

Private sector and partnerships

Leveraging engagement to strengthen Nigeria's health system

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Key messages

Nigeria has a dynamic private sector that can contribute significantly to the health system and improve access and quality of care if properly streamlined and regulated.

The private sector has been responsive to health system crises and shocks; however, mechanisms to harness holistic and sustained private sector resourcing to improve health sector performance remain suboptimal due to the paucity of data and weak governance structures.

National policies and strategic documents exist to facilitate private sector engagement (PSE), and the Presidential Health Sector Reform Committee (2023) has recommended further government engagement for holistic health system strengthening. However, these documents do not specify the modalities of engagement.

Private sector contributions can be enhanced by strengthening the capacity of government at all levels to identify, develop, market, manage and oversee public-private partnership (PPP) arrangements that address public health objectives.

Co-creation of joint government-private sector strategies for unlocking the private sector value chain is essential.



Executive summary

Issue

Nigeria operates a mixed health system that includes a significant private sector participation. Although there is a health sector public-private partnership policy (PPP) in Nigeria, most national health policies do not yet explicitly include the private sector. And where they do, they are regulatory in nature. There is little or nothing about their contribution towards national health policy objectives, and accountability mechanisms to engage the private sector are not adequately established.

Context

Public-private engagement in health financing and service delivery in Nigeria involves formal mechanisms such as basket funding, purchasing services from health maintenance organisations, and government regulated private sector service provision. Informal contributions include health programs funded by corporate social responsibility and temporary medical outreach services in communities.. Collaboration is guided by three key policies – the 2005 Public-Private Partnership for Health in Nigeria Policy, the 2016 National Health Policy, and the National Health Strategic Development Plans I & II – but explicit private-sector responsibilities and regulatory frameworks remain undefined.

Aims

This brief examines the extent to which the private sector has contributed to health financing and service delivery, at the national level, in Nigeria in the last ten years, evidencing the policies in place to enhance engagement, the contribution of the private sector to health, and identifying facilitating and constraining factors.

Private sector contribution to health financing

Private sector contributions to health financing in Nigeria have largely been reactive, driven by crises such as the Ebola outbreak, internal displacement, and the COVID-19 pandemic. During COVID-19, the Coalition Against COVID-19—comprising business leaders, government, NGOs, and banking stakeholders—donated ₦30 billion and coordinated funding and purchasing efforts. While these responses are mostly ad hoc, some states (e.g., Kano, Kaduna, Zamfara) have implemented structured basket fund contributions, improving budgetary processes and expanding fiscal space for primary health care. However, private health insurance coverage and contributions to pooled funds remain low.

Private sector contribution to service delivery

Private sector service delivery in Nigeria accounts for over 70% of healthcare access, yet operates largely outside any formal PPP framework or referral system. Contributions are mostly ad hoc, driven by NGOs. However, the COVID-19 pandemic demonstrated the feasibility of structured private sector engagement, offering a model for advancing toward Universal Health Coverage (UHC).

Way forward

Achieving UHC in Nigeria is more feasible when the private sector's role is gainfully harnessed. The private sector can collaboratively fund and deliver essential health services with the public sector, if engagements are formalised, instituted and optimally regulated.

Facilitating and constraining factors to PSE in health financing and service delivery

Facilitators

Philanthropy

Public-spirited philanthropists play a critical role in enhancing PSE for health initiatives. Motivated by a strong sense of social responsibility, these individuals provide financial and strategic support that complements government and private sector efforts. By leveraging the resources and goodwill of philanthropists, PSE can become even more impactful, helping to address funding gaps and strengthen health care delivery systems (Onyemaechi & Ezenwaka, 2022).

Intentional coalition

Before the COVID-19 pandemic, Nigeria lacked a unified platform to harness and organize large-scale philanthropic efforts from the private sector, but with the advent of the pandemic, the CACOVID platform was created to combat the disease (Mac-Ikemenjima & Izugbara, 2021).

Adequate financing

PSE is facilitated by private sector stakeholders in positions of power and influence who leverage their network to raise funds. This was the case with stakeholders in CACOVID, who made substantial financial contributions to the fight against COVID-19 (Okeke et al., 2022b).

Supportive government policies and incentives

The Government, through a presidential executive order, recently granted the private sector some tax waivers on medical products, equipment and local manufacturing. Specific pharmaceutical products are now exempt from all tariffs and excise duties (FGN, 2024).

Constraints

Weak governance

Mechanisms for regularly and comprehensively engaging the private sector in funding public health remain underdeveloped outside of health system crises (Uzochukwu et al., 2015; Asogwa and Odoziobodo, 2016). While private sector contributions often emerge in response to emergencies, these efforts tend to be ad hoc and lack structure. Regulation and monitoring of private sector contributions are rudimentary, and enforcement activities are very limited.

Health sector corruption and poor accountability

Corruption and unaccountability in Nigeria's health sector erode trust and create an unreliable environment, deterring private sector investment. When transparency is lacking, private health care providers may hesitate to enter into partnerships or invest, hindering the overall development of the health system. Distrust in government programmes, fuelled by perceptions of public sector corruption and inefficiency (Onwujekwe et al., 2020; Onwujekwe & Agwu, 2022), has deterred some philanthropists from engaging in health financing initiatives, further complicating efforts to secure sustainable private sector support (Agwu et al., 2023).

Inadequate knowledge and acceptance of PHI

PHI uptake remains minimal, as many individuals cannot afford the premiums or are unwilling to pay them (WHO, 2023).

Large heterogenous fragmented private sector

The heterogeneity of the private sector, as outlined earlier in the introduction, inhibits optimal engagement.

Policy implications

Findings show that it is imperative to strengthen PSE through government commitment to the use of explicit guidelines and regulatory and accountability mechanisms. The Lancet Nigeria Commission (2023) put forth a key recommendation for PSE (Abubakar et al., 2022), emphasizing that federal and state governments should leverage PPPs – built on accountability, mutual trust, information sharing and joint planning – to revamp Nigeria’s deteriorating hospital infrastructure and strengthen local manufacturing. This can be achieved by:

- creating an enabling environment for functional health markets while ensuring protection for vulnerable populations, supported by robust policies, regulations and access to long-term capital;
- utilizing private sector investment to modernize and expand hospital capacity with appropriate accountability mechanisms, while promoting a coordinated, state-supported and private sector-driven approach to increasing local production of vaccines, medicines and other essential health products and services;
- organizing national co-creation events to develop strategies for institutionalizing PSE in all aspects of the Nigerian health system in close collaboration with the public sector;
- evaluating and updating the national PPP policy, as appropriate;
- developing a strategic implementation plan for harnessing private sector resources for improved health financing and service delivery.

Lessons learnt

Achieving UHC in Nigeria is more feasible when the private sector’s role is gainfully harnessed. The following are the lessons learnt from PSE in the past decade:

1. The private sector can deliver essential health services in areas that lack access. This might imply that with good political will and adequate funding, bottlenecks to geographic access can be overcome.
2. Although the private sector has demonstrated many health financing and service delivery activities in the health sector over the years, there is no common data repository to track outcomes. Good-quality data management will benefit collaborations between the public and private sectors.
3. Given that private health facilities serve most of the population, national policies are not adequately explicit regarding effective ways of engagement.
4. The private sector can be engaged by the Government in many areas in health sector service delivery, health financing and other health system building blocks, through the development of explicit engagement modalities and regulatory and accountability mechanisms.

About AHOP

The African Health Observatory - Platform on Health Systems and Policies (AHOP) is a regional partnership that promotes evidence-informed policy-making. AHOP is hosted by the WHO Regional Office for Africa through the integrated African Health Observatory. National Centres include Addis Ababa University, Ethiopia; KEMRI Wellcome Trust, Kenya; the Health Policy Research Group, University of Nigeria; the University of Rwanda; and Institut Pasteur de Dakar, Senegal. AHOP draws on support from the European Observatory on Health Systems and Policies (EURO-OBS), the London School of Economics and Political Science (LSE), and the Bill & Melinda Gates Foundation (BMGF).

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