

Netherlands

# Incoming mission LSH Nigeria to the Netherlands

18 October 2022



# Agenda 18 November (1 / 2)

## 13:00-14:30 Welcome programme

- **Setting the scene on expectations, aims, and objectives of the visit**

*By Sonia Odije – Embassy of the Netherlands in Lagos*

- **Programme outline of mission**

*By Sterre Bergman – Task Force Health Care*

- **Introduction to the Task Force Health Care, the Dutch Health Care system**

*By Micha van Lin - Task Force Health Care*

- **The Dutch Topsector Life Sciences and Health**

*By Laura Duran - Health~Holland*

## 14:30-15:00 Break and seminar open to Dutch participants

# Agenda 18 November (2 / 2)

## 14:30-15:00 Break and seminar open to Dutch participants

- **Welcoming and opening words of Dutch Ministry of Foreign Affairs**  
*By Ministry of Foreign Affairs – Marc Hasselaar, Director International Entrepreneurship  
And Anouk Aarts, Policy advisor Financial Sector Development*
- **Launch of the LSH Market Study Nigeria**  
*By Sunday Mgbejume - PharmAccess Nigeria*
- **Panel discussion – reflection on findings of the Market Study**  
**Panelists:**  
*Oluwaseun Faturoti - Global Health Consultant  
Sunday Mgbejume – PharmAccess Foundation  
Falade Olufunke Gbemisola – Nigeria Sovereign Investment Authority*

## 17:00-19:00 Networking reception

Sonia Odije-Fajusigbe

The Consulate General of the Kingdom of the  
Netherlands, Lagos

# Sterre Bergman

## Task Force Health Care

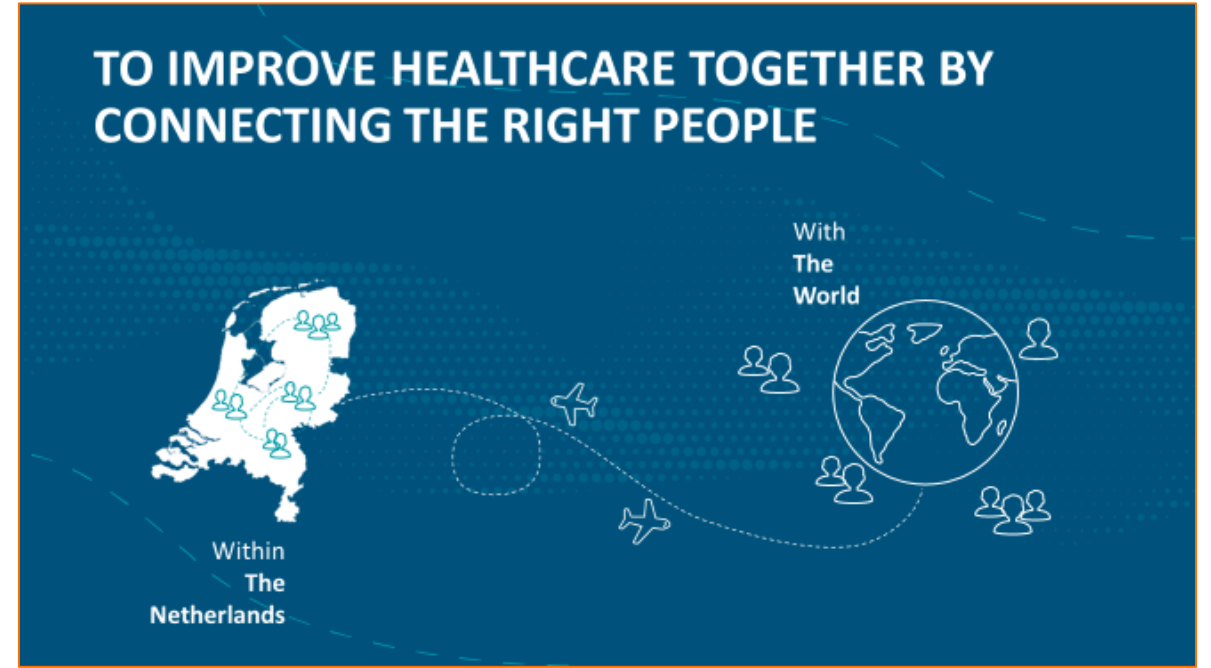
# 19 November – Delft Imaging Systems and Royal Philips





# 20 November – Invest International, TNO Innovation for Life and Delft Technical University





# Micha van Lin

## Director Task Force Health Care





# Transformation of Healthcare in The Netherlands

System, challenges and priorities



# The Netherlands

## Facts & Figures



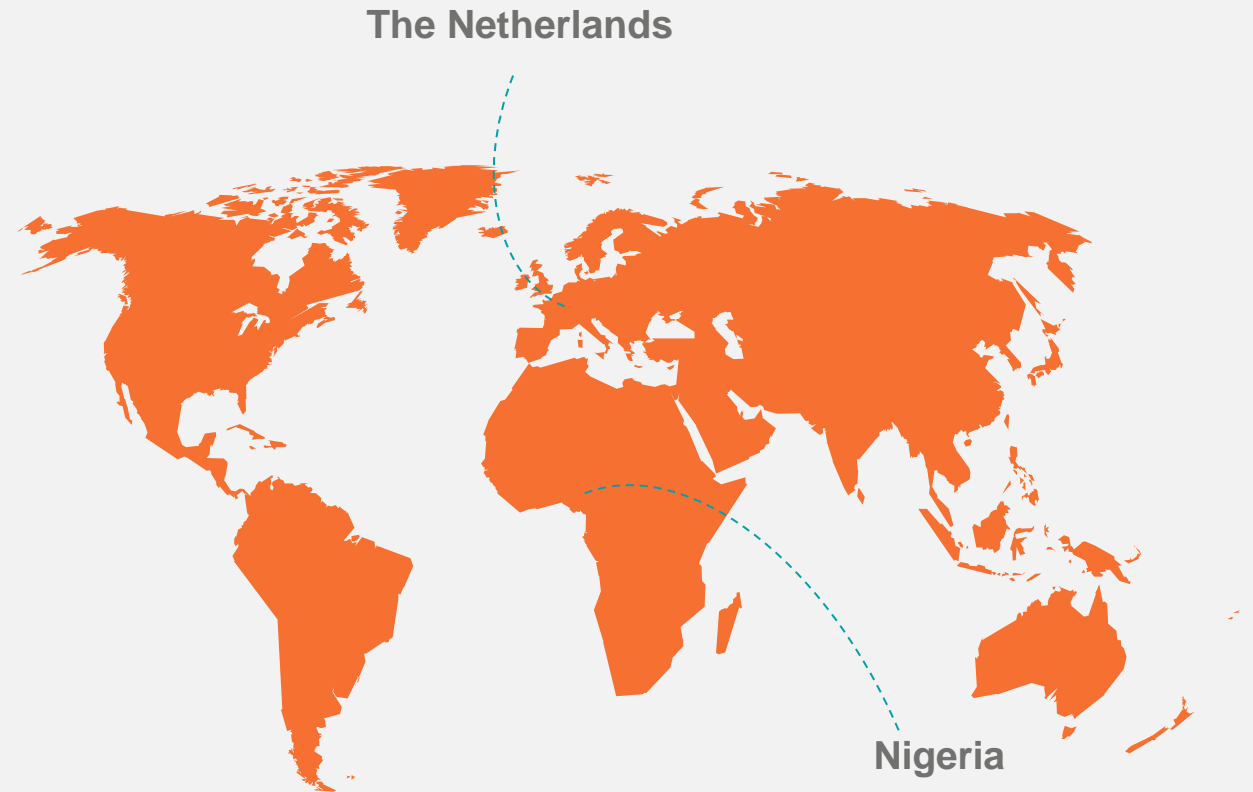
<b>Population</b>	~17.6 million
<b>Area</b>	41,543 sq. Km
<b>GDP</b>	US\$ 912 billion US\$ 52,304 per capita
<b>Life Expectancy</b>	~82 years

# Nigeria

## Facts & Figures



<b>Population</b>	~217.7 million
<b>Area</b>	923,769 sq. Km
<b>GDP</b>	US\$ 448 billion US\$ 2,230 per capita
<b>Life Expectancy</b>	~61 years



# Dutch Health Care System

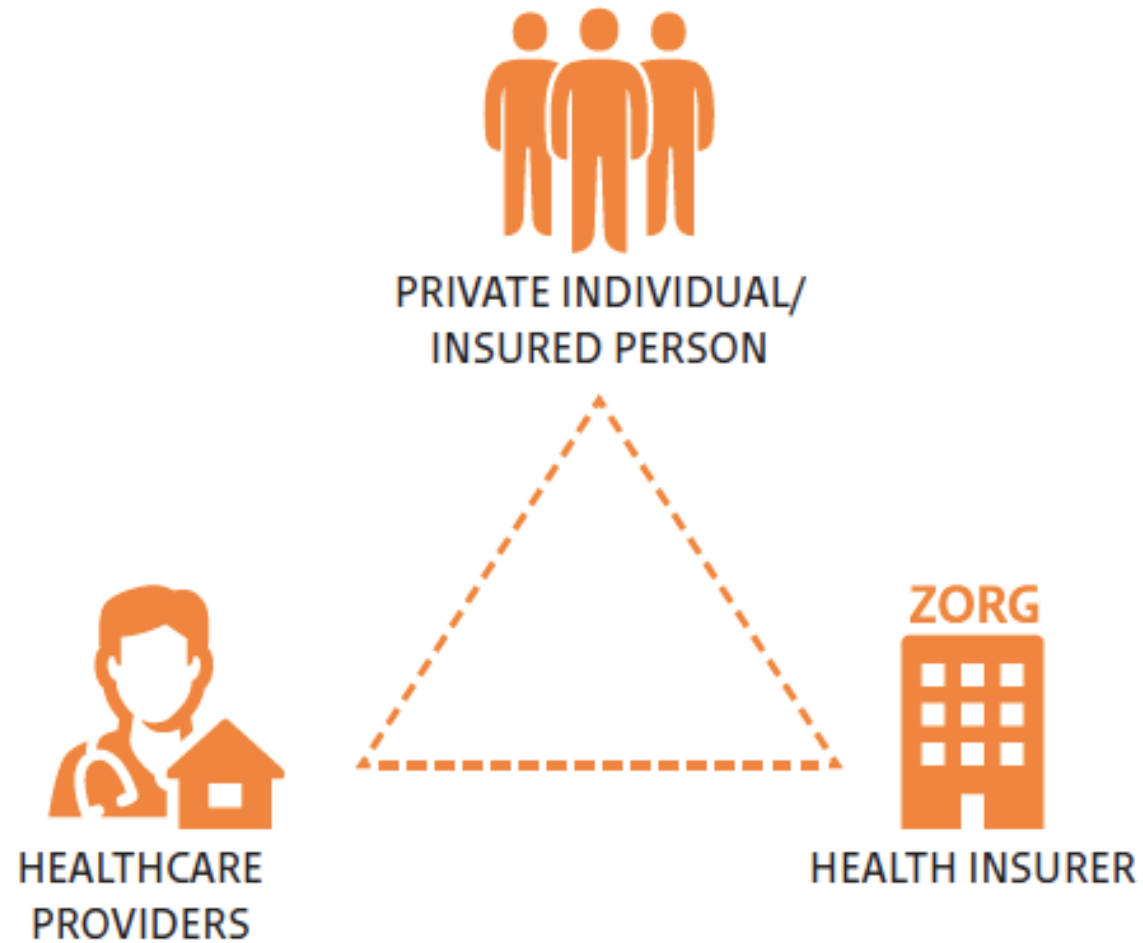
## Integrated Care Agreement 2022:

- Increased pressure on the healthcare system:
  - Ageing population leads to a higher demand for care
  - Healthcare costs are expected to rise to 31% of the GDP in 2040
  - Estimated staff shortage of 600.000 professionals by 2040
  - Quality of care can be improved

## Three pillars:

- 2006 Health Insurance Act
  - Private Insurance
- 2015 Long Term Care Act
  - Public Insurance
- 2015 Social Support Act / Youth Act
  - Provision by Municipality

# Managed Competition



# GP as Gatekeeper of the Health System

## GP as Gatekeeper

- Legally binding
- Referral to specialist or hospital
- Gate keeper at Acute Care
- Free from out-of-pocket payments and deductibles

## Broad range of care

- Basic care, including small surgery
- Multidisciplinary care, e.g., diabetes, COPD (share via caregroup)
- Consultation by GP of specialist instead of referral
- Remuneration for Efficient referrals

# Characteristics Health Care Insurers

## Private Elements

- Competition on nominal premium
- Competition on quality of care
- Profit returned to insurance market
- Open entry of insurers on Health insurers market

## Public Elements

- Obligation to accept all inhabitants
- No premium differentiation
- Offer a legally binding basic benefit package
- Duty of Care



# Future-Proof Healthcare in the Netherlands

Accessibility, affordability, solidarity and high quality of care



# Transition to Suitable Care

## Main drivers:

- Prevalence of multimorbidity
  - 4 million people in 2018 to 6.5 million in 2040 that live with multiple chronic conditions
- Ageing society
  - Increase of people above 75 years old from 1.5 million in 2021 to 2.6 in 2040
- Rising cost of healthcare
- Unsustainable workforce
  - Scenario 1 in 3 working in health 2060

# Policy Priorities

## Guiding Principles:

- Regional collaborations
- Cooperation social domain, GPs and mental care
- Strengthening the organization of primary care
- Prevention and lifestyle medicine
- Value-driven care with the patient, quality, outcome-oriented care, package management, contracting
- Digitalization and data exchange
- Labor market and unburdening of care workers

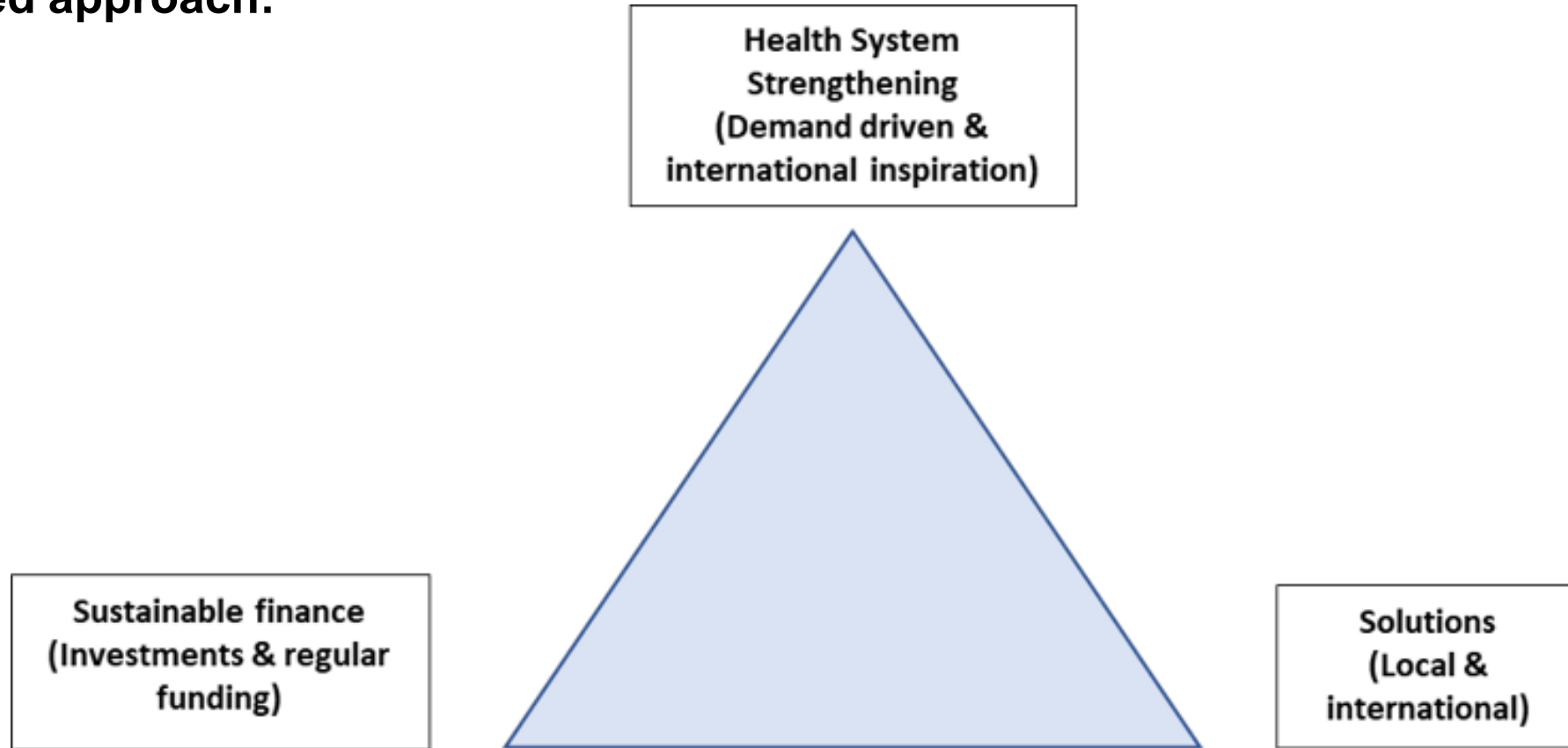
# Common interlinked global themes

## Strengthening the resilience of healthcare systems

- Accelerating digital transformation
- Promoting vitality, prevention and healthy ageing
- More and better personalized care: providing care at the right location
- Guaranteeing accessibility of care
- Increasing sustainability and reducing the impact on the climate

# Improving the intersection between HSS, solutions and finance

**Integrated approach:**





**Health~Holland**  
SHARED CHALLENGES, SMART SOLUTIONS

**Laura Duran**  
Topsector Health~Holland







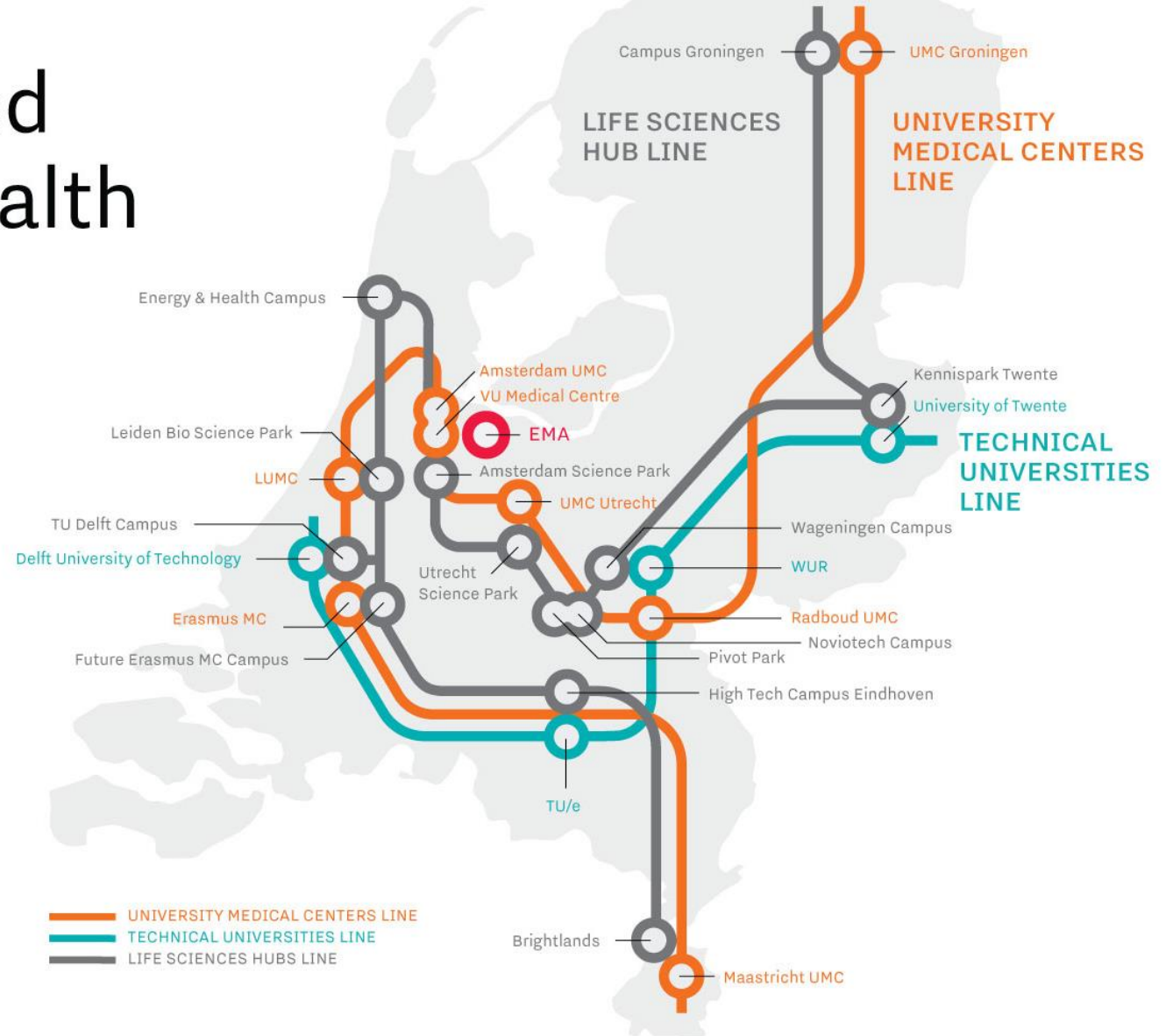
# Health~Holland

## Topsector Life Sciences & Health

**Laura Duran**  
International Relations Officer

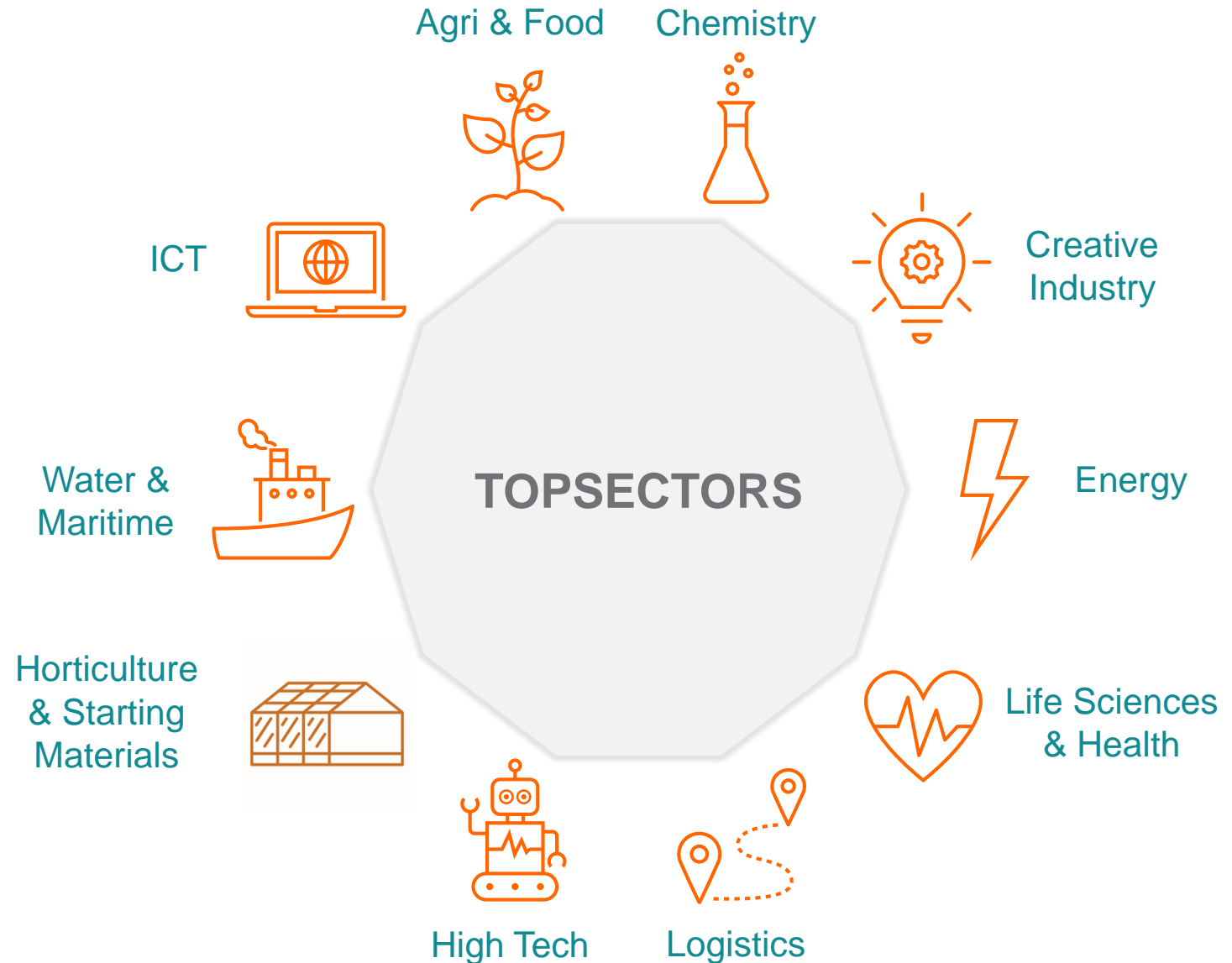


# Europe's connected Life Sciences & Health metropolis



# Topsectors

*“Top sectors strengthen the economy with innovations, by seizing international opportunities, solving societal challenges, increasing human capital and investing in scientific research”*



# Moonshot



Flag: 150 cm / 59"

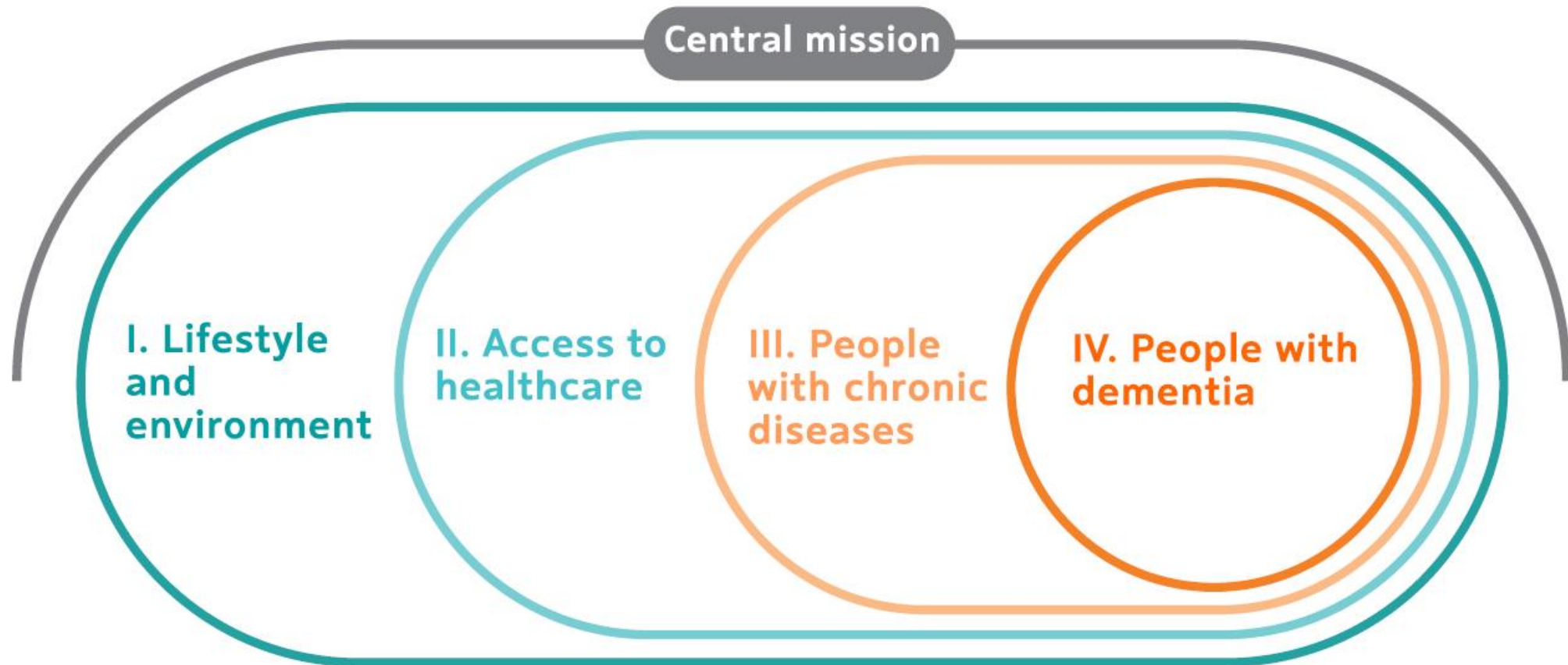


20 juli 1969



# Mission driven innovation: Dutch Missions for Health & Care

From 2019





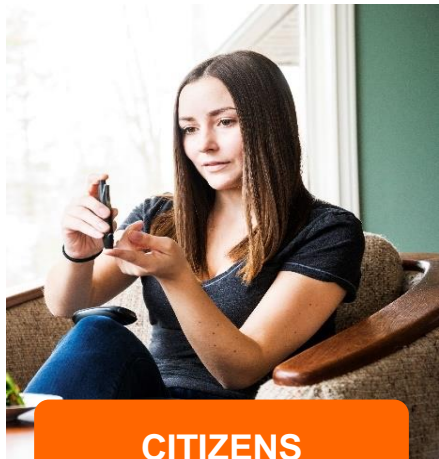
**Dutch missions Health & Care: + 5 healthy years, - 30% inequalities**

**Knowledge and Innovation Covenant:**

- > 100 partners
- > € 1 Billion/year
- > 600 Public Private Partnerships
- > 30 Strategic Partnerships



# Quadruple helix



CITIZENS

+



RESEARCHERS

+

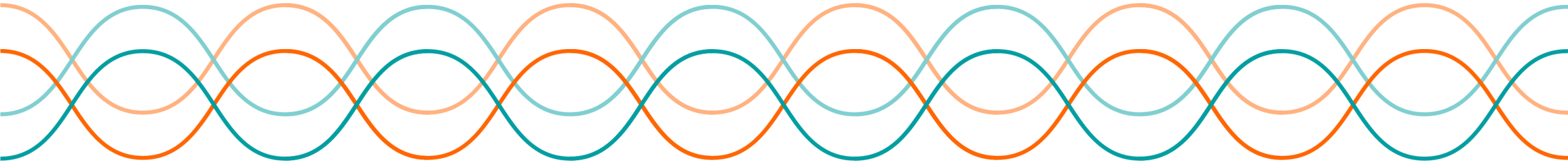


ENTREPRENEURS

+



GOVERNMENT



# Ability to participate and make a difference... for everyone



# Mission driven innovation: Neokidney

## Public-private collaboration



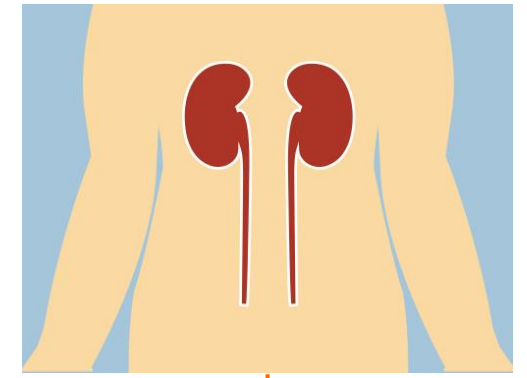
1943



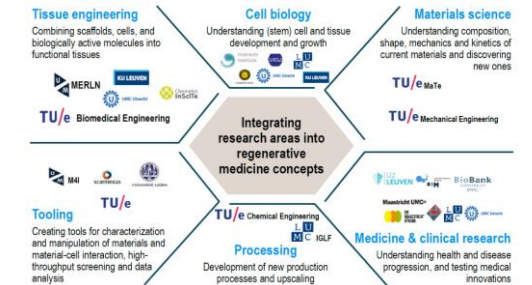
2011



2019



20..

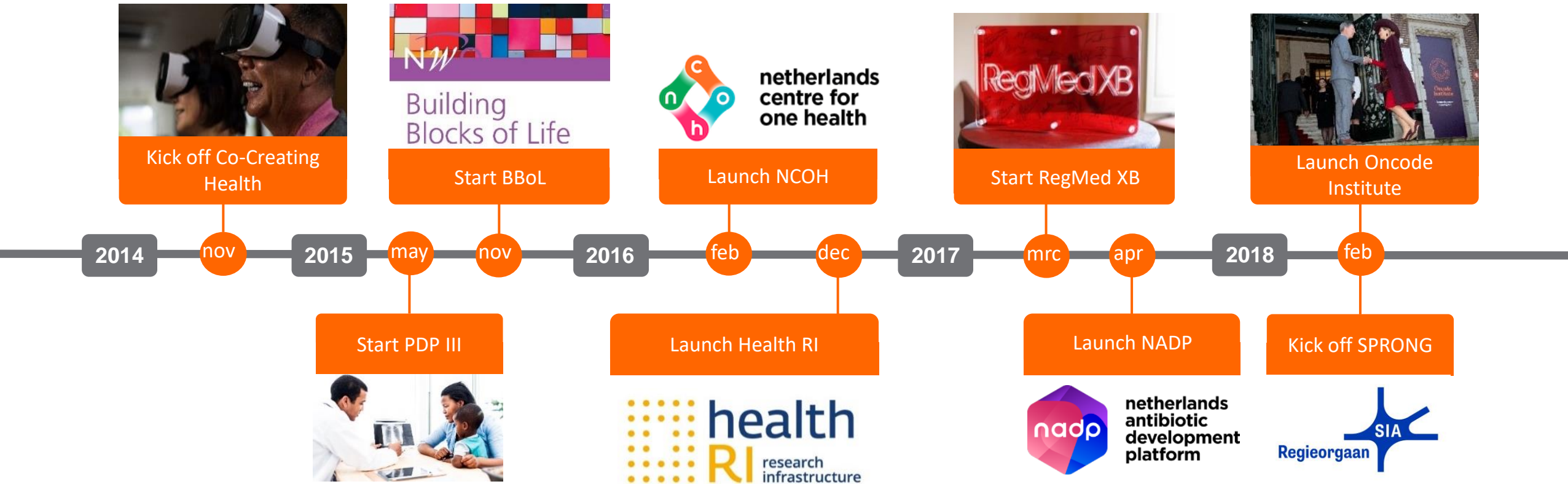




# Strategic public-private partnerships



## Timeline



**WHAT ELSE?**

# Startup and SME support

<https://www.health-holland.com/startup-and-sme-support>



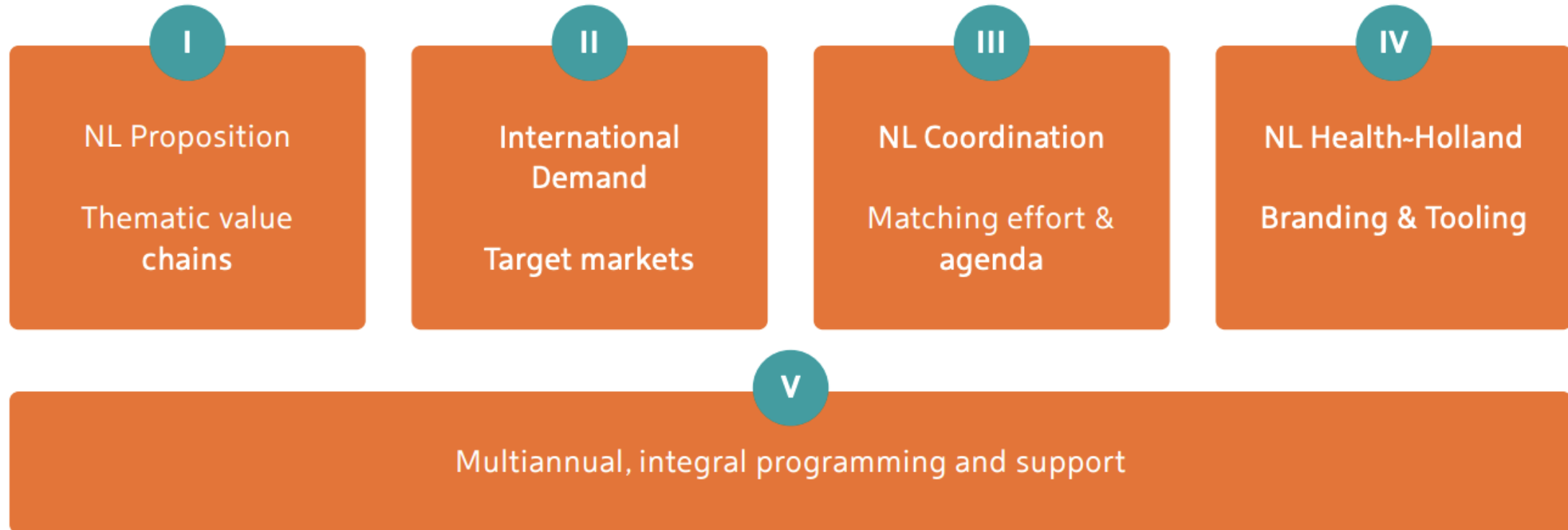
In which industry do you work?



What are you looking for?

Business development	Courses & events	Networking opportunities	Public-private partnerships	Funding
Expert Classes	Biobusiness Summerschool	FME	GROZ/fieldlab	Eurostars
Global Investor Forum	Paul Janssen Futurelab	HollandBIO	HHINT kickstarter	Horizon Europe
Global Scale-Up Program	Talent Accelerator Programme	LifeSciences@Work	Match Call	Innovation Credit
Health Impact Accelerator	Dutch Life Sciences Conference	Medtechpartners network	PPPs	MIT Knowledge Voucher
Innovation Broker	Health Valley Event	Task Force Health Care		MIT R&D
Innovation Cafe	Innovation for Health	Zorginnovatie.nl		Regional Development Agencies
National Healthcare Innovation Award	Mobile Healthcare			Seed Capital
The Netherlands Patent Office	World of Health Care			Proof-of-concept funding
Venture Challenge				WBSO

# Health~Holland International Strategy 2020 – 2023





Europe's connected Life Sciences and Health metropolis







[www.health-holland.com/international](http://www.health-holland.com/international)



[International@health-holland.com](mailto:International@health-holland.com)



<https://www.linkedin.com/showcase/health-holland-international>



[@HealthHolland](https://twitter.com/HealthHolland)

# Break

We will resume at 15:00

Netherlands

# Incoming mission LSH Nigeria to the Netherlands

18 October 2022



# Agenda 18 November

## 14:30-15:00 Break and seminar open to Dutch participants

- **Welcoming and opening words of Dutch Ministry of Foreign Affairs**  
*By Ministry of Foreign Affairs – Marc Hasselaar, Director International Entrepreneurship  
And Anouk Aarts, Policy advisor Financial Sector Development*
- **Launch of the LSH Market Study Nigeria**  
*By Sunday Mgbejume - PharmAccess Nigeria*
- **Panel discussion – reflection on findings of the Market Study**  
**Panelists:**  
*Oluwaseun Faturoti - Global Health Consultant  
Sunday Mgbejume – PharmAccess Foundation  
Falade Olufunke Gbemisola – Nigeria Sovereign Investment Authority*

## 17:00-19:00 Networking reception

Marc Hasselaar

Director International Entrepreneurship

Dutch Ministry of Foreign Affairs

Anouk Aarts

Policy Advisor Financial Sector Development  
Dutch Ministry of Foreign Affairs





Sunday Mgbajume  
PharmAccess Foundation

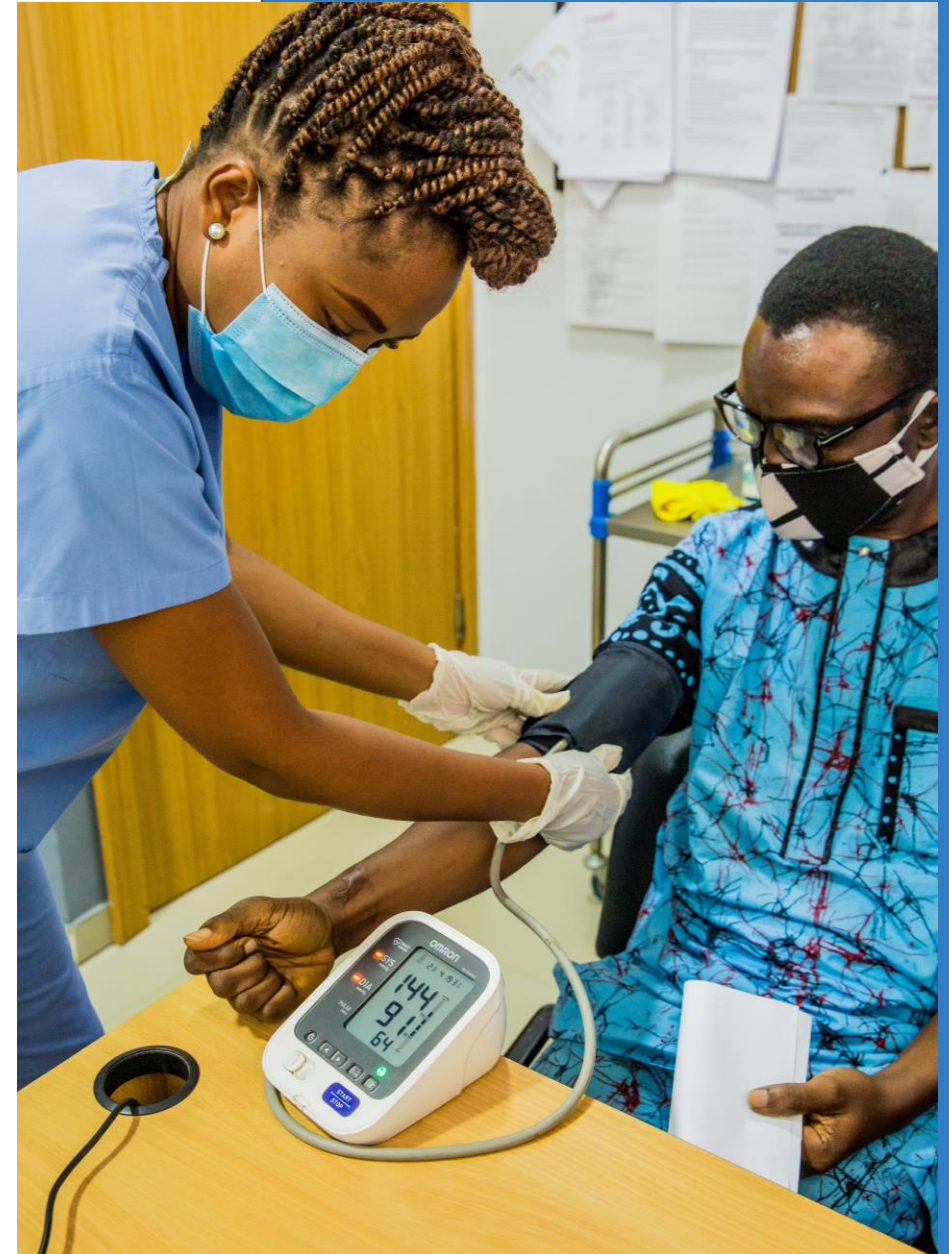


# Nigeria Health Sector Market Study

Stakeholder Briefing

October 2022

**Pharm**Access  
FOUNDATION



# Content

**01** OBJECTIVES OF THE MARKET STUDY

**02** NIGERIA-NETHERLANDS TRADE RELATIONS

## **KEY MARKET STUDY FINDINGS:**

**03** NIGERIA MARKET OVERVIEW

**04** NIGERIA HEALTHCARE ECOSYSTEM

**05** NIGERIA HEALTHCARE OPPORTUNITY MAPPING

**06** SAMPLE BUSINESS CASE – PRIMARY HEALTHCARE CENTERS

# 1. Objectives of the Market Study



## STUDY OBJECTIVES

---

- ❑ Provide deeper insight into the opportunities in Nigeria's health sector post COVID-19
  - ❑ Generate inputs to design a roadmap for collaboration
    - ❑ Nigerian healthcare firms
    - ❑ The Government
    - ❑ Dutch companies
  - ❑ Position Dutch firms as Nigeria's innovative partners for LSH-related opportunities
-

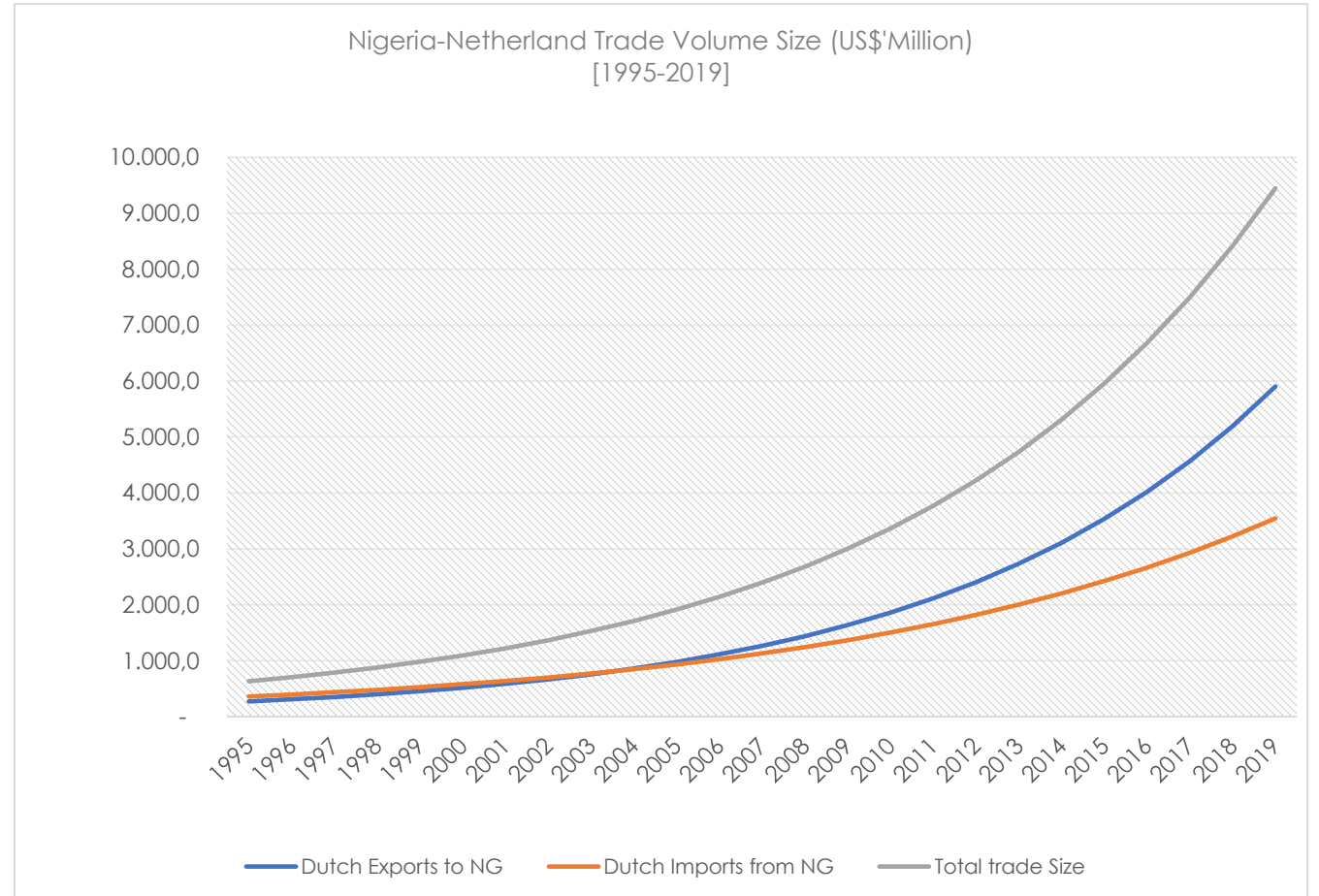
## 2. Nigeria-Netherlands Trade Relations





# NIGERIA-NETHERLANDS TRADE RELATIONS

- ❑ The Netherlands in Nigeria's top-5 trading countries
- ❑ Total trade volume \$9.45 billion (2019)
- ❑ Annual growth in trade averaged 11.9%



### 3. Nigeria Health Market Overview

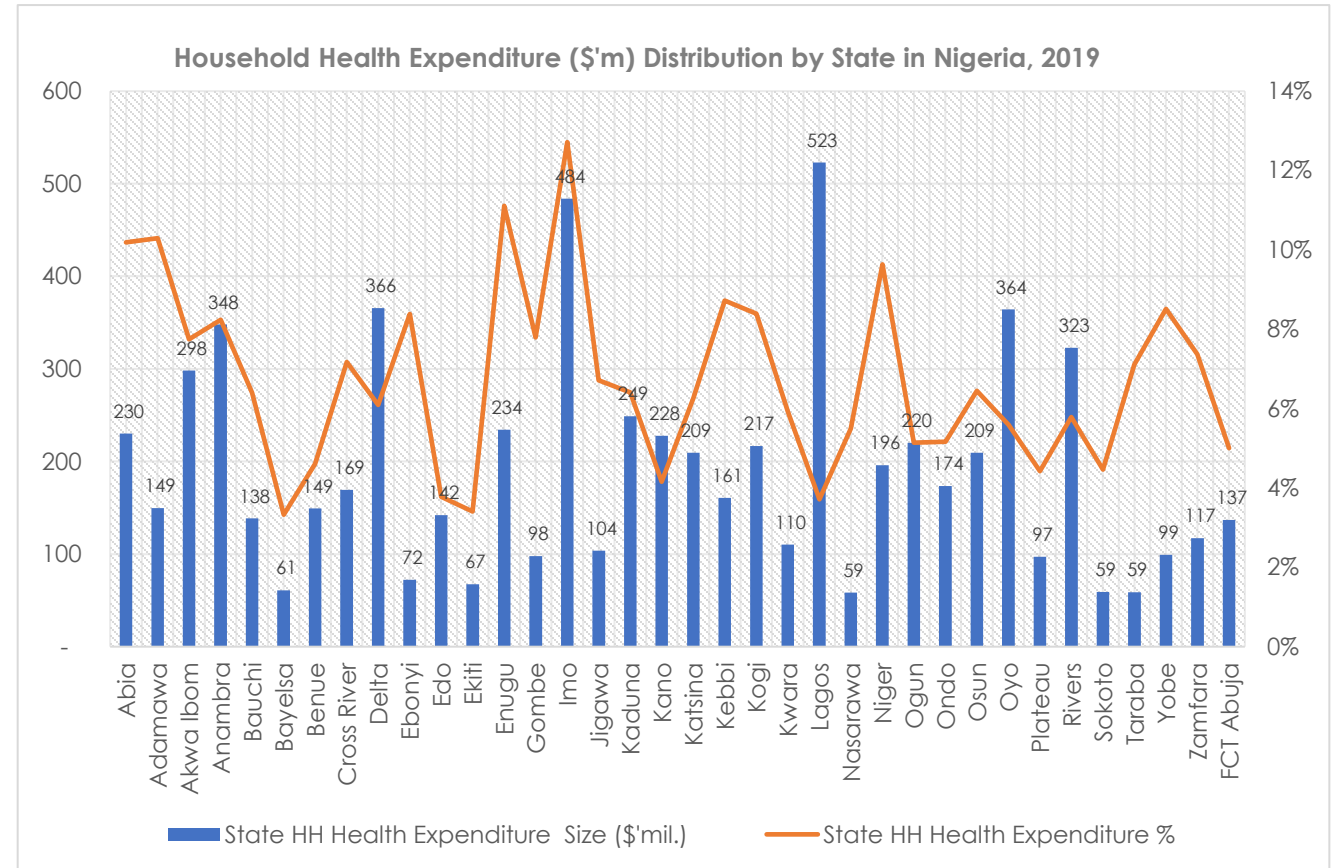


# NIGERIA MARKET OVERVIEW

INDICATORS	DESCRIPTION	DATA
Key Market indices	<ul style="list-style-type: none"> <li>GDP Size (2021)</li> <li>Est. Demand size for healthcare (2023)</li> <li>Medical Tourism Spend – outgoing (2019)</li> </ul>	\$440.78 bn \$18 bn \$1.9 bn
Hospitals & Healthcare Professionals	<ul style="list-style-type: none"> <li>No. of Hospitals &amp; Clinics (2019)</li> <li>Distribution by level of care:               <ul style="list-style-type: none"> <li>Primary 85.1%</li> <li>Secondary 14.5%</li> <li>Tertiary 0.4%</li> </ul> </li> <li>No. of Hospitals beds (2021)</li> <li>Beds per capita</li> </ul>	39,467      173,975 0.82
Demographics	Population (2021) Estimated by 2050:	213.4 mil. 440 mil

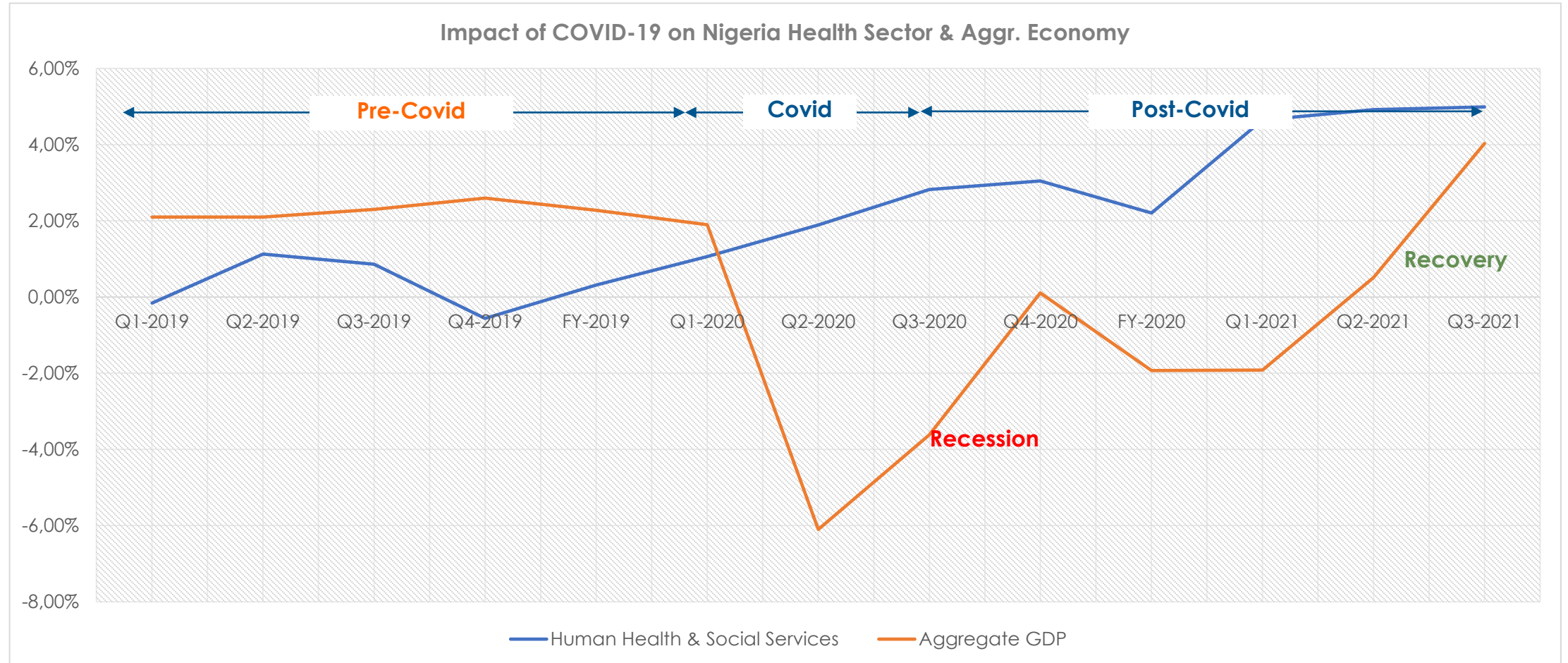
# NIGERIA MARKET OVERVIEW

- ❑ \$6.9bn Household expenditures on health
- ❑ Lagos state \$523 million
- ❑ Post Covid 25.6% growth (2021, World Bank)



# NIGERIA MARKET OVERVIEW

## COVID-19 IMPACT UPDATE



# NIGERIA MARKET OVERVIEW

---



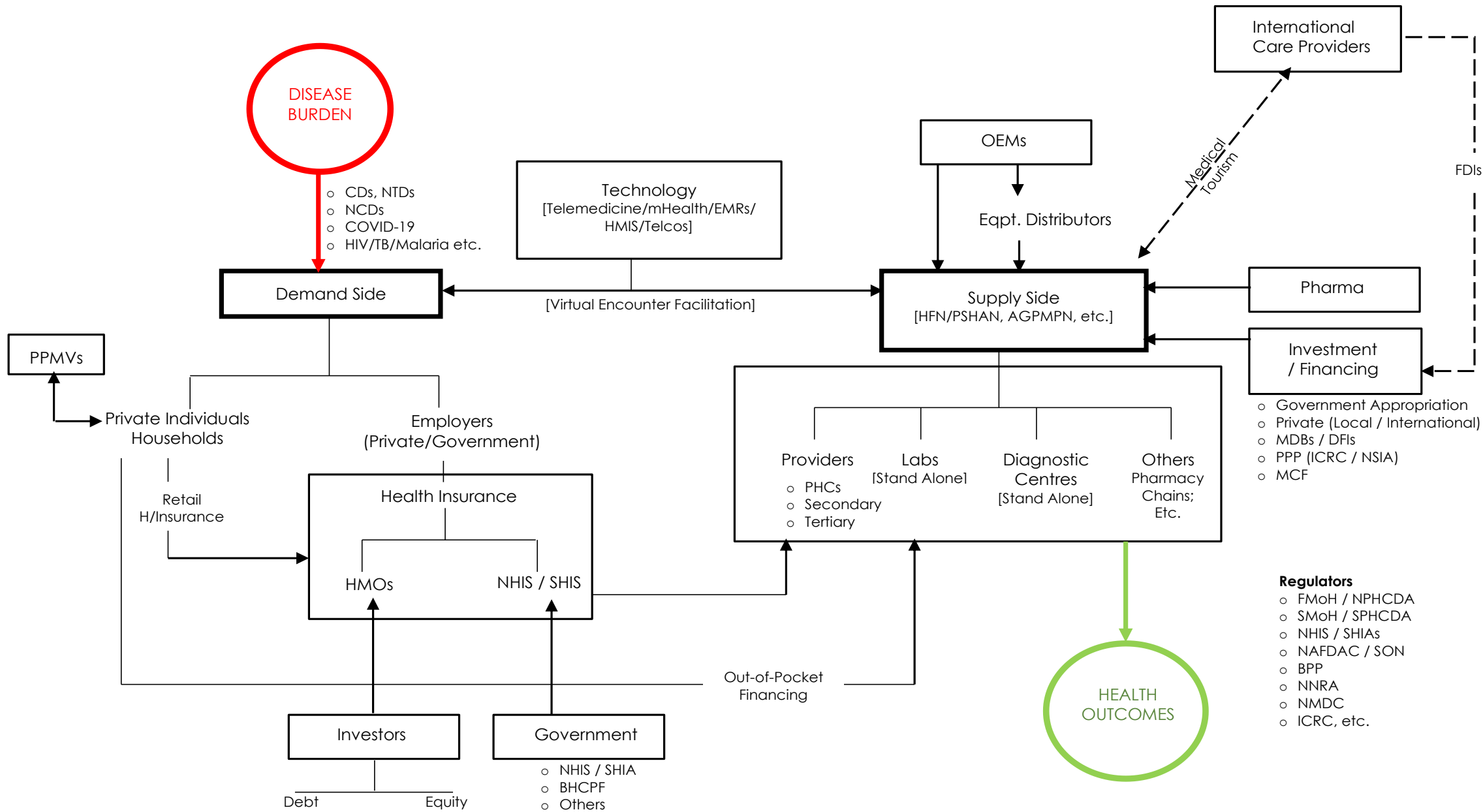
***Nigeria ranks as the 3<sup>RD</sup> most attractive destination in Africa***



## 4. Nigeria's Healthcare Ecosystem

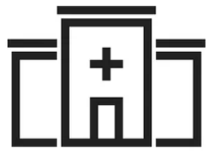


# Nigeria Ecosystem Interaction



# NIGERIA HEALTHCARE ECOSYSTEM

## Health Ecosystem Component Update



### Expenditure by Health Facility

- \$5.13 billion, 2017
  - Tertiary Facilities: 22%
  - Secondary Fac.: 57%
  - PHCs: 22%



### Expenditure by Disease Distribution

- Malaria (40.2%)
- NCDs (9.4%)
- Reproductive diseases (9.4%)



### Telemedicine / Digital Health

- 2022 Rev. Size: \$315.2 mil.
- Rev. CAGR, 2022-27: 17.4%
- 2027 Rev. est.: \$703.7 mil.
- User penetration rate: 13% (2022) & 19% (2027)
- ARPU: \$10.9



### Health Insurance

- As at 2021 <10%
- By end of 2030, c.70%



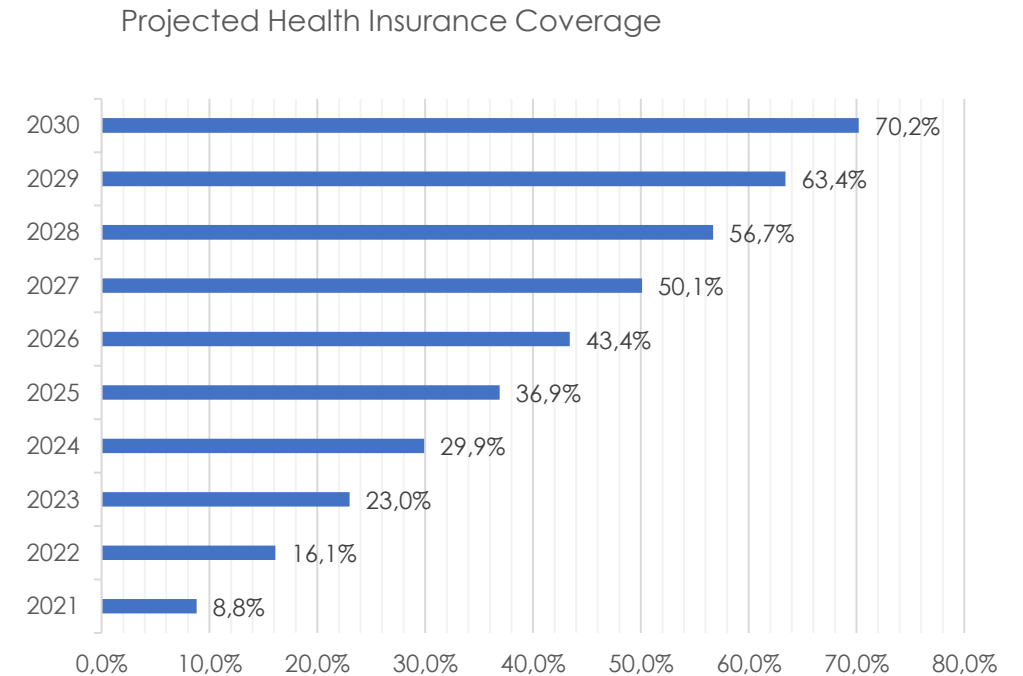
### Medical Devices

- Import dependent
- Valued at \$185.7 million, 2022 & \$201.8 million, 2023

# NIGERIA HEALTHCARE ECOSYSTEM

## THE NHIA AMBITION: 70% HEALTH INSURANCE COVERAGE BY 2030

- Baseline Penetration < 10%
- Insurance coverage: 15 MLN (2022)
- All 36 states have initiated health insurance schemes (according to the DG, NHIA)
- Health Insurance Funding:
  - Federal Level: The Basic healthcare provision fund (BHC PF)
  - State Level: 1% of Consolidated revenue fund

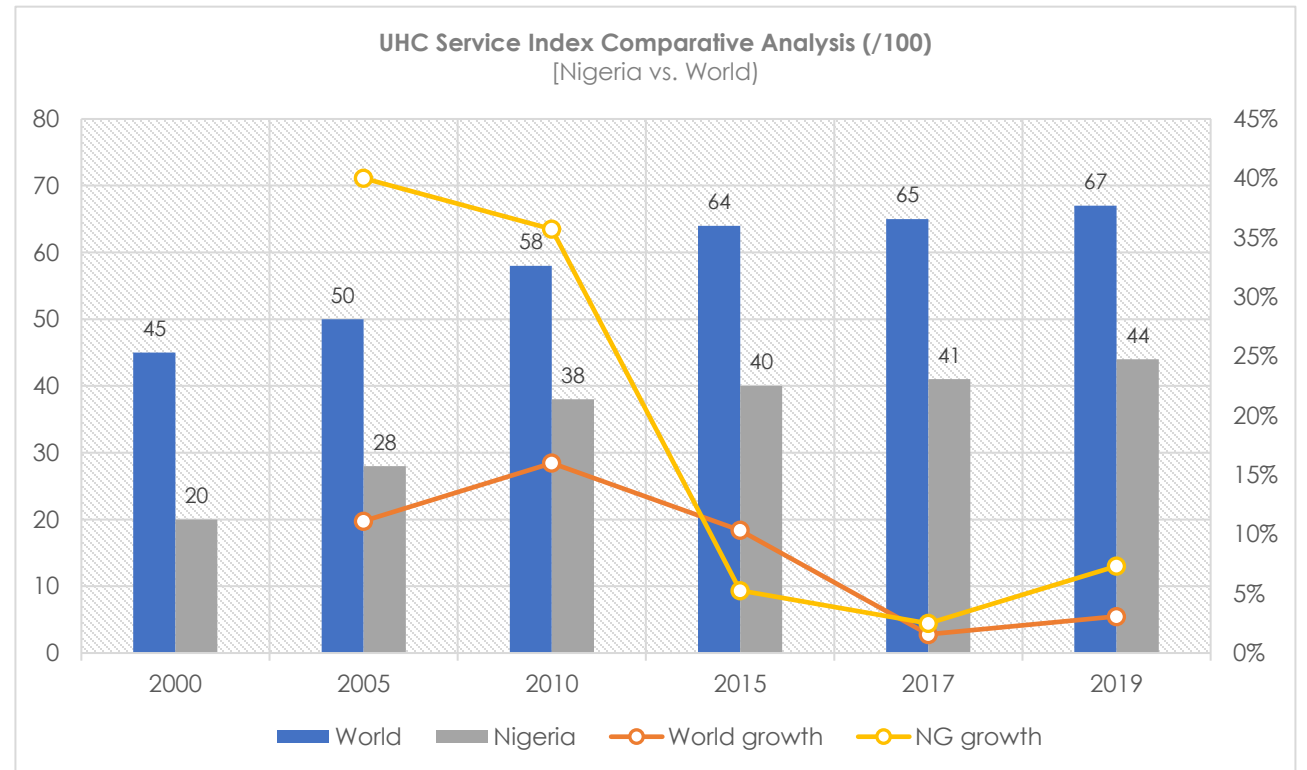


SOURCE: NHIA Strategy Plan, 2021-2030

# NIGERIA HEALTHCARE ECOSYSTEM

## NIGERIA UNIVERSAL HEALTH COVERAGE SERVICE INDEX (UHC-SI)

- Refers to average coverage of essential services
- Score of 44 in 2019
  - Major challenges remain
- Growth in the Index:
  - Nigeria Avg. (18%)
  - World Avg. (8%)
- UHC-SI for Nigeria projected to hit 58 by 2030 at the current rate



SOURCE: World Bank

# NIGERIA HEALTHCARE ECOSYSTEM

## MEDICAL DEVICES MARKET

Product Category	2016	2017	2018	2019(F)	2020(F)	2021(F)	2022(F)	2023(F)
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Consumables	40.7	45.3	51.5	59.2	63.2	64.9	70.9	77.7
Diagnostic Imaging	27.0	19.6	22.5	25.4	27.2	28.1	30.3	33.2
Dental Products	2.9	5.3	4.1	4.7	5.1	5.3	5.9	6.6
Orthopaedics & Prosthetics	10.1	4.1	4.9	5.7	6.3	6.5	6.8	7.2
Patient Aids	16.8	12.4	14.4	16.9	18.1	18.6	20.1	21.6
Other Medical Devices	35.8	34.9	37.3	43.2	46.7	48.8	51.7	55.5
<b>Total</b>	<b>133.3</b>	<b>121.6</b>	<b>134.7</b>	<b>155.1</b>	<b>166.6</b>	<b>172.2</b>	<b>185.7</b>	<b>201.8</b>
<b>Annual Growth</b>		-9%	11%	15%	7%	3%	8%	9%

DATA SOURCE: BMI / US Dept. of Trade

## LEADING SUB-SECTORS

- Medical devices
  - MR, CT SCAN, DIGITAL X-RAY, ULTRASOUND
- Medical disposables
  - Malaria, drug abuse, HIV/AIDS, TB
- Used equipment by private facilities

# NIGERIA HEALTHCARE ECOSYSTEM – OPPORTUNITY DRIVERS

---



## Diagnostics

Better diagnostics leads to better health outcomes



## Lower tier Markets

Innovate and target lower-priced tier markets



## Health Informatics

Growing importance of evidence-based reporting



## Local Partnerships

Driven by population size, growing middle class, and medical tourism



## Capacity gaps

Manpower capacity, the power supply gap



## Disease Burden Mix

NCDs are becoming more prevalent e.g., Cancer



## Turnkey Project Structuring

Insufficient capacity to manage the structuring of high-ticket turnkey projects



# 5. Nigeria Healthcare Opportunity Mapping



# Sample Healthcare Projects

3rd Phase of upgrade  
Teaching Hospital  
Rehabilitation Project)

\$2.1 billion

FMoH, NSIA, ICRC  
+  
Vamed Engineering

Radiotherapy &  
Oncology Centre at  
Aminu Kano Teaching  
Hospital, Kano

\$346,000

FMoH  
(OBC Phase)

**Inference:** Core Private  
Investor yet to be secured

National  
Orthopedic  
Hospital, Enugu

\$2.07 billion

FMoH  
(OBC Phase)

**Inference:** Core Private  
Investor yet to be secured

Construction of the African  
Medical Centre of Excellence,  
Abuja

\$300 million

Afreximbank  
(a multilateral lender)

**Inference:** Project is virgin and  
opportunity abound for exploitation

# Market Entry – Tender Process (1 of 3)



## Key Requirement specifications:

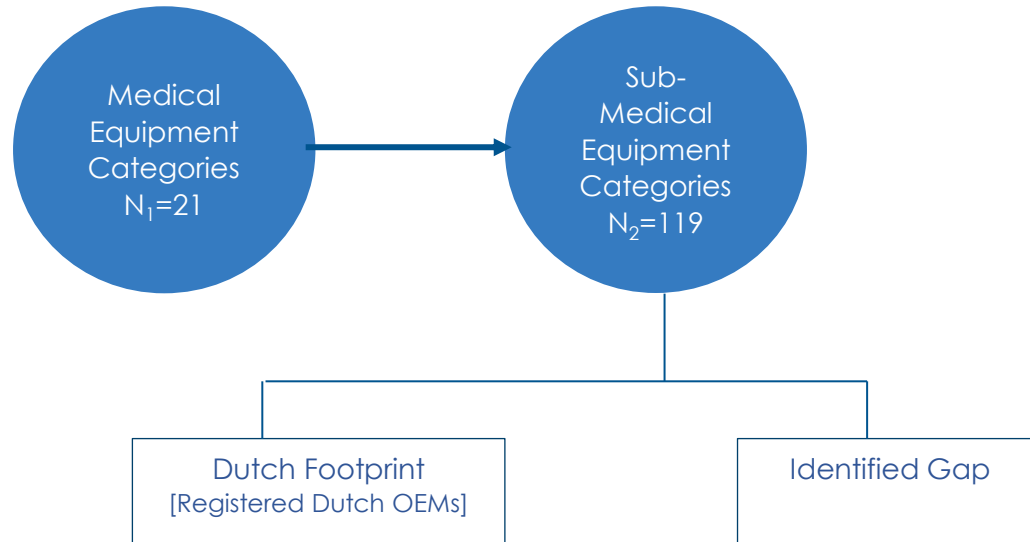
This will require being registered with:

- NAFDAC
- The Standard Organization of Nigeria (SON)
- The BPP
- The National Nuclear Regulatory Authority (NNRA), etc.

Public tender process in Nigeria is based on the provisions of the Bureau of Public Procurement (BPP) Act, 2007

## Market Entry – Tender Process (2 of 3)

---



Only 4 Dutch OEMs were found to be registered with the FGN for tertiary hospitals and they account for only 19 (16%) of the listed equipment identified.

- **Philips Medical:** Footprint in Acute Care, and Medical Imaging
- **Entermed, Hauten:** footprint in ENT devices
- **Enraf Nonius:** footprint in Physiotherapy and physical rehabilitation equipment
- **Sanyo Medical:** footprint in Laboratory, Sterilization & Disinfection; and Medical Refrigeration

Dutch OEMs are unregistered in 100 (84%) of the total sub-equipment categories giving room for OEMs from other developed markets to explore.

**Dutch OEMs need to explore engagement channels available in the country to maximizing opportunities**

# Market Entry – Tender Process (3 of 3)

STAGE-2: PROCUREMENT PLANNING			
1.	International Competitive Bidding (ICB)	1.1	Large contracts for goods, works, & related services
			<input type="checkbox"/> ICB for works with pre-qualification: 9-12 months <input type="checkbox"/> ICB for works without pre-qualification: 5-7 months <input type="checkbox"/> ICB for goods: 5-7 months
2.	Limited International Bidding (LIB)	2.1	There are only a few known suppliers <input type="checkbox"/> LIB goods: 4-6 months
3.	National Competitive Bidding (NCB)	3.1	Competitiveness and capability of local bidders makes it unattractive for foreign bidders to compete at a contract below certain thresholds  <input type="checkbox"/> NCB goods: 4-6 months
4.	Direct Contracting (DC)	4.1	Where extension of an existing contract is necessary <input type="checkbox"/> DC: 1-3 months

# Market Entry – Engagement with Private Businesses

---

## Direct Engagement

[Service provider,  
Supplier, Contractor]

## Investment / Partnership Model

## OEM- Distributor Model

## Private tender process

- Participation in trade exhibitions & conferences like Medic West Africa is a strategic way of jumpstarting engagement
- Rule of thumb: always endeavor to conduct your own due diligence

# 6. Business Case Review



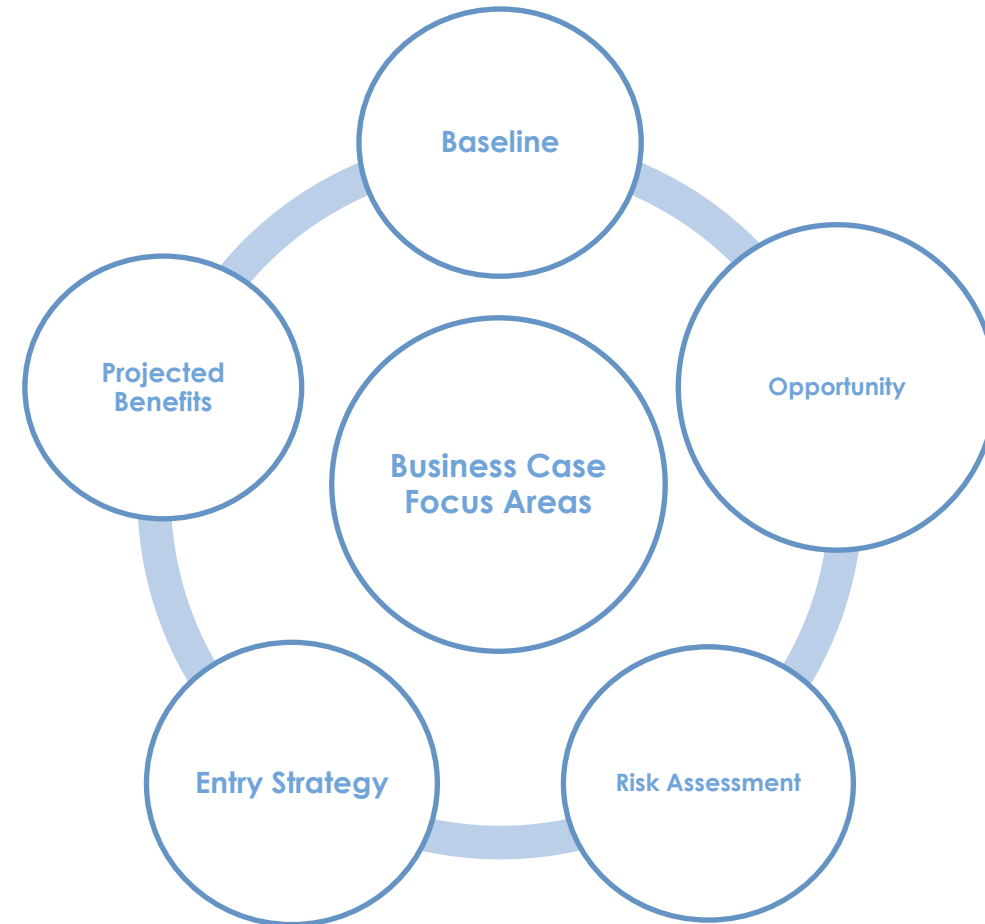


# BUSINESS CASE REVIEW

---

## Business Cases Worked on:

1. **Revitalization of Dysfunctional PHCs**
2. ICT Integration of NHIA Processes
3. Investment in Renewable Energy across target PHCs
4. Telemedicine
5. Medical Equipment Leasing & Maintenance
6. Domesticated Vaccine Production
7. Pharma Import Opportunity
8. Turnkey PPP Health Infrastructure Advisory
9. **Debt financing for Private Health Facilities /Digital loans – Medical Credit Fund**
10. Local Production of Long-lasting Insecticide Treated Nets (LLINs)



# 6.0 SAMPLE BUSINESS CASE: Revitalization of PHCs



## Baseline

- There are 34,076 PHCs in Nigeria
- 20% of PHCs are reported to be functional



## Opportunity

- Revitalization of 10,000 PHCs as contained in the ERGP / NDP
- Passage of the National Health Act
- Deepening of Health Insurance



## Entry Strategy

- Set up a PPP framework with the NPHCDA/FMoH, NHIA, HFN
- Funding to be via the BHC PF
- **Dutch OEMs position to provide med equipment for facilities**
- HFN Providers to access loan, operate facilities & repay
- NHIA to deliver enrollees

## Risk Management

#	Possible Risks	Mitigation
1.	Weak demand Side	Social health insurance programs to ramp up advocacies and enrollments
2.	Loan default by private providers	Debt capital secured by Health Insurance Fund held by the NHIA / BHC PF



## Benefits

- Target No. of PHCs to revamp: 1,000 spread over 5 years
- **Projected Capital Investment: \$42 mil.**
- Breakeven period for local private managers of facilities: 5 years (could be earlier)
- Projected net ROI for private facility mgrs.: 365% over a 10-year period
- Government stands to recoup invested capital with a projected interest rate of 10% via loan repayments



Thank you

# Panel discussion

## Reflection on findings of the market study

### **Panelists:**

- Oluwaseun Faturoti - Global Health Consultant
- Sunday Mgbejume – PharmAccess Foundation
- Falade Olufunke Gbemisola – Nigeria Sovereign Investment Authority

*Moderated by Micha van Lin – Task Force Health Care*



Netherlands

# Incoming mission LSH Nigeria to the Netherlands

18 October 2022

