Private Health Care
Growing in Importance

Better health care is one of the developing world’s greatest needs. It is one IFC addresses by increasing investment in socially responsible private hospitals, clinics, and health insurers. Complementing the role of government, this emphasis helps relieve the burden on public health systems, increases access to health care, and raises standards of care and training. We follow a three-part strategy: working with our partners to help frame the debate on this critical issue, investing in pioneering health care companies, and offering a broad range of advisory services. 5.5 million people receive care at IFC-financed hospitals annually.

IFC’s Approach
Setting agendas and sharing knowledge on ways to increase the private sector’s role in health care

• **Africa:** In December 2007 IFC and its partners announced a new strategy for addressing the continent’s health challenges, pledging to mobilize up to $1 billion over the next five years in investment and advisory services to boost socially responsible health care. The strategy is outlined in a new IFC study jointly financed by the Bill & Melinda Gates Foundation.

Investments
Strengthening providers

• **Nigeria:** Some 150,000 people can now afford the country’s best hospitals and clinics, thanks to their health insurance from Hygeia Nigeria Ltd.

• **Egypt:** IFC has invested $25 million in the Middle East’s fastest-growing medical group, Saudi Arabia’s Andalusia Group. This allows it to treat 200,000 more people each year at its Egyptian hospitals and attract new financing from Egyptian banks.

• **China:** Aier Eye Hospital Group provides eye care to more than 500,000 people a year in parts of China that previously had no access to high-quality care. Aier is using IFC’s $8.1 million-equivalent local currency loan to expand into second-tier cities in China’s less-developed western, northeastern, and inland regions.

Advisory Services
Innovative public-private partnerships

• **Lesotho:** The government has attracted South African health care leader Netcare to take part in the country’s first public-private partnership in health. This IFC-supported initiative will lead to the construction of an advanced new public facility to replace the capital city’s aging and underperforming Queen Elizabeth II Hospital.

Development Impact

• Expanding access to health services as well as high-quality and affordable medicine

• Helping clients adopt best practices in manufacturing, gain certification in international standards, and improve productivity

• Contributing to local tax revenues
Track Record
As of June 30, 2008, IFC had provided $841 million in financing to 76 private health care projects in 31 countries, mobilizing $89 million more from commercial banks. We are the largest multilateral investor in the private health care sector in emerging markets. Twenty-one IFC health projects (28 percent) were in IDA countries.

Africa: Charting a New Course
Donor attention has yielded remarkable efforts in the fight against HIV/AIDS, tuberculosis, and malaria in Africa. But most of the region lacks the infrastructure to deliver health care and faces a severe shortage of trained medical personnel. As Africa’s economies improve, the demand for high-quality health care will only increase further.

In response, IFC has launched a new strategy calling for a close partnership between the public and the private sectors, including improvements to regulatory oversight of private health care, and outlining ways that the private sector could be better engaged to improve its sustainability. The strategy is outlined in the IFC report The Business of Health in Africa: Partnering with the Private Sector to Improve People’s Lives.

IFC and its partners plan to mobilize up to $1 billion of investment and advisory services support over the next five years to support the strategy, which includes:

• Creating an equity investment vehicle for health care entrepreneurs and businesses
• Partnering with local financial institutions to improve access to long-term debt for health care organizations
• Providing advisory services to build the capacity of local financial intermediaries and health care companies
• Expanding the activities of IFC’s life sciences team in the region
• Helping expand education of health care workers
• Encouraging development of health insurance companies
• Improving the business environment by working with governments to reform private health care regulation and expand public-private partnerships

For further information, visit ifc.org.

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