



SECTOR BRIEF NAMIBIA: Health



Namibian health care system

Namibia has a two-tier health system: public health under the Ministry of Health and Social Services (MoHSS) and the private health service. MoHSS' vision is to be the leading provider of quality health care and social services according to international set standards.

Since Namibia's independence, the government adopted Primary Health Care (PHC) as the approach to providing health service and as a key strategy in attaining the goal of health. Good health is also strengthened by the Sustainable Development Goals (SDGs). The SDGs provide a road map for human development and, among others, systematically address the social determinants of health. Notable is Goal 3, which focuses on good health and well-being.

Namibia's health services under the MoHSS are structured along a three-tier hierarchy at national, regional and district levels. These services are accessed by 85% of the Namibian population, often the lower income population. The ownership and licensing of a private health facility is guided by the Hospital and Health Facilities Act of 1994 and provides eligibility criteria for operating private health facility. The private health sector consists of for profit and non-profit entities. There are 844 private health facilities, 557 medical practitioners, 75 pharmacies, as well as specialty and general private hospitals, and private clinics.

Major diseases in Namibia

- The top ten diseases are: 1) HIV, 2) neonatal disorders, 3) pulmonary (respiratory) diseases, 4) diarrheal diseases, 5) tuberculosis, 6) road injuries, 7) ischemic heart disease, 8) stroke, 9) violence and 10) diabetes.
- Reoccurrence of communicable diseases, notable Hepatitis E and cholera, recent COVID-19.
- There is a rise in non-communicable diseases such as cardiovascular diseases, ischemic heart disease, strokes, diabetes and hypertension associated with mainly middle-income populations.
- There is a growing number of cancers, mental disorders, suicides, drugs and alcohol abuse.
- Sexual reproductive health issues such as sexually transmitted infections, including HIV, unplanned pregnancies and maternal mortality remain challenges.
- The introduction of Prevention Mother to Child Transmission (PMTCT) and the provision of free antiretroviral therapy (ART) to all HIV-positive adults irrespective of cluster of differentiation 4 (CD4) counts contributed to a reduction in mortality and morbidity because of HIV and AIDS. ART is provided by both public and private sectors, with the majority receiving it from the public sector.

The private health services provide between 15 and 17% of the population, which is the middle to high-income population. This includes all public servants with medical aid and as well as those who can afford to pay out of pocket.

There are other open medical funds which sell medical aid to any company that wants to use it. Access to the private health service is limited by financial constraints experienced by most of the Namibian population.

Challenges

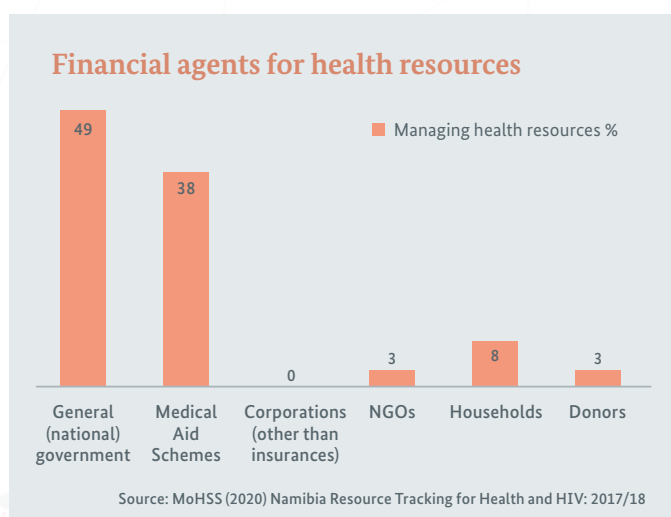
- The majority of the private health facilities are based in urban areas.
- Working in silos: data from the private health practitioners are not reflected in the MoHSS national data, except for vaccination.
- Fragmented system and parallel system that reinforces inequality.
- Public servants opting for services at private facilities often exhaust their medical aid with negative consequences.
- Lack of regulatory frameworks and poor implementation of laws to control the swelling numbers of private clinics.

Health expenditure

Over the last few years, Namibia's health spending accounted to less than 10% of their gross domestic product. The main contributors to total health expenditure (THE) are the public sector (62%), followed by the private sector (31%) and (mainly international) donors (7%), with the majority funding towards HIV and ART.

The majority of the health care is spent on curative care (62%), this is even though the majority of diseases are public health related and could have benefitted from preventative programmes.

Health spending is financed through five key agents: government, medical aid insurance, donors, NGOs and others, with the majority of financing coming from government.



As per the Hospital and Health Facilities Act 1994, the state patients are charged a flat user fee (less than 4 Euro) which enables them to get all the needed health services, including surgery.

Health financing is drawn from three main channels, i.e. public health system, mainly the Public Service Medical Aid Scheme (PSEMAS) for public servants and their family, i.e. private medical aids schemes and self-employed. The public sector is the largest employer, with the majority being members of PSEMAS (ca. 290,000).

Employees in the private sector and those self-employed are offered or can choose a medical aid of their choice, where they make a monthly or annual contribution. In general, medical schemes in Namibia mainly finance the private health sector.

Challenges

- Parallel health systems reinforce an unequal system. There is no cross subsidization between rich and poor.
- The majority of the PSEMAS beneficiaries seek health services in the private health sector, and the Ministry of Finance pays 85% of the claims leading to high cost by PSEMAS, reported to spend double the amount per beneficiary estimated at NAD 7,489 (ca. 504 EUR) in comparison to the MoHSS, which spends NAD 3,545 (ca. 239 EUR) per person.
- It is estimated that PSEMAS loses 900 million NAD (ca. 60 million EUR) per year due to fraud, abuse and collusion. It is estimated that there are over 36,000 ghost beneficiaries.
- Inadequate funds exist to cover the gap between employee contributions and total benefits. There are untimely payments by PSEMAS to service providers.

Human resources for health

- Namibia's health worker's capacity is 3 per 1000 population, which is above the recommended World Health Organisation (WHO) standard.
- There is a large disparity of health workers in the private and public health sector. While many of the physicians may practice in private, they are in most cases on the public payroll. The absence of regulations on the dual practices of medical specialists complicates this situation.
- 80% of the population in the public sector are catered for by 38% of health professionals.
- Measures have been put in place to improve human resource challenges in health through improved remuneration, a conducive working environment, establishment and expansion of health-related institutions of higher learning in the country. The country and the private sector tend to attract international experts.

Specialised services		
	Public Sector	Private Sector
Intensive Care Units (ICU)	→ 18 beds (at Windhoek Central Hospital (8), Oshakati Intermediate Hospital (6) and Onandjokwe State Hospital (4))	→ 67 beds (mostly in Windhoek or in the Northern area)
Nephrology	→ Inadequate capacities within the public sector to provide kidney analysis. Dialysis is offered in two public hospitals → No kidney transplantation services in the public sector – all patients are referred to South Africa	→ Adequate; public patients are referred to private sector, but costs per patient were found to be very high (NAD 3000/ca. 168 Euro)
Cardiac surgery	→ Limited resources to provide optical cardiac surgery – therefore collaboration with South African hospitals → First open-heart surgery performed in Namibia in 2008	
Dentistry	→ lacks dental health prevention programmes	→ provides curative care
Ophthalmology and audiology	→ One audiologist and shortage of eye doctors	→ Limited number of optometrists, but adequate number of audiologists
Orthopaedics and neurosurgeons	→ Good service	→ Good service → Due to high number of car accidents and injuries, often patients are referred to private hospitals
Mental health	→ No detoxification unit available → Two mental health centres provide treatment	→ Provides curative and preventative services

Education in medical related areas

There are various entities that are responsible for training, qualifying registration, continued professional development of health workers. A School of Medicines was established in 2009 and had its first graduates in 2016. It has since expanded to include pharmacy, occupational therapy, physiotherapy and dentistry. Other related programmes that existed include the nursing and public health, and veterinary medicine. The school has several PhD and master's programmes and offers a postgraduate in anesthesiology. There is no specialized training in health-related professions, the majority of those who would like to specialize have to travel abroad for it.

Medicines, pharmaceuticals, laboratory and medical equipment

The Namibia Medicines and Related Substances Control Act of 2003 provides guidance for the registration of medicines intended for human and for animal use. The act requires that every holder of Certificate of Registration (HCR) of medicine and every health care professional informs the Namibia Medicines Regulatory Council (NMRC) of any Anti-Microbial Resistance (AMR) that occurred during the use of any medicine. Providers are also required to only source medicines from authorized suppliers within the country and that products provided to patients are safe, worthwhile and of good quality.

The MoHSS has identified and developed a list (Nemlist) of key pharmaceutical items based on WHO guidelines and as per the health care needs of the population. The Nemlist guides the PSEMAS, as to which medicines private practitioners are to prescribe, since the list determines the refundable medicines through the scheme.

Medicinal and pharmaceutical products

The country has limited domestic production, little manufacturing infrastructure and technical capacity, and lacks access to raw materials. There is only one pharmaceutical manufacturer, Fabupharm, which produces more than 150 products ranging from food supplements, toiletries, registered and various non-registered medical products. Namibia procures all its medical and health care supplies from abroad, with huge financial implications.

The Namibia Statistics Agency reported that the country imported medicinal and pharmaceutical products valued at over NAD 1 billion (ca. 53.5 million Euro) in the twelve months to August 2022. In the public sector, pharmaceuticals accounted for 10% of the MoHSS budget, with most products imported from South Africa. There are several challenges associated with pharmaceuticals storage and procurement, such as the lack of an overview for clinical supply.



Registration of medicines – Laws and regulations

All medicines (for humans or animals) to be distributed, sold and for use in Namibia should first be registered or authorized by the NMRC. The registration of medicine in Namibia is only allowed by a registered pharmacist, a body corporate registered with the Namibian Pharmacy Board to carry on business as a pharmacist in terms of section 25 of the Pharmacy Act 1993, or a person authorized by such body to apply on its behalf. Moreover, the manufacturer of a medicine, should be registered by a competent medicine's regulatory authority as a pharmaceutical manufacturer in a foreign country and holding a current certificate of Good Manufacturing Practices (GMP) issued by that authority. Both local and foreign companies can operate in Namibia. To register a pharmacy, one needs to have completed a four-year Master of Pharmacy (MPharm) degree approved by the General Pharmaceutical Council.

Challenges

- **Stock out and storage issues in the public sector:** Since 2019, the country has reported on stock outs of key commodities such as contraceptives, paracetamols, and vaccines. Various factors have been identified as having contributed to these challenges.
- **Procurement system:** The procurement system has made provision for companies to deliver health products to MoHSS for a minimum of two years to ensure adequate stock. Attempts were to implement the system – with no success. Although a supplier was identified, they were not able to deliver on a long-term basis. Consequently, MoHSS was obligated to make use of emergency funds, in accordance with the guidelines, which make provision for the MoHSS to have least five months pharmaceuticals in stock. The use of emergency funds has been found to be a challenge and unproductive. MoHSS does not have control of the prices.

- **Incapable suppliers:** The country has a policy of strengthening local suppliers. While this policy has been welcomed by many, it was noted that a substantial number of local suppliers (who are often third parties in the chain) are the weakest link in the process. MoHSS noted that some suppliers fail either to deliver, or do not deliver on time.
- **Medical store:** The current medical warehouse under the MoHSS is the property of the Ministry of Works and Transport and was not built for pharmaceutical purposes. It is small and old, which has implications on what to procure, be it in size or quantity. Consequently, medicines are stored according to the availability of space, and not necessarily on the special treatment they require. Furthermore, there is no computerized system, and a lack of an electronic dispensing tool for all supplies. However, there are plans to build a new medical store.
- **Lack of a clinical supply list.**

Medical equipment

Medical devices are also regulated by the Namibia Medicines and Related Substances Control Act of 2003, and it is required of all manufacturers that they apply for the registration of their products. To ensure that equipment is sourced from credible manufacturers, the MoHSS has developed a list of manufactures to be found online. Due to the lack of manufacturers on the African continent, the countries often rely on the clearance from the European medicines' agency or the U.S. Food and Drug Administration. However, it was noted that some of these developed countries, regulatory processes were not designed to meet the needs and safety issues on the continent.

The private hospitals are known to provide services at the level of European standards and reports noted that they have adequate medical equipment, e.g. many Magnetic Resonance Imaging (MRI) and Computer Tomograms (CT). On the other hand, public health has inadequate critical devices. This has contributed to services being outsourced to the private health facilities (sonar, ECG, kidney dialysis) and patients being referred to South Africa.

There is only one company that manufactures medical equipment in Namibia. Namibia Medical Engineering started in 2017 and produces and refurbishes medical equipment for the private and public health facilities.

There are challenges with maintenance of existing medical equipment in the public health sector due to a lack of human resources (engineers and engineering technicians), especially in the regions. This is further complicated by the lack of service agreement with the manufacturers and procuring from third parties that may not have the necessary skills and knowledge about the product.

Laboratory services

Laboratory services are provided by both public and private sector, with the MoHSS providing oversight to all private laboratories. All medical laboratories, operating in Namibia are required to be accredited, with bodies such as Southern Africa Development Community Accreditation Services (SADCAS). The country's dependence of reagents from South Africa has contributed to the inability to diagnose on time and affects treatment.



Electronic health (e-health) and telemedicine

The public sector has limited telemedicine, a technology that enables virtual doctor-patients consultation, and provides opportunity for referrals between nurses, pharmacists, general practitioners and specialists. Due to the distance between clinics and hospitals, including laboratories, telemedicine is very useful in Namibia, as well as automated delivery and dispensing of blood products or pharmaceuticals to those in hard-to-reach areas.

The Namibian e-health is non-existing. In its efforts to improve health care, MoHSS embarked on digital transformation, focusing

on e-health – digital information and communication tools with the goal of enhancing health care by reducing the workload of health workers from paper-based systems to the paperless working environments. There is limited understanding and technical knowledge of e-health. The Information Communication and Technology (ICT) in MoHSS is limited to data capturing, storage, retrieval, monitoring and evaluation of programmes. The initiative of e-health received technical support from WHO, UNAM and HSP South Africa. There is a National E-Health Strategy 2021 – 2025.

Physical facilities

The private sector has high standards and well-equipped facilities. However, the public sector faces challenges as many health facilities in the public sector were built before independence and are facing aging infrastructure, frequent power outages, bursting water pipes and reported poor hygienic condition. In addition, the original bed capacity does not match the population growth. The MoHSS has embarked on a process of improving and building infrastructure, and additional health facilities were and are being built to increase access and services closer to the community.

Procurement of health products

The procurement in public sector is guided by the Public Procurement Act of 2015, which regulates the procurement of goods, works and services. International companies applying for tenders in Namibia are encouraged to team up with Namibian bidders, also for the period of the execution of procurement contracts. The procurement of medical products, such as medicines or vaccinations, takes a competitive approach using different approaches, i.e.:

- Order directly from the producer
- Using third parties – procuring medicines from suppliers other than the producer
- Restricted procedures
- Procure specific items using international organizations

Operational framework

International companies that would like to operate in Namibia as medical product distributors and manufacturers can take several approaches:

- Register a company locally, which requires the company to be 49% foreign owned and 51% Namibian owned. Register with the Ministry of Industrialisation and Trade, and obtain necessary Pharmaceutical license from the MoHSS, and with the Health Professional Council of Namibia
- Partner with a local company that has the necessary pharmaceutical import company license

Transportation

Namibia is a sparsely populated country, with huge distances between health facilities and the population. A situation that requires dedicated transportation, with vehicles in good condition. The public sector has experienced several challenges, shortage of properly equipped ambulances for emergency response and transportation of patients. The maintenance of the vehicle fleet is particularly challenging. The Ministry of Works and Transport has the responsibility of providing services including maintenance to the government vehicles. The private sector has adequate ambulances; however, they are to be found only in urban areas.

Business opportunities

Namibia is an ideal investment destination for European businesses. The country is politically stable and government's policies and legislations have created a conducive business environment for foreign direct investment. The existence of excellent roads, infrastructure and network makes it easy for companies to operate in the country.

The country has a well-established, robust private health sector; however, this is skewed towards urban areas. On the other hand, there is a growing middle-class population in the rural areas, with inadequate medical facilities. This provides a potential market for high class medical facilities in the regions. There are at least eight key areas that can serve as investment opportunities in Namibia.

E-health

The Namibian e-health is in its beginning stage in both the public and the private sector, a strategic plan has been developed, but there is inadequate expertise in the country to develop a comprehensive system and software solutions, which shall include:

- Patient registration and maintenance of their records
- Health facility, laboratory and pharmacy system
- Health data collection reporting and analysis
- Telemedicine

Medical goods and equipment

There is no local medical device production and the market largely depends on imports. The strategy is to procure high quality products at a reasonable price. A few tenders have been announced, focusing on medical devices. The establishment of new hospitals both by the public and private sector has led to a demand in quality medical equipment. Moreover, plans are under way to expand health facilities. This provides opportunities for investors to identify areas of interest, be it in engaging in building a new hospital, renovating or upgrading health facilities including staff accommodation.

Pharmaceuticals

There is a demand for pharmaceuticals in general, and an increase in both communicable and non-communicable diseases led to a need for certain drugs. All pharmaceuticals are imported, mostly from South Africa. Private pharmaceuticals are well managed, with adequate supply of medicines. On the other hand, the public sector has experienced a shortage of critical medicines, because of the lack of human resources, limited capacity with the current medical warehouse, unsatisfactory local suppliers and poor contract management.

Namibia is strategically situated as a gateway to other parts of the continent, including the Southern African Development Community region, with a population of over 300 million. Thus, there is an opportunity to invest in this industry by providing the products directly from Europe or considering setting up manufacturing in Namibia.

Health infrastructure

Health infrastructure is a mixture of good quality meeting the international standards in the private sector and aging infrastructure in the public sector. The current health infrastructure in the public sector does not meet the growing demand for better quality health services. This is further exasperated by a lack of high-class medical facilities in some parts of the country. Through Public-Private-Partnerships, the country has seen collaboration between the private and the public sector.



The creation of a first-class private hospital in Tsumeb in the Oshikoto region by the Government Institutions Pension Fund is a case in point.

The MoHSS has identified facilities that either need to be built from scratch or need to be renovated or upgraded, which also provides opportunity for international companies to partake. In general, there is a need for health facilities, especially targeting the middle class in rural areas, e.g. the northern regions.

Laboratory services

There is a high dependence on reagents from South Africa and it is reported that Namibia Institute of Pathology (NIP) often ran out of reagents, which has affected diagnosis. There are several private medical laboratories, with Pathcare as the largest private laboratory. The public health sector has laboratories in all regions, however services are still not accessible to all, as the sample has to be transported from a clinic to a health facility, which in some cases is more than 100 kilometers. NIP partnered with John Hopkins University and embarked on a drone project to provide services to land locked regions during the rainy season in Zambezi.

Specialised services

Namibia's private sector is well established and provides high quality services. In addition, it attracts the best professionals from both abroad and within the country. Specialised services can therefore be provided.

On the other hand, the public sector provides inadequate specialised services due to a lack of human resources, which is complicated by the absence of training at the local institutions. For specialisation, health professionals are currently required to go abroad. MoHSS outsources services to the private health facilities, where e.g. the cost of dialysis was found to be high. It plans to establish public sector dialysis units at identified health facilities and has made budgetary provision. This offers companies the opportunity to provide these important services.

Medical education

The School of Medicine at UNAM is the only institution in Namibia that provides health related education. Germany has well established health care systems supported by health focused education institutions. In addition, there are already established cooperation projects between German institutions and Namibia in the health-related area, e.g. the twinning project between Robert Koch Institute, UNAM and the MoHSS. The project is ongoing and currently in the process of developing the Namibia Institute for Public Health (NIPH). There have also been a number of Senior Expert Service (SES) placements in the healthcare sector.

Given this experience, there is the opportunity to develop partnerships with local institutions, aimed at strengthening them in providing high quality programmes with the focus on sustainability. Other activities could include exchange programmes with international organisations and academic institutions for both students and staff.

Advisory services

International expertise will always be in demand for the following services:

- Health financing, hospital financing and costing
- Human resources for health – how output from academic institutions meet the demand in both public and private sector
- Public health
- Management of PSEMAS
- Finance technical and financial assistance to support quality infrastructure development
- Facilitating networking and sharing of experience among regulatory agencies and other similar organizations

Conclusion

There is in general a strong demand in both private and public health sector for quality health services, which provide opportunities for European companies to invest in the country.

Namibia is an ideal investment destination for European businesses, because it has a conducive environment for investors. There are regulatory frameworks guiding the provision of services, procurement of pharmaceuticals and medical equipment, as well as the existence of entities that advice investors on how to operate in the country.

However, there are several challenges and risks that companies should take into consideration as they invest in Namibia. The public sector has inadequate human and financial resources and limited medical equipment, shortage of critical medicines, poor infrastructure, poor maintenance of equipment, poor information and communication technology and limited expertise in the area.

Moreover, the private and public sector are mostly working in silos. The rural areas have inadequate private health facilities, however, there is a market for these services given the growing middle-class population.



Sources and useful links:

- Business and Intellectual Property Authority (BIPA): <https://www.bipa.na/>
- Ministry of Health and Social Services (MoHSS): <https://mhss.gov.na/>
- Namibia Chamber of Commerce and Industry (NCCI): <https://ncci.org.na>
- Namibia Investment Promotion and Development Board (NIPDB): www.nipdb.com

YOUR PARTNER FOR DEVELOPMENT COOPERATION

Business Scouts for Development work as experts for development cooperation in around 30 countries across the globe. On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), they advise companies from Germany, Europe and the project countries on funding instruments and business opportunities in developing and emerging countries. In addition, in cooperation with companies, they initiate and design projects as well as innovative solutions that aim at contributing to a socially just and ecological transformation of the economy. The Business Scouts for Development work closely with partners from the private sector, TVET organisations, foundation organisations and social partners worldwide.

www.bmz.de/bsfd

<https://app.leverist.de/en/advisors>



NEW MARKETS – NEW OPPORTUNITIES: NAMIBIA

In order to support the sustainable engagement of German companies in emerging and developing countries, Germany Trade & Invest (GTAI), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the German Chambers of Commerce Abroad (AHKs) as well as other partners combined their expertise in the German publication series “New Markets – New Opportunities”.

The booklet shows companies the economic potential of future markets as well as the funding and consulting opportunities offered by the German development cooperation. “New Markets – New Opportunities: A Guide for German Companies” is supported by the German Federal Ministry for Economic Cooperation and Development (BMZ). All issues are published on the websites of GTAI and GIZ. You can find selected issues, for example on Namibia also at

www.bmz.de/bsfd



Published by



Published by

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn and Eschborn, Germany

Dag-Hammarskjöld-Weg 1 – 5
65760 Eschborn, Germany
T +49 6196 79-0
F +49 6196 79-1115
info@giz.de
www.giz.de

Project

Business Scouts for Development

Responsible

Roland Gross

Layout

EYES-OPEN, Berlin

Photo credits

© GIZ / Dirk Ostermeier, © tilialucida / Adobe Stock,
© peopleimages.com / Adobe Stock,
© Godong Photo / shutterstock,
© Sunshine Seeds / shutterstock

As at

Eschborn, May 2023

URL-links

Responsibility for the content of external websites linked in this publication always lies with their respective publishers. GIZ expressly dissociates itself from such content.

GIZ is responsible for the content of this publication.

On behalf of

German Federal Ministry for Economic
Cooperation and Development (BMZ)

Division

Division 111
Cooperation with the private sector, sustainable
economic policy
Berlin



Federal Ministry
for Economic Cooperation
and Development