



Private-Sector-Led Health Financing Innovation

Mauritius



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This exemplar examines how Mauritius used private-sector participation and innovative financing arrangements to expand service delivery while keeping a strong public-interest focus. It looks at what made that model possible, what it achieved, and which elements may be relevant for other countries.

Core exemplar

Private-sector integration into health service delivery and innovative financing through the Health PPP Framework and the National Social Inclusion Fund.

Why it matters for ALM: It shows how a country can mobilize domestic private capital, align investment with public priorities, and use social-financing channels to protect vulnerable populations.

Primary ALM contribution: More money for health, equity through structured governance of private-sector participation.

Replicability potential: High for middle-income countries with investment-promotion capacity and clear PPP governance frameworks.

1. Context: Mauritius as a Private-Sector and Health Financing Hub

After the ALM declaration, many countries in the region were grappling with fiscal stress. Mauritius, however, entered health financing reform from a position of relative economic strength. Although it had moved between upper-middle-income and high-income status—and then back to upper-middle-income status after COVID-19 and a major cyclone—the country still had more fiscal room for advanced health investments than many of its peers. Its economy was also unusually diversified, extending well beyond sugar and textiles into financial services, tourism, manufacturing, and telecommunications. That mattered because it gave the government access to a broad set of sophisticated private actors capable of investing at scale in the health sector.

That economic position was matched by institutional strength. With relatively strong rule of law, transparency frameworks, and an active Economic Development Board (EDB), Mauritius offered an enabling environment for public-private partnerships. At the same time, as a Small Island Developing State, it remained exposed to external supply-chain shocks.

Part of its response was strategic: Mauritius sought to position itself as a continental hub for SIDS health-sector innovation, an ambition that required visible performance in health financing and procurement efficiency.

The National Social Inclusion Fund (NSIF), which channels corporate profits toward vulnerable populations, became a key mechanism for balancing private investment with social protection.

Quantitatively, Mauritius represents a leading model for domestic health financing stewardship in the SADC region. Total domestic financing — combining public government expenditure (~46 % of THE) and private out-of-pocket spending (~51 % of THE) — accounts for over 99 % of current health expenditure. External aid dependency stands at less than 1 %, consisting primarily of targeted technical-assistance grants from the WHO and the AFD. Per capita health spending reaches approximately USD 645 (the highest in the SADC region outside Seychelles, and over 16x Malawi's approximately USD 40). GDP per capita stood at USD 11,871 in 2024; life expectancy is 76.4 years; GDP growth was 4.7 % in 2024.

2. Mechanism: Public-Private Partnerships and Social Financing

Mauritius built its health financing approach through a deliberate and sequenced integration of private actors, shifting from a model dominated by public provision toward one based on co-investment. That process gained momentum during the 2023 National Dialogue on Health Financing, supported by SADC, the African Union, the Global Fund, the Gates Foundation, GIZ, UNDP, WHO, the French Government, and other partners. Unlike many financing dialogues that focus mainly on public funding gaps, this one was shaped around investment opportunities in the health sector.

Following the dialogue, the EDB mapped private actors against specific health-system needs, linking banks, telecommunications firms, construction companies, and manufacturers to concrete investment opportunities. To move from interest to implementation, the government and the EDB developed a Health PPP Framework that clarified risk allocation and investment pathways. At the same time, Mauritius reworked corporate tax incentives to expand the NSIF, offering additional incentives for health-sector investment and requiring that more than 20% of NSIF transfers go to health programmes. Using its geographic position strategically, the EDB also promoted local production of health products, presenting Mauritius as an export hub with access to wider SADC markets.

3. Outcomes: Private Investment and Expanded Health Infrastructure

This structured integration of the private sector produced notable results across several fronts. Major commercial institutions, including SBM Bank, Absa Bank, Mauritius Telecom, and others working with the EDB, moved from being passive financiers to active co-investors in health infrastructure, helping fund hospital expansion and advanced equipment. Telecommunications firms also went beyond connectivity, investing in national digital health platforms that helped extend services to underserved outer islands. Construction companies entered newly structured PPPs to design, finance, and build new health facilities under government-backed operating guarantees.

The equity effects were also significant. After the tax incentives were restructured, corporate contributions to the NSIF rose by more than 40%, channeling over USD 52 million each year into health programmes for vulnerable groups. On the industrial side, private firms have begun establishing local facilities, with about 40 awaiting registration, to produce vaccines, diagnostics, and medical equipment for SADC markets.

Between 2023 and 2025, the Health PPP Framework is estimated to have mobilized around USD 150 million in domestic corporate investment, mainly for hospital modernization and digital health. Together, political stability, private-sector dynamism, and financing innovation helped Mauritius achieve its wider strategic aim: in 2024, the Global Fund and partners recognized the country as the continental SIDS headquarters for the health sector.

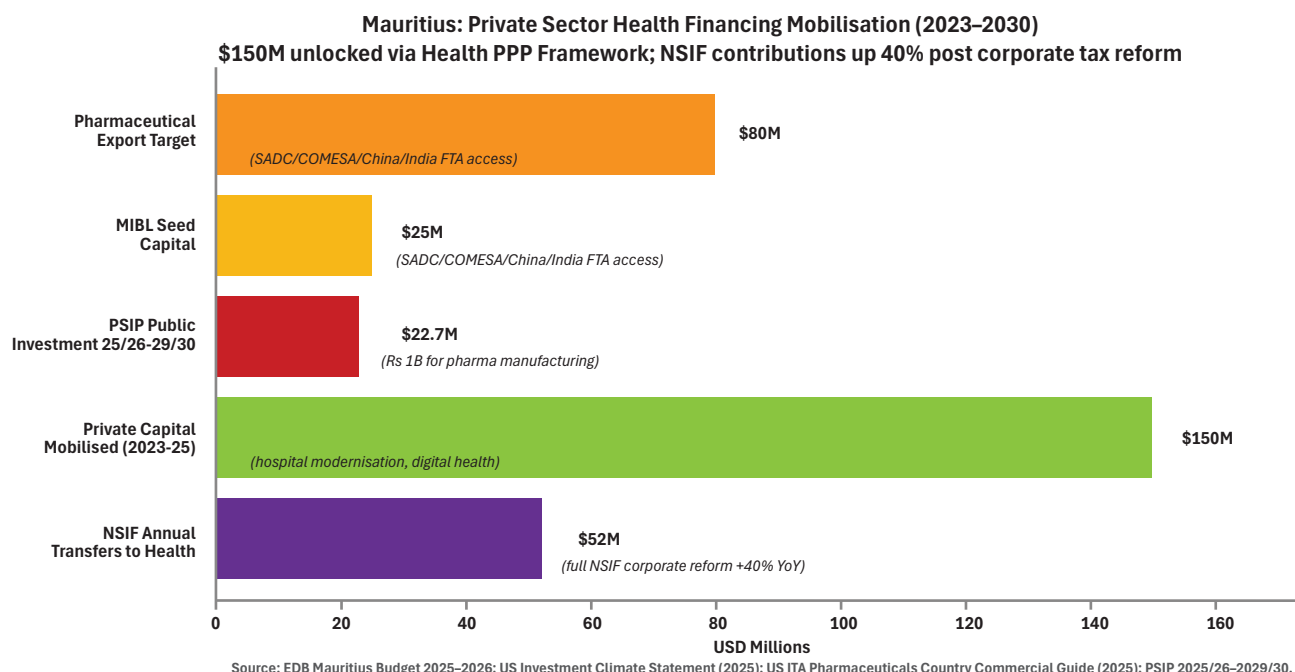
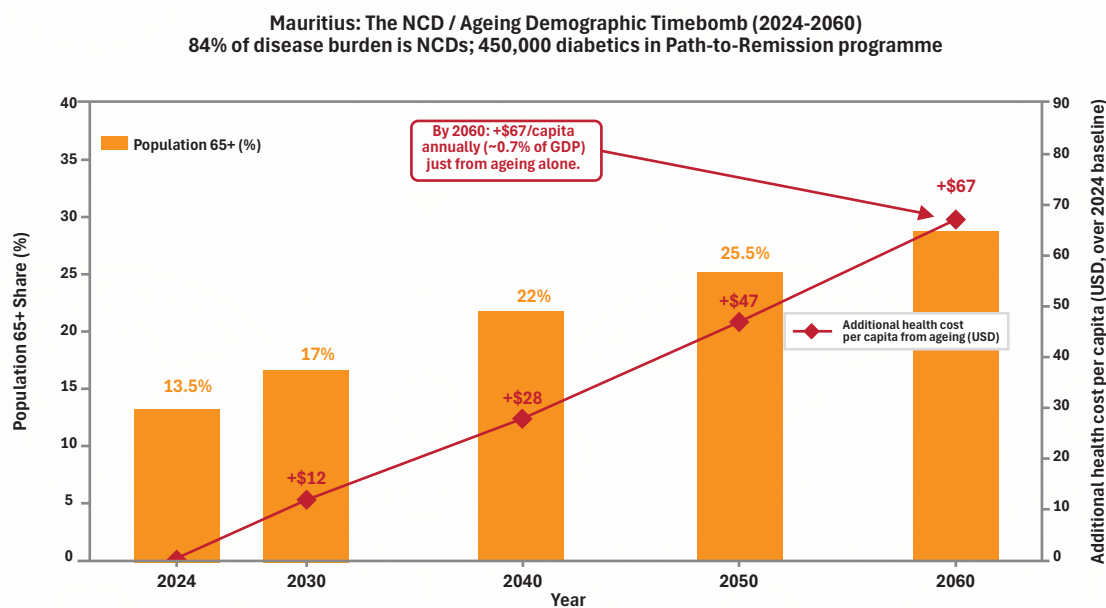


Figure MU-3. Mauritius: Private-Sector Health-Financing mobilization Quantified (2023–2030). NSIF annual transfers to health (USD 52M), Health PPP Framework private capital mobilized (USD 150M between 2023–2025), PSIP public investment for 2025/26–2029/30 (Rs 1B ≈ USD 22.7M for pharmaceutical manufacturing), MIBL seed capital (USD 25M), and the pharmaceutical export target for SADC markets.

4. Rising NCD and Ageing Costs

Mauritius is financially stable today, but its epidemiological profile threatens future sustainability. Non-communicable diseases account for 84 % of the disease burden, and the population is ageing rapidly. The PASH (Population Ageing financial Sustainability gap for Health systems) model developed by Nundoochan (2025) projects that by 2060, an extra USD 67 per person will be required annually to cover additional healthcare costs arising from population ageing alone — representing approximately 0.7 % of GDP. The "Path to Remission Programme" in the 2025–26 budget targets nearly 450,000 diabetic and prediabetic patients — a patient cohort requiring continuous monitoring, medication, and specialist care for decades. As the population over 65 grows from an estimated 13.5 % (2024) toward nearly 29 % (2060), Mauritius's current 46 % government share of health expenditure will face immense upward pressure.



Source: Nundoochan & Nundoochan (2025), PASH model — Impact of Ageing Population on Sustainability of Health Systems: Mauritius; EDB Budget 2025–2026.

Figure MU-2. Mauritius: NCD and Ageing Demographic Timebomb (2024–2060). Population aged 65+ projected to rise from 13.5 % to 29 %. PASH model (Nundoochan 2025) projects an additional USD 67 per capita annually by 2060 from ageing alone (~0.7 % of GDP). NCDs already account for 84 % of the disease burden.

Key Vulnerability

- **What is at risk:** What is at risk: Long-run sustainability as NCD and ageing costs rise, in a system where out-of-pocket (OOP) spending is unusually high for a Beveridge model.
- **Why it matters (evidence):** The headline “>99% domestic” figure masks a demand-side pattern: OOP is roughly 51% of THE, largely because middle- and upper-income households choose faster private services, branded medicines, and premium specialists even though public care is free. This signals capacity and perceived-quality pressure in the public system. The Nundoochan (2025) PASH model projects a structural gap of ~0.7% of GDP by 2060 from ageing alone (an extra USD 67 per person per year).
- **What would reduce the risk:** A clearer risk-pooling and revenue strategy (e.g., a social-health-insurance layer or expanded fiscal space) alongside investments that raise public-system quality, so domestic stewardship remains sustainable and equitable as costs increase.

5. Mauritius on the ALM Scorecard

Mauritius' ALM scorecard is among the strongest in the report, with eight commitments rated On Track and two rated Partial. Its performance stands out because the country combines a strong domestic financing base with a structured approach to private-sector participation and social protection. The partial rating related to domestic resource mobilization is due to high out of pocket expenditures. The other partial rating relates to operational undertakings, where the main challenge is not commitment but the continued refinement of implementation logistics and deeper integration of private actors into the national health value chain. Overall, Mauritius is a country refining a model that is already performing at a high level.

ALM Scorecard Heat-Map	
Country	Mauritius
1. Political Agenda	Green
2. Leverage Partners	Green
3. Domestic Mobilization	Amber
4. Private Sector	Green
5. PMPA Harmonization	Green
6. Operational Undertakings	Amber
7. Monitoring & Reporting	Green
8. Accountability Framework	Green
9. Hosting Role	Green
10. Leveraging AU Support	Green

Legend:

- Green = On Track
- Amber = Partial
- Red = Off Track

6. Key Lessons and Policy Implications

- Treat the private sector as a set of different capabilities, not a single actor. Mauritius succeeded in part because the EDB matched banks to financing roles, telecom firms to digital infrastructure, and construction firms to facility development instead of relying on generic CSR appeals.
- A strong PPP framework is an enabler, not a formality. Private investment depends on predictable rules around risk-sharing, procurement, dispute resolution, and payment. Mauritius' framework gave investors that clarity and helped unlock substantial private capital.
- Use social financing to offset the equity risks of private-sector growth. Mauritius did this through the NSIF, using tax incentives and earmarking to direct part of private-sector expansion toward vulnerable populations rather than allowing a purely two-tier system to emerge.
- An investment-promotion agency can play a strategic health role. In Mauritius, the EDB helped frame health as an investment sector, connect actors, promote manufacturing opportunities, and package the country's successes for continental recognition.
- Regional positioning can create domestic momentum. Mauritius' ambition to become a continental SIDS hub gave both government and private actors a concrete reason to invest in health financing and manufacturing capacity.
- Mauritius also highlights a longer-term financing question. Its Beveridge-style model has no formal NHI layer, yet ageing and NCD costs are rising fast. Countries adapting this model should think early about how long-run care costs will be financed.
- Low-income countries may not replicate the Mauritian model in full, but they can still adapt its logic by using blended finance and partner support to de-risk early investments, then building clearer PPP pipelines over time.

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ALM score card sources: Mauritius (8/10 On Track, 2 Partial)

C1: Political agenda — **On Track** Indicators: 2023 National Dialogue; Premier Investor Certificate 2021; 2024 GF SIDS hub recognition Sources: EDB National Dialogue 2023; GF SIDS hub recognition 2024

C2: Leverage partners — **On Track** Indicators: SADC+AU+GF+Gates+GIZ+UNDP+WHO+Proparco convened; external aid <1% = strategic TA only Sources: AfDB Mauritius CSP 2022-27 (afdb.org)

C3: Domestic mobilisation — **Partial** Indicators: >99% domestic (gov 46%+OOP 51%+priv ins 2.5%); GGHE 2.85% GDP; Beveridge with high OOP = demand-side stress Sources: WHO GHED; Nundoochan et al. 2019 *Int J Equity Health* 18:63; PMC8774898

C4: Private sector — **On Track** Indicators: EDB-led mapping; Health PPP Framework \$150M; NSIF \$52M+/yr; SBM+Absa+Mauritius Telecom Sources: EDB Budget 2025-26; US Investment Climate Statement (state.gov)

C5: PMPA — **On Track** Indicators: MIBL \$25M seed; PSIP Rs 1B for production; 8-yr tax holiday; 3 new facilities; SADC+COMESA+China FTA+India CECPA Sources: US ITA Pharma Guide (trade.gov); PSIP 2025/26-2029/30; Heritage Index 2025

C6: Operational — **Partial** Indicators: PPP continental benchmark; SADC RHFH active; EDB coordination; but NO formal NHI — Beveridge, ageing exposed Sources: EDB Budget 2025-26; Mauritius Public Health Act revisions

C7: Monitoring — **On Track** Indicators: EDB sectoral analysis; Path-to-Remission 450,000 patients; Nundoochan 2025 PASH model; WHO GHED Sources: Nundoochan 2025 (doi.org/10.29011/2688-9501.101661); PASH Simulator (eurohealthobservatory.who.int)

C8: Accountability — **On Track** Indicators: PPP Framework codifies procurement+arbitration; NSIF embeds social accountability; parliamentary oversight Sources: EDB Health PPP Framework; National Assembly Mauritius

C9: Hosting role — **On Track** Indicators: 2024 GF SIDS continental HQ; 2023 National Dialogue multilateral convening; EDB promotes to SADC Sources: GF SIDS hub 2024; EDB continental engagement; 2023 Dialogue report

C10: Leveraging AU — **On Track** Indicators: AU SIDS hub; EDB aligns with AU Partnership Framework; AVMA+PAVM participation Sources: AU SIDS designation; AU PAVM Framework; Gavi AVMA

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