

Project Scope and Approach

FC commissioned this report to bring focus to the role of the private sector in the financing and provision of health care in Sub-Saharan Africa and to develop an agenda for its improvement.

For the sake of clarity, it is worth explicitly noting that this paper is not an advocate for the privatization of the financing and provision of health-related goods and services in Sub-Saharan Africa. Rather, it seeks to highlight the important role that the private sector—an often neglected component of Africa’s health care systems—already plays and to outline ways in which that sector could be better engaged and harnessed, thereby improving its sustainability and the health outcomes it delivers.

Project Scope

For the purposes of this study, “health care” is defined to include:

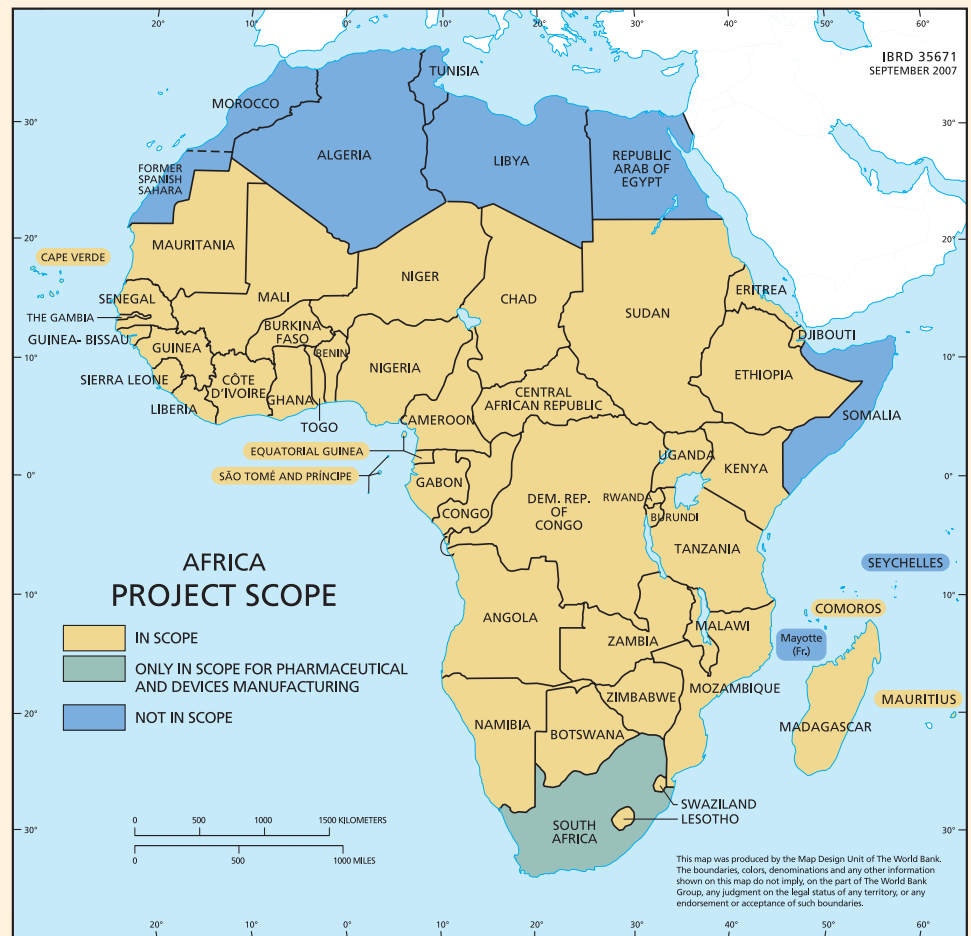
- Primary health care;
- Secondary and tertiary health care;
- Public health, including vaccination, sanitation, and family planning;
- Health programs, including HIV/AIDS, TB, and malaria;
- Health care financing;
- Pharmaceutical production;
- Medical equipment and supplies production;
- Distribution and retailing of pharmaceuticals and equipment; and
- Medical and health professional training.

The term “private sector” is defined to include:

- For-profit organizations;
- Social enterprises sometimes referred to elsewhere as “not-for-profits”;
- Non-profits including NGOs and faith-based organizations; and
- Privately motivated individuals and groups of individuals.

Broadly, the geographic scope of the study is Sub-Saharan Africa. More specifically, the project covers the following 45 countries:

- Angola
- Benin
- Botswana
- Burkina Faso
- Burundi
- Cameroon
- Cape Verde
- Central African Republic
- Chad
- Comoros
- Congo
- Côte d'Ivoire
- Democratic Republic of Congo
- Djibouti
- Equatorial Guinea
- Eritrea
- Ethiopia
- Gabon
- Gambia
- Ghana
- Guinea
- Guinea-Bissau
- Kenya
- Lesotho
- Liberia
- Madagascar
- Malawi
- Mali
- Mauritania
- Mauritius
- Mozambique
- Namibia
- Niger
- Nigeria
- Rwanda
- São Tomé & Príncipe
- Senegal
- Sierra Leone
- Sudan
- Swaziland
- Tanzania
- Togo
- Uganda
- Zambia
- Zimbabwe



For most of the study's analysis, South Africa was excluded due to the relatively high standing of its health sector and the maturity of its financial markets. However, South Africa was considered when evaluating investment opportunities in manufacturing. Further, interviews were conducted with investors and operators based in South Africa to gather their perspectives on opportunities for investment in other parts of the region.

Project approach

The study sought to develop an understanding of the private health sector landscape in Sub-Saharan Africa through literature review and extensive consultations with a range of key stakeholders. A team of consultants from McKinsey & Company conducted almost 400 interviews with stakeholders from private health enterprises, government officials and policymakers, development organizations, and financing institutions, in addition to health care experts and operators outside the region. A full list of interviewees is included in the acknowledgements section at the conclusion of this report.

Given the broad geographic scope of the project, in-person visits and more detailed analysis were limited to nine countries: the Democratic Republic of Congo, Ghana, Kenya, Mozambique, Nigeria, Rwanda, Senegal, Tanzania, Uganda, and South Africa (for the exploration of pharmaceutical and medical equipment manufacturing only).

These countries were chosen because they reflected the diverse environments found across Sub-Saharan Africa. Key criteria for country selection included socio-demographic factors such as population size, per-capita gross domestic product (GDP), and language, as well as health indicators including life expectancy, health spending, and private sector contribution to health provision. Additional considerations included investment climate metrics such as foreign direct investment and ease of doing business (as judged by the World Bank's *Doing Business* report).