversely, Côte d'Ivoire and Senegal have a much larger percentage of paramedical practices, 71 and 38 per cent respectively, compared with 12 per cent nursing homes in Ghana and 4 per cent in Kenya. Paramedical practices in Côte d'Ivoire and Senegal are often run by a single nurse or midwife, while nursing homes in Ghana and Kenya tend to be larger, often offering inpatient services.

	Côte d'Ivoire	Senegal	Ghana	Kenya
Population	25.1m	15.8m	29.6m[11]	51.4m[11]
Number of private healthcare facilities (excluding standalone pharmacies)	1,352	1,160	3,244[12] (officially registered + estimates of those not fully registered)	3,900[13]
Hospitals, number (% of facilities)	13 (1%)	3 (0.3%)	156 (5%)	150 (4%)
Paramedical practices/ nursing homes, number (% of facilities)	964 (71%)	443 (38%)	379 (12%)	152 (4%)

Table 4: The private health sector across countries

The composition of the private health sector in Côte d'Ivoire and Senegal differs from that of Ghana and Kenya.

10 Le Point, 2019. Sénégal: des mutuelles mieux adaptées pour le secteur informel (in French). www.lepoint.fr/afrique/senegal-des-mutuelles-mieux-adaptees-pour-le-secteur-informel-08-07-2019-2323279_3826.php#

11 World Bank data, 2018.

12 World Bank, 2011. Private Health Sector Assessment in Ghana, World Bank Working Paper no. 210. http://documents.worldbank.org/curated/en/905281468030662869/pdf/613120PUB0Ghan158344B09780821386248.pdf

13 Mulaki A and S Muchiri S, 2019. Kenya Health System Assessment. http://www.healthpolicyplus.com/ns/pubs/11328-11600_KenyaHSAReport.pdf

2. Greater concentration of the private pharmaceutical sector

The private sector distribution system is Côte d'Ivoire and Senegal is much more concentrated than that of either Ghana or Kenya due to the regulatory environment. Competition is limited in Côte d'Ivoire and Senegal, but at the same time the well-established wholesalers know the market well, and leverage this knowledge to offer a variety of support and supplier credit to pharmacies.

	Côte d'Ivoire	Senegal	Ghana	Kenya
Number of pharmacies (and outlets)	1,080	1,250	1,915 pharmacies 11,430 outlets[12]	2,000[13] (officially registered; with an estimated 3,000–4,000 not officially registered)[14]
Number of pharmaceutical wholesalers	5	6	200-300[15]	700[16]

Table 5: The private pharmaceutical sector across countries

3. Ownership limitations of private health facilities

There are certain limitations on who has the right to open health facilities in both Côte d'Ivoire and Senegal. First, a healthcare facility must be owned by a medical professional with the relevant medical degree if the facility is a sole proprietorship. For example, a clinic must be owned by a doctor and a pharmacy by a pharmacist. If the business is a corporation then at least one of the shareholders must be a medical doctor who will act as the medical director of the facility. Second, a medical professional can only own a single health facility, so there is no opportunity to expand through multiple outlets or chains.

14 UN Industrial Development Organisation, 2010. 50 years together for a sustainable future. https://open.unido.org/api/documents/4699297/download/Pharmaceutical%20Sector%20Profile%20-%20Kenya

15 World Bank, 2011. Private Health Sector Assessment in Ghana, World Bank Working Paper no. 210. http://documents.worldbank.org/curated/en/905281468030662869/pdf/613120PUB0Ghan158344B09780821386248.pdf

16 Africa Business Pages. The Pharmaceutical Industry In Kenya: Importers In Kenya. https://news.africa-business.com/post/pharmaceutucal-importers-kenya-east-africa

05

Private health sector financing

5.1 Financing needs

In-depth interviews were held with more than 40 health SMEs in each country as part of MCF's market entry study. The values and purposes of financing need by health SME type were similar across the two countries, as the following table shows.

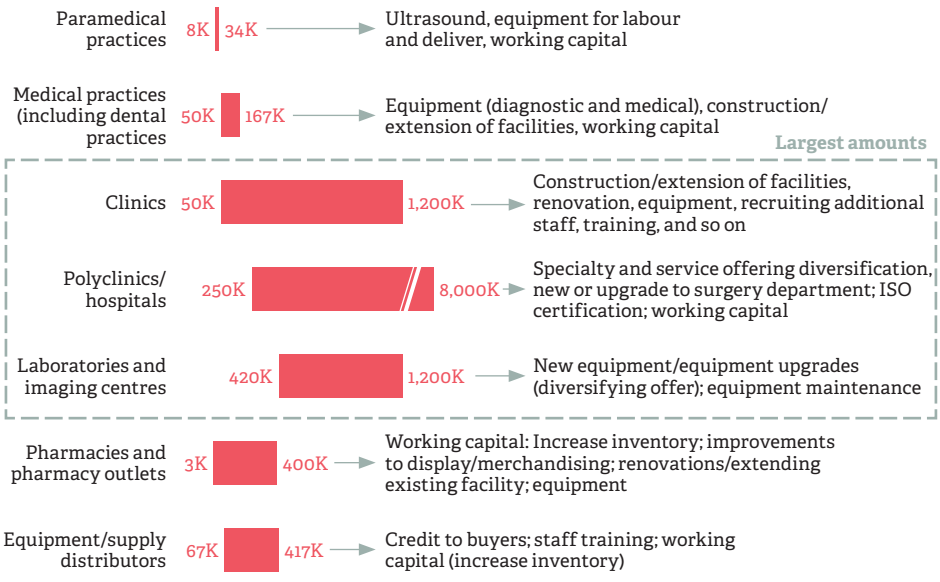

Figure 8: Expressed needs for financing, in $ (Source: Market entry study interviews)

5.2 Market size

Côte d'Ivoire

An estimate of unmet demand for private health financing was developed using annual revenue data from the National Institute of Statistics (see table below); bank and microfinance institution feedback on the maximum debt to revenue ratio they would consider, generally 40–50 per cent; and existing debt. This produces an estimate of $50–100 million of untapped potential market for private health sector lending.

This methodology has a few limitations: revenue data reported for tax purposes is often under-reported; and the theoretical ability to access lending based on debt/revenue ratio does not mean an SME wants to pursue or would qualify for lending.

$50 - 100m

estimated untapped potential market for private health sector lending in Côte d'Ivoire.

Activity	Average 2014 and 2016		
	Revenue in CFA	Revenue in $	%
Pharmaceutical industry	5,245,729,982	8,935,138	1.8%
Production of traditional medicines	5,245,729,982	388,261	0.1%
Production of medical imaging equipment	0	0	0.0%
Wholesale (pharmaceutical and medical products)	17,942,770,535	30,562,215	6.2%
Retail (pharmaceutical and medical products)	215,270,493,128	366,673,752	74.7%
Hospital operations	21,602,757,299	36,796,330	7.5%
General medicine	7,270,554,451	12,384,054	2.5%
Specialty medicine	6,021,256,935	10,256,105	2.1%
Dental services	2,859,661,053	4,870,907	1.0%
Traditional healer services	110,444,072	188,121	0.0%
Other activities for human health	11,403,172,777	19,423,211	4.0%
Medical and social accommodation	129,105,677	219,908	0.0%
Total	**288,017,386,965**	**$490,584,726**	**100.0%**

Table 6: Annual revenue by segment of the private health sector in Côte d'Ivoire

Senegal

An estimate of unmet demand for private health financing was developed based on self-reported data of unmet demand from the Cartographie du secteur privé de la santé au Sénégal 2016-2017; minimum and maximum desired financing amounts from MCF's market entry study interviews with health SMEs; and estimates of the percentage of SMEs that would fall in either the minimum or maximum category based on available knowledge of each category of SME. Induced demand is attributed to SMEs that are not expressing an interest in financing, but for whom financing could become a more attractive option with greater knowledge of and access to appropriate financing and associated technical assistance. In this way, the total market for lending to health SMEs in Senegal is estimated to be around $50 million.

This methodology likewise has a few limitations: it looks only at the demand side, without considering whether the health SME would be eligible for lending; and it does not include SMEs that distribute medical equipment and supplies.

SME type	Number	Market size			Value of demand		
		Minimum desired financing $	Maximum desired financing $	Total value $	% SME served demand	% SME unserved demand	% SME induced demand
		% of SMEs	% of SMEs		Value $	Value $	Value $
Paramedical practices	443	8,501	34,005	5,460,684	15%	20%	65%
		85%	15%		819,103	1,092,137	3,549,444
Medical practices	359	51,007	85,011	27,711,592	25%	35%	40%
		60%	40%		13,855,796	11,084,637	2,771,159
Clinics	118	255,034	1,113,650	55,423,184	50%	40%	10%
		75%	25%		27,711,592	22,169,273	5,542,318
Laboratories	33	255,034	340,046	10,800,702	60%	30%	10%
		50%	50%		6,480,421	3,240,210	1,080,070
Pharmacies	1,250	3,400	47,606	20,827,250	80%	5%	15%
		70%	30%		16,661,800	1,041,362	3,124,087
Total				**57,853,153**	**28,735,769**	**17,830,527**	**11,286,858**

Table 7: Estimated demand for financing by SME type in Senegal

In both countries existing financing to health SMEs comes from:

- **Banks that cater to SMEs.** These banks tend to focus on larger, better established health facilities that are seeking larger funding amounts; and on pharmacies, building on initial partnerships created between banks and professional associations.
- **Supply chain financing.** Pharmaceutical wholesalers offer a range of financing to pharmacies; some medical equipment providers provide supply chain financing as well.
- **Impact investors focused on larger deals** (in the millions of dollars). Examples of these types of investments include a private dental school and imaging centres.

5.3 Barriers for health SMEs to access financing

Private health facilities, including pharmacies, are required to be owned and operated by the appropriate medical professional. This is a limiting factor to accessing financing as these doctors, pharmacists, dentists, nurses and midwives lack the business and financial management skills and training to put in place the financial management systems and business planning needed to secure lending.

Otherwise the barriers to financing for health SMEs are similar to those of SMEs in other sectors: high barriers to access lending including collateral and/or securities requirements, lack of awareness of lending options and lack of ability to assess risk and reward of available lending products.

06

Opportunities to invest in health SMEs

There are few large (more than $1 million) deals to be made in the private health sector because there are few health SMEs large enough to absorb this amount of lending, and there is heavy competition from local banks for the few that are. There are three other segments of health SMEs that are ripe for investment.

- **High growth potential clinics.** This is the next tier down from the largest health facilities, that with time, technical assistance and smaller loans (of at least $100,000) could grow to become among the largest health facilities. These include clinics with high potential that could grow into polyclinics or hospitals or expand to offer imaging services, and imaging centres that want to upgrade high value equipment.
- **Medical and paramedical practices.** This group constitutes the greatest number of health SMEs in both countries, and those that have the greatest challenges to access formal financing. There is great social impact to be achieved by financing this segment, because this group of SMEs provides vital primary care for lower income communities. To be profitable, some sort of economy of scale in lending is needed to offset the smaller value of each individual loan.
- **Wholesalers, both pharmaceutical and medical equipment.** Increased lending to this segment will have a multiplier effect since it will allow companies to offer additional supply chain financing to their clients.

6.1 Additional opportunities to strengthen the private health sector (non financial)

Support to the following four areas would lead to a larger, better performing private health sector, and would pave the way for more SMEs to become investment ready.

Quality standards

A desire for quality improvement and quality standards – currently a key gap – is shared in both countries by patients, ministries of health and the health SMEs themselves. Healthcare facilities can be inspired to improve the quality and safety of services they provide even with few resources. Tapping into existing international standards, leveraging digital technology and creating transparent accreditation systems are all proven means of improving the quality of healthcare service delivery.

Technical assistance to support improved management

The owners of private health facilities are medical professionals, most of whom have no management training, and need technical assistance in financial and business management. The technical assistance smaller health SMEs need includes management systems, basic accounting, recruiting, acquisition of simple management software, introduction to and pros and cons of available financing, and business planning. Larger health SMEs need technical assistance for business development and partnership development to increase service offerings, financial management, accounting and financial analytics, marketing and management controls.

Updated policy and regulatory framework

The refresh of a range of policy and regulatory issues will help to create a better functioning private health sector. These include addressing key sticking points like registration, pricing structures, lack of consequences for delayed insurance reimbursements, and expanding who can own a health facility.

Additional ministry of health resources to support the private health sector

Ministries of health in both countries will continue to be challenged to update policy and regulatory frameworks, keep up to date with facility authorisations, and support quality improvement unless additional resources are available to increase headcount and operating budget.

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