



THE WORLD BANK

Working for a World
Free of Poverty

GPOBA

The Global Partnership on Output-Based Aid



International
Finance Corporation
World Bank Group

NEWS RELEASE

News Release No. 2008/10

Contacts:

In Washington:

Cathy Russell, tel. (+1) 202 458 8124 crussell@worldbank.org

Ludi Joseph, tel. (+1-202) 473-7700 ljoseph@ifc.org

In Abuja:

Obadiah Tohomdet, tel. +234-09 314 5269 Otohomdet@worldbank.org

In Johannesburg:

Houtan Bassiri, tel. (+27-11) 731-3179 HBassiri@ifc.org

World Bank-Administered GPOBA Launches Pre-Paid Health Insurance Scheme in Lagos, Nigeria

Abuja, October 30, 2008 – The World Bank, acting as administrator for the Global Partnership on Output-Based Aid (GPOBA), today signed a grant agreement for US\$6.02 million with the Health Insurance Fund (HIF), a non-profit organization based in the Netherlands, to establish a community health scheme for low-income families in Lagos, Nigeria.

The scheme will provide affordable pre-paid health insurance plans for up to 22,500 beneficiaries (employees and their families) who belong to the Computer and Allied Products Association (“CAPDAN”) at the Ikeja IT village in Lagos. The services will be provided through a network of service providers managed by Hygeia Nigeria Limited, a local private sector health insurance entity.

“The GPOBA project will provide low-income Nigerian families with access to affordable primary and maternal health care, as well as screening and treatment for HIV/AIDS, malaria, and tuberculosis,” said **Carmen Nonay, Senior Infrastructure Specialist and task manager for the project for the World Bank and GPOBA.**

Currently, only 1 million people in Nigeria, or 0.8 percent of the population, are covered by health insurance schemes. Many poor people have to pay out-of-pocket for medical care or do without. The National Health Insurance Scheme, introduced in 2004, is ultimately intended to cover all Nigerians, but many low-income populations are not expected to benefit for at least another 10 years.

Under the GPOBA project, CAPDAN employees and their families will be able to access private health insurance at a subsidized rate. For example, in the first year, the premium for the insurance package will be US\$57 per person with a user contribution of only US\$10. In line with the output-based approach, GPOBA will pay the subsidy only after independent verification that the pre-agreed “outputs” or services have been delivered, thus ensuring efficiency and accountability of the service provider.

The GPOBA project is drawing on funds from IFC, a member of the World Bank Group. IFC is providing grant financing under its Performance-Based Grants Initiative for increased access by the

poor to high-quality health care by private sector providers in Nigeria. By expanding the role of private firms in delivering essential public services and fostering innovation in public-private partnerships, this initiative seeks to enhance IFC's development impact beyond what is possible with traditional IFC instruments alone.

"We expect this pre-paid health insurance scheme to have strong development and demonstration impacts by expanding access to health care for low-income communities and encouraging other health maintenance organizations to offer similar programs," said **Guy Ellena, IFC Director for Health and Education**. *"It will also provide practical lessons to public health authorities to promote fresh approaches in contracting with the private sector for delivery of services. In addition, it will build on our existing partnership with Hygeia Nigeria, an IFC portfolio client,"* he added.

###

About GPOBA

The Global Partnership on Output-Based Aid (GPOBA) is a global partnership administered by the World Bank. GPOBA was established in 2003, initially as a multi-donor trust fund, to develop output-based aid (OBA) approaches across a variety of sectors including infrastructure, health, and education. OBA subsidies are designed to create incentives for efficiency and the long-term success of development projects.

GPOBA's current donors are the UK's Department for International Development (DFID), the International Finance Corporation (IFC), which is a member of the World Bank Group, the Directorate-General for International Cooperation of the Dutch Ministry of Foreign Affairs (DGIS), the Australian Agency for International Development (AusAID), and the Swedish International Development Cooperation Agency (Sida). For more information, visit www.gpoba.org.

About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. Our new investments totaled US\$16.2 billion in fiscal 2008, a 34 percent increase over the previous year. For more information, visit www.ifc.org.