Conference of Ministers of Finance and Health

Theme: Private Sector

Session 10: Health Sector, Private Sector and Growth

(Keynote Address and Panel Discussion)

Date: 05 July 2012
Time: 13:30-14:30
Venue: Tunis, Tunisia

SESSION AIM

Provide an overview of the role that the private sector can play in expanding coverage and services.

BACKGROUND

Its size varies from country to country, but the private health sector in Africa is already large and constitutes an important, diverse component of the region’s health care systems. About 60% of total health expenditure was financed by private parties and private providers captured about half of that expenditure. A significant proportion of that expenditure is by the poor, predominately by out of pocket payments which may entail considerable financial hardship. At the same time, health care will be a growth industry in Africa’s expanding economies and a dynamic, diverse and well regulated private health care industry can itself become a source of growth and employment.

In a recent report, The Business of Health in Africa, the International Finance Corporation identified five main imperatives to encourage a high quality private sector health care sector capable of delivering a range of services to the population. These include developing mechanisms for creating and enforcing quality standards for services, manufacturing and distribution; including as much of the population as feasible in risk pooling programs to reduce out of pocket payments; channeling a portion of funding through the private sector; enacting regulations which encourage private investment; and increasing access to capital, including increasing the ability of local financial institutions to support private health care enterprises.

The improvement in Africa’s macroeconomic climate and the increased demand for quality health services is creating increasing opportunities for private sector engagement in the provision of services, investment in health infrastructure, pharmaceuticals, and medical instruments. Many challenges lie ahead, but it is clear that the private sector has to play an important role in Africa’s health sector if demand is to be met.
As an example, the demand for pharmaceuticals will increase sharply in the coming years. Demand for better distribution and retail systems and for pharmaceutical and medical production facilities will also be strong. This increased demand for health care and pharmaceuticals will translate into new investment opportunities, new businesses, and renovation of existing assets. If the African pharmaceutical industry succeeds in cashing in on this new demand by revitalizing itself and matching the needs of the African population, it will help contribute to economic growth and job creation.

The Keynote speech will address the challenges and opportunities for the pharmaceutical sector in Africa. Panelists will discuss opportunities for the private sector from the perspective of a large Asian private provider, academia and Parliament.

**KEY DISCUSSION TOPICS**

- What is the experience to date in encouraging private investment and services?
- How can the investment climate be improved?
- What are the prospects for public-private partnerships to enhance the quantity and quality of services for the poor?
- What are the most promising tools and what are the challenges?
- How can best practice be shared amongst countries, and which agencies can assist?

**CHAIRS & SPEAKERS**

Chair: Hon. Magdi Hassan Yassin, State Minister of Finance and Economy, Sudan

Co-Chair: Hon. Housseynou Hamadi Ba, Minister of Health, Mauritania

Mr. Afsar Akal, Healthcare Regional Business Manager, Intel Corp., Sub-Saharan Africa (10 mins)

Mr. Michael Onyango, Vice Chairman, Creative Content Task Force, Ministry of Information and Communication, Kenya (10 mins)

Dr. Freddie Ssengooba, Makerere University, Senior Lecturer, School of Public Health, Kampala, Uganda (10 mins)

Dr Feng Zhao, Manager, Health Division, Human Development Department, AfDB (10 mins)

Open discussion (20 mins)