

DBSA ROLE IN HEALTH CARE SECTOR

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25 AUGUST 2022



INTRODUCTION

Preparing, financing and implementing infrastructure projects in Africa



A

Founded
1983
DBSA
Act 1997



Externally
rated

DBSA foreign
currency rating

Ba3
(Moody's)

B

Owned
100%
by SA
Government



Well
governed

Unqualified audits

A+ rating
from AADFI PSGRS

C

Total assets
R100bn
(~US\$6bn)
Equity
R43bn
(~US\$2.9bn)



Globally
accredited

Global Environmental
Facility

Green Climate Fund
EU 6-pillar

DBSA OVERVIEW

Preparing, financing and implementing infrastructure projects in Africa

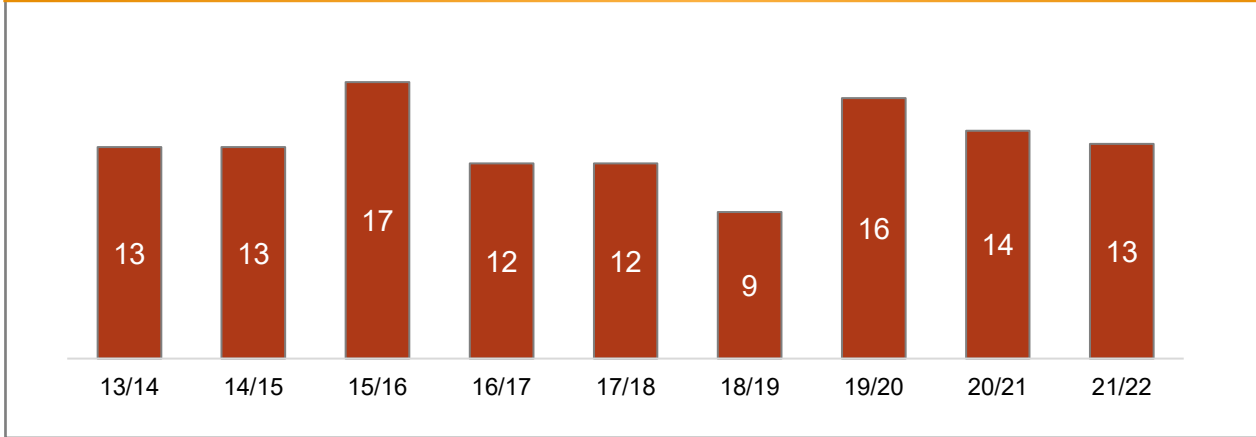


INTEGRATED APPROACH TO INFRASTRUCTURE DEVELOPMENT

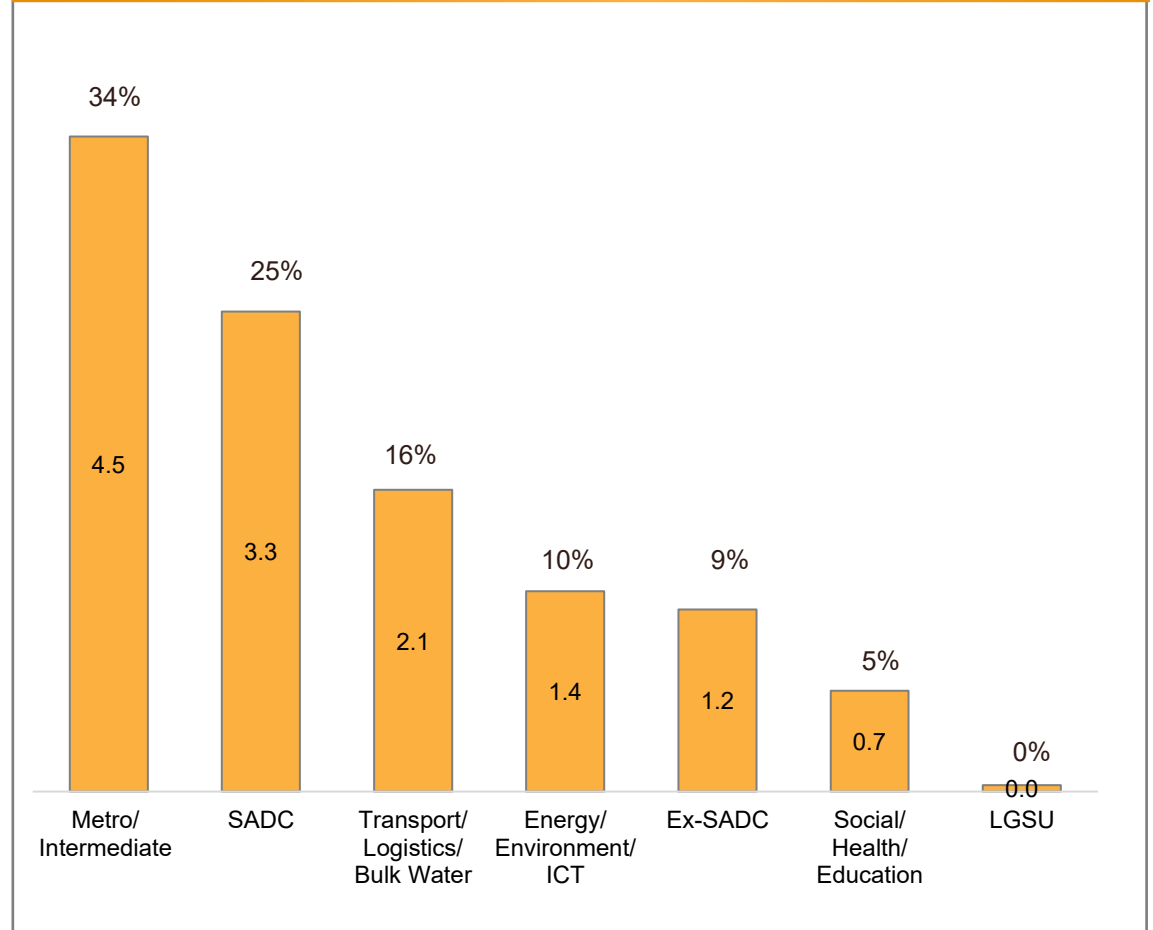
LENDING ACTIVITY – 2021/22



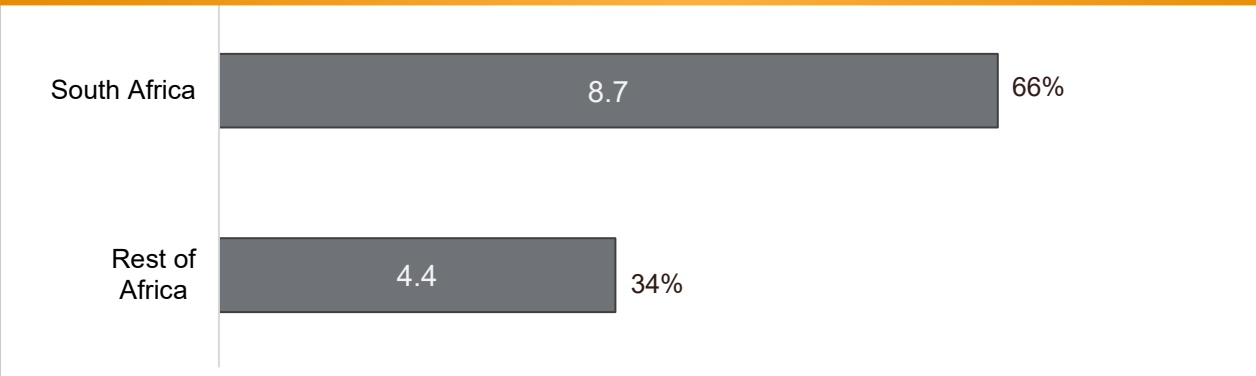
Total disbursements (Rbn)



Disbursements per team (Rbn)






Disbursements: SA vs Rest of Africa (Rbn)



DBSA INVESTMENT CONSIDERATIONS



	Development Impact		Commercial & Political Alignment		Strategic intent
 Objectives	Sustainable infrastructure Development	Regional Integration	Promote SA Benefit	Alignment to SA Political and Trade Agenda	Financial Sustainability
 Metrics	Development Additionality, Value catalysed	Physically connect SA to region (e.g., SAPP, NSC, Border posts)	Value of SA exports, jobs, etc.	Conclusion of transactions that drive trade agenda	Contribution to DBSA profit (incl impairments)
 Initiatives & Activities	Student & Social Housing Project; B-BBEE Framework	SADC alignment (Gas masterplan, North-South Corridor)	SA Inc. Initiative Rail Sector Projects	SA Govt Linkage DTI "tours"	Concessional funding Risk mitigation Asset distribution
Strategic partnerships development (DFIs, Commercial banks, RECs, etc.)					



DBSA HEALTH CARE INFRASTRUCTURE INVESTMENTS

AFRICA'S HEALTH INFRASTRUCTURE CHALLENGES

Infrastructure Constraints



- African countries face sharply **constrained fiscal resources and rising debt levels**, lowering spending on health care infrastructure
- Limited **access to finance for health care infrastructure** is a significant constraint on the development of the health system

Financing Gap



- **African governments currently invest US \$4.5 billion** in public health capital expenditure which is far below the estimated US \$26 billion annual investment
- Only ~6% of total public health spending in Africa goes towards developing health infrastructure

Private sector



- Bridging the financing gap for health infrastructure will require increased mobilisation of finances from the private sector
- Across Africa, only **10-20% of investment in health service delivery infrastructure is currently mobilised by the private sector**

ROLE OF DBSA IN HEALTH INFRASTRUCTURE DELIVERY



Support public and private sector-led infrastructure projects in the health sector



CASE STUDY: RAZORITE HOSPITAL PROGRAMME



South African portfolio



Location	South Africa
Objective	Deliver affordable quality healthcare infrastructure within low to middle income areas in South Africa
Project Development Stage	Operational phase
DBSA Investment	ZAR25 million Project Preparation Facility



Project Description & Status

Project Description

- The Razorite Hospital (RH) Programme developed by RH Managers entails the development of a portfolio of General Level 2 private hospitals in low to middle income areas in South Africa.
- The Programme seeks to empower and assist independent hospital license holders to unlock capital and management resources in order to develop and operate independent private hospitals.
- The hospitals in the Programme will target medically insured people who currently either have to travel longer distances to access private hospitals or who live in areas with limited availability of private healthcare facilities.

Project Status

- The DBSA's Project Preparation Unit concluded the ZAR25 million project preparation facility with RH Managers in February 2019 to undertake outstanding project preparation work required to reach financial close for a portfolio of 6 (six) greenfield hospitals with a total capacity of 596 beds

Development Impact

- The programme will contribute towards:
- SDG 3: Health by addressing health accessibility disparities in South Africa's healthcare sector in high density areas
 - Job creation and promote active Black Economic Empowerment (BEE) participation

Committed

Royal Buffalo Hospital (East Cape, South Africa)

- The 150-bed hospital project is a general Level 2 acute facility offering general hospital and specialist services
- The total project cost amounts to approximately ZAR516 million
- DBSA provided funding of ZAR315 million to the project comprising: ZAR265 million in senior debt and ZAR50 million in Broad-Based Black Economic Empowerment (B-BBEE) equity facilities.
- The B-BBEE equity facility was provided to enable the BEE parties to access funding for acquiring a shareholding in the project.

Approved debt facilities

- **ZAR154 million** to **Herolim hospital** project for 76 beds, 3 theaters and cathlab
- **ZAR106 million** to the **Escort hospital** project for 75 beds
- **ZAR72 million** for **Lesego hospital** project 50 beds

DBSA HEALTH INFRASTRUCTURE INVESTMENTS

International portfolio



Project name	Description
Namibia Private Hospital	<ul style="list-style-type: none">▪ Project currently at due diligence stage for DBSA to provide ZAR250 million debt facility▪ The hospital will accommodate 100 beds, 3 operating theatres, 2 multidisciplinary wards and an Orthopaedic and Neurological rehabilitation centre and service a potential patient base of around 355,000 in an area with an estimated gap of around 300 beds▪ Other debt providers include the Development Bank of Namibia, Norsad Finance and Hangala Capital
Ghana Surgical Specialty Hospital	<ul style="list-style-type: none">▪ Approved US \$26 million debt facility for hospital project in Ghana, Accra

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