



Healthcare in Somalia – The Context

- Hugely donor-distorted market
- Donors funded **\$173 million** to the Somalia health sector in 2022
 - **40 percent** of overall health expenditure
 - Whereas the Federal Ministry of Health (FMoH) budget was only **\$9.5 million** in 2021
- Donor funds for healthcare delivery go directly to INGOs and UN agencies via a parallel, quasi-public system which is free to users but bypasses the government
- The largely unregulated private sector dominates healthcare delivery (**60 percent**)
- The private healthcare sector is thriving, but fragmented with identifiable gaps
- There is no public health insurance; private health insurance covers only **2 percent**
 - **98 percent** of payment for private healthcare is out-of-pocket (OOP)



Sector Partnership in Health)

- PSPH is the only MSD programme currently operating in Somalia or Somaliland
- PSPH is also the only donor-funded health programme in Somalia or Somaliland that engages the commercial private sector
- MSD as an approach to systemic change is a new concept to the health sector in Somalia or Somaliland
- PSPH is a rare example of MSD in the health sector anywhere in the world

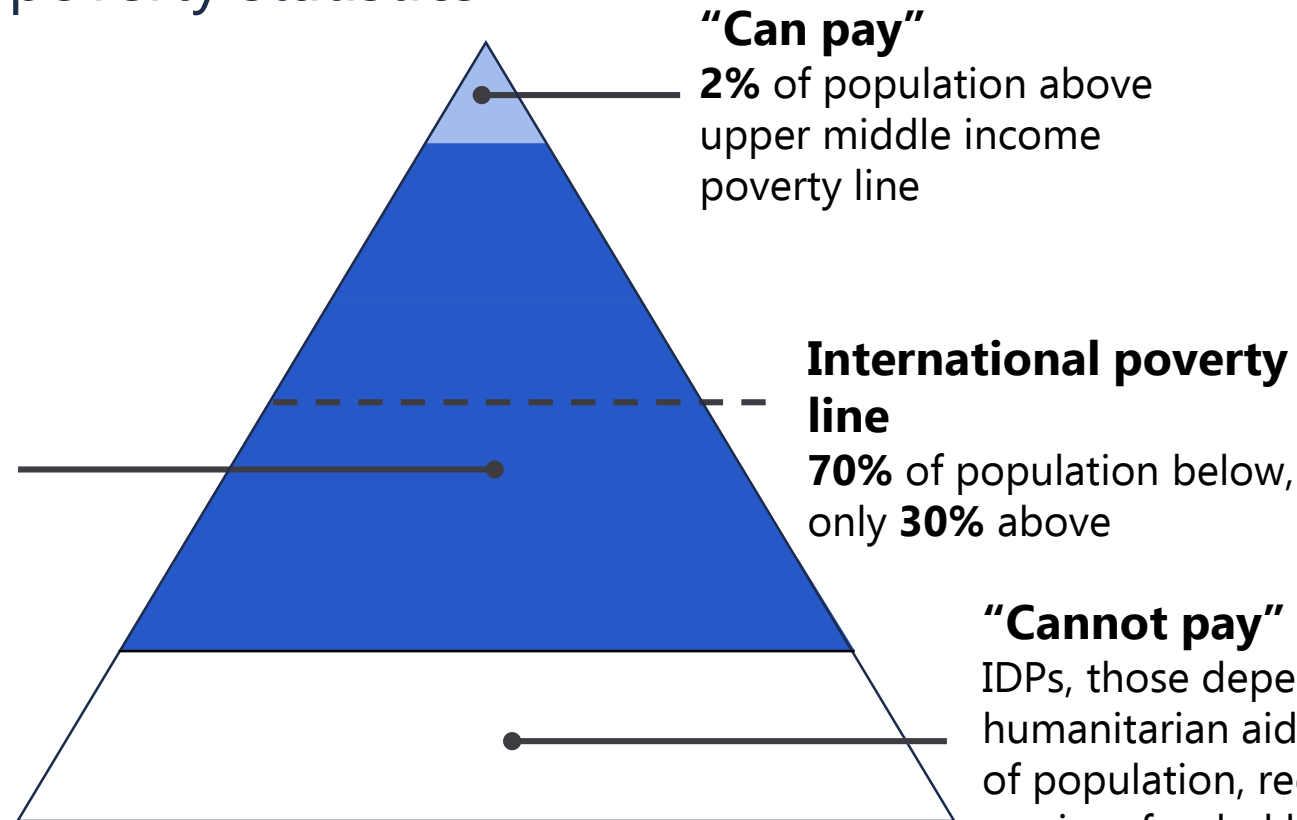


What Have We Learned about Mass Market Health Spending?

- In Somalia, the economically active population is substantially larger than expected from official poverty statistics

“Can pay less” THE MASS MARKET OPPORTUNITY

Active market participants, **up to 70% - 80%** of the population when considering remittances, mobile money, pooled family and community savings, other informal finance sources; **extends well beyond the international poverty line**



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How the Programme Operates

- We act as a business improvement consultancy
- PSPH offers needs-based technical assistance (TA) only, no financing; no cash changes hands
- Some examples of PSPH TA:
 - Primary market research on mass market health seeking and health spending behaviour, willingness and ability to pay, demand for healthcare services and insurance products
 - Private healthcare network organization, governance, and standards
 - Business skills training
 - Provider networking and matchmaking



The Case for MSD

- **Sustainability** is a big issue; the government has limited resources and reliance on external funding perpetuates a dependency mentality
- **Permanent local capacity is underdeveloped** (most capacity building is temporary and money-dependent)
- Healthcare system-building initiatives require **innovative approaches** to overcome complex challenges – MSD embraces innovation, adaptation, and experimentation
- MSD recognizes that **low-income consumers are active market participants**, not passive beneficiaries (the “mass market”)
- Donors can get **better value for money** (VfM) out of MSD programming versus direct delivery of healthcare services and financing
- A significant proportion of private health sector operators **share our objectives**; not everyone is a shark or vulture

Questions to colleagues

- 1) Would the private sector be ready for such an intervention in your country? Why yes/ why not?
- 2) Would the authorities be interested? Are there existing Public Private Partnership Platforms in place in your countries?
- 3) Would you consider such an approach in your health programme portfolios? Why yes/ why not? What would be a barrier?

Questions?

