



INDUSTRY BRIEF · 2025 Limited

# Accelerating Local SRH Manufacturing in Nigeria

*Readiness Segmentation, Market  
Prioritisation, and Scalable  
Upgrade Pathways*

**Health Systems Consult Limited (H.SCI)**

Strategic Healthcare Advisory · Abuja, Nigeria

**11 Pages**

Industry Brief

**4 Segments**

Manufacturer Tiers

**4 Phases**

Roadmap to Scale

**Full**

Financing Architecture

EXECUTIVE BRIEF

# Why This Matters

Nigeria's ambition to reduce import dependence in SRH commodities requires structured capability strengthening of local manufacturers – aligned with market demand and regulatory readiness. The window for strategic action is now.

<b>What We Found</b>	<b>What Must Happen</b>	<b>What HSCL Recommends</b>
<ul style="list-style-type: none"> <li>• Strong, sustained demand across priority SRH categories</li> <li>• Uneven manufacturer readiness across production and compliance systems</li> <li>• Quality systems and financing are the primary scale bottlenecks</li> <li>• Segmented upgrade pathways significantly improve resource efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritised support for scale-ready manufacturers</li> <li>• Targeted GMP and operational upgrade programmes</li> <li>• Blended financing aligned to readiness tiers</li> <li>• Procurement incentives tied to compliance milestones</li> </ul>	<ul style="list-style-type: none"> <li>• Begin with diagnostic segmentation to allocate support efficiently</li> <li>• Coordinate policymaker and DFI resources around tiered roadmaps</li> <li>• Pilot procurement guarantee mechanisms with scale-ready manufacturers</li> <li>• Establish clear compliance milestones as financing triggers</li> </ul>

## STRATEGIC CONTEXT

# Nigeria's Healthcare Value Chain Imperative

Nigeria's SRH commodity landscape is characterised by high and growing demand, a significant manufacturing capability gap, and intensifying policy momentum. The convergence of these factors creates a structured opportunity for local manufacturing scale – if accompanied by the right technical and financial architecture.

## The Structural Challenge

- Heavy reliance on imported SRH commodities across all priority categories
- FX volatility and global supply chain shocks undermine commodity resilience
- Procurement delays and stockouts affect care continuity at facility level
- Import margins inflate consumer prices and reduce affordability
- Policy momentum through PVAC and allied health sector reforms
- Growing domestic demand driven by demographic expansion
- Increasing interest from development finance in local manufacturing
- NAFDAC regulatory evolution improving the compliance environment

## From Ambition to Commodity Security



### The PVAC Opportunity

The Presidential Initiative for Unlocking the Healthcare Value Chain (PVAC) provides the policy framework and institutional mandate for this transformation. Structured manufacturer support – segmented by readiness and aligned to market demand – is the critical implementation layer.

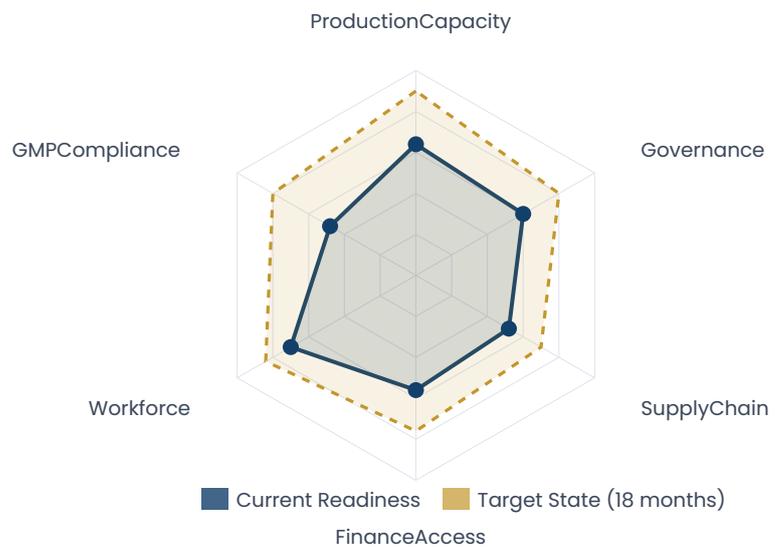
SCOPE & METHODOLOGY

# What Was Assessed

Structured diagnostics were conducted across selected manufacturers operating in priority SRH commodity areas across multiple Nigerian states. Assessment covered six core dimensions – producing a readiness profile for each manufacturer and an aggregated landscape view to inform segmentation and roadmap design.

## Assessment Dimensions

- Production infrastructure and throughput capacity
- GMP compliance and quality assurance systems
- Workforce competency and operational management
- Financial structures and capital adequacy
- Supply chain exposure and input sourcing dependencies
- Governance systems and management maturity



## Market Analysis

- Demand trends across priority SRH categories
- Procurement channel mapping and volume signals
- Technical complexity of local production per commodity
- Import substitution feasibility and competitive landscape

Note: Radar chart illustrates aggregate landscape readiness (current state) against target state at 18-month horizon. Values are indicative based on assessed manufacturer cohort.

## MARKET PRIORITISATION

# How Priority Commodities Were Identified

Commodity prioritisation was determined by a multi-criteria framework weighing demand scale, production feasibility, procurement channel alignment, and import substitution potential. This ensures that capability upgrade investment targets commodities where local production can be commercially viable and systemically impactful.

Commodity Cluster	Demand Signal	Feasibility	Priority
<b>Contraceptive Commodities</b>	High and growing; central to national FP targets	Moderate – established technology pathways	<b>High</b>
<b>Maternal Health Injectables</b>	Strong; driven by ANC programmes and facility demand	Moderate – injectables require controlled environment	<b>High</b>
<b>HIV Diagnostic Products</b>	Sustained; aligned to NSP procurement volumes	Complex – regulatory and technical barriers significant	<b>Medium</b>
<b>Menstrual Health Products</b>	Growing; commercial and social procurement channels	Lower complexity – near-term scale opportunity	<b>High</b>

## Prioritisation Criteria

Criterion	Rationale
<b>Demand Scale &amp; Growth</b>	Ensures commercial viability and procurement sustainability for manufacturers.
<b>Public Procurement Alignment</b>	Government procurement provides volume certainty that underpins investment cases.
<b>Commercial Viability</b>	Private channel opportunity reduces dependence on donor-funded procurement cycles.

<b>Technical Feasibility</b>	Production complexity determines timelines and investment requirements for manufacturers.
<b>Value Chain Complexity</b>	Simpler value chains offer faster pathways to scale for early-tier manufacturers.



## MANUFACTURER SEGMENTATION

# Readiness Segmentation Model

Manufacturers were segmented by current readiness across the six assessment dimensions. Segmentation drives resource allocation efficiency – ensuring that support is calibrated to what each manufacturer actually needs, rather than applying uniform interventions across an inherently diverse landscape.

SEGMENT A	SEGMENT B	SEGMENT C
<h2>Scale-Ready with Targeted Upgrades</h2>	<h2>Upgrade-Dependent</h2>	<h2>Foundational Rebuild Required</h2>
<p>Moderate compliance gaps; clear path to scale within 6–18 months with targeted support.</p>	<p>Significant GMP strengthening required; medium-term readiness with coordinated technical support.</p>	<p>Structural governance and infrastructure gaps; long-term transformation pathway with intensive support.</p>
<ul style="list-style-type: none"> <li>● Functional production infrastructure</li> <li>● GMP partially compliant</li> <li>● Short-term upgrade pathway</li> <li>● Financing-ready with de-risking</li> </ul>	<ul style="list-style-type: none"> <li>● Infrastructure gaps identified</li> <li>● Significant GMP investment needed</li> <li>● Medium-term readiness (18–30 months)</li> <li>● Blended financing essential</li> </ul>	<ul style="list-style-type: none"> <li>● Governance and systems gaps</li> <li>● Infrastructure rebuild required</li> <li>● Long-term pathway (30+ months)</li> <li>● TA-led before capital deployment</li> </ul>

### Why Segmentation Matters

Applying uniform support across all manufacturers wastes resources and creates perverse incentives. Segmented pathways ensure that scale-ready manufacturers receive capital quickly, while foundational firms receive the technical groundwork they need before investment is deployed.

CORE BOTTLENECKS

# The Five Barriers to Scale

Five systemic bottlenecks constrain the ability of local manufacturers to reach commercial scale. These are not firm-level weaknesses in isolation – they are structural ecosystem challenges that require coordinated policy, technical, and financial response.



## Bottleneck Analysis

### 1. Quality Systems & GMP Compliance

The foundational barrier. Without GMP-compliant facilities, manufacturers cannot access public procurement or financing. All other investments depend on this foundation.

### 2. Technology & Automation Readiness

Insufficient automation limits throughput, quality consistency, and unit cost competitiveness. Upgrade investment is commercially bankable once GMP is resolved.

### 3. Financing Access & Capital Adequacy

Working capital constraints and limited access to long-tenor loans restrict the ability to invest in upgrades or absorb large procurement orders.

### 4. FX & Input Import Exposure

API and packaging input reliance on imports creates cost volatility, directly impacting margin stability and pricing competitiveness.

### 5. Regulatory Navigation Complexity

The regulatory path to NAFDAC compliance and international certifications is resource-intensive. Dedicated regulatory support significantly accelerates timelines.

## CAPABILITY ROADMAP

# Sequenced Capability Strengthening Pathway

A four-phase roadmap structures the journey from diagnostic clarity to export-ready manufacturing. Each phase has defined deliverables, financing triggers, and compliance milestones – allowing policymakers and investors to align support to verifiable progress rather than activity.



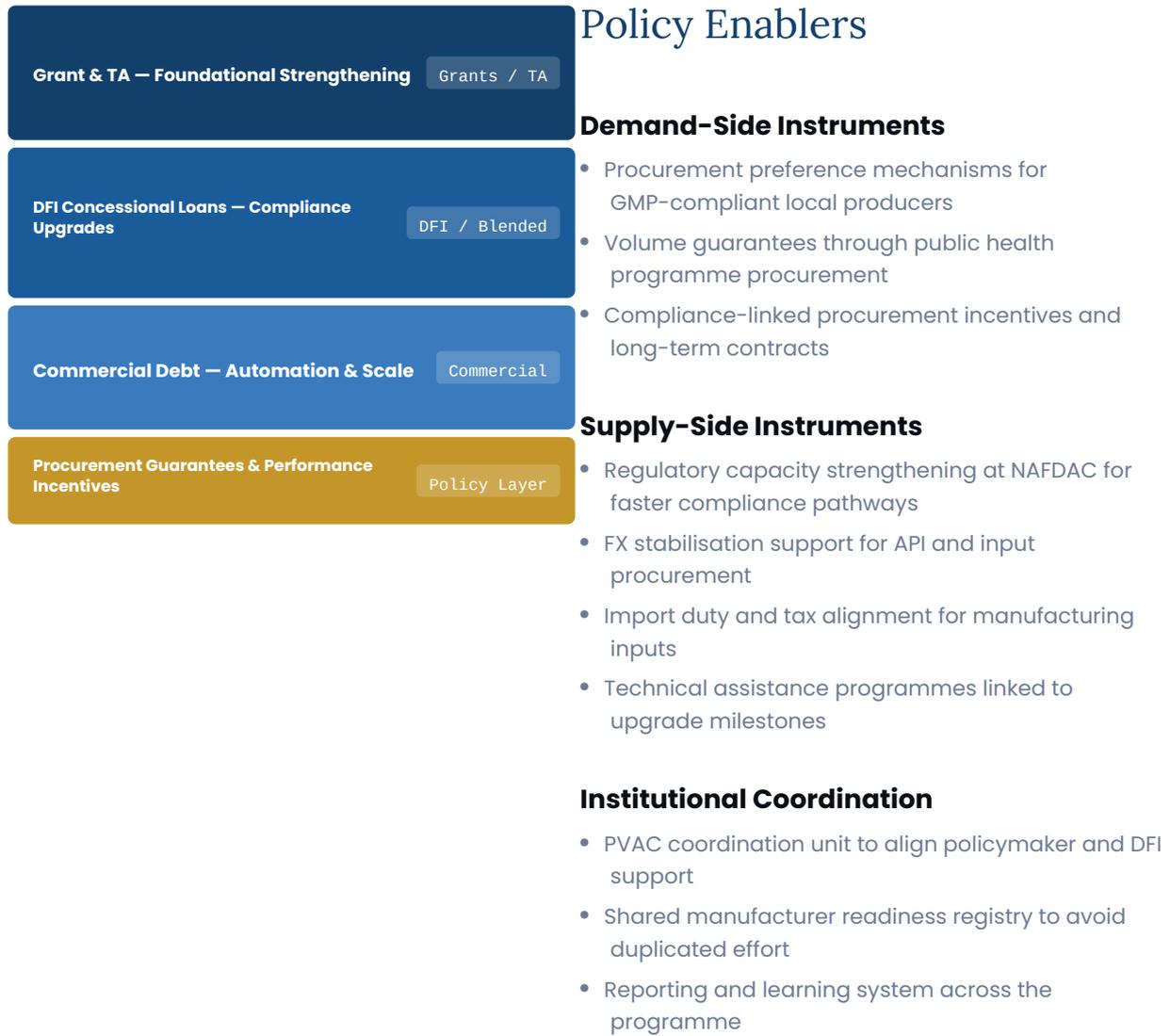
## Phase Design Principles

Principle	Application
<b>Evidence-First</b>	Each phase begins with diagnostic verification before investment is deployed.
<b>Compliance Triggers</b>	Financing tranches are linked to achievement of specific GMP and quality milestones.
<b>Segment-Calibrated</b>	Phase timelines vary by segment: Segment A (6–18 months), B (18–30 months), C (30+ months).
<b>Market-Connected</b>	Procurement linkages are established during Phase 3 to give manufacturers demand visibility before Phase 4 scale investment.

## FINANCING &amp; POLICY

# Financing Architecture and Policy Enablers

A layered financing architecture – combining grants, DFI concessional capital, commercial debt, and performance-linked procurement instruments – is required to serve all three manufacturer segments at the right cost of capital for each stage.



STAKEHOLDER IMPLICATIONS

# Implications for Key Stakeholders

The findings and recommendations from this brief have differentiated implications for policymakers, development finance institutions, manufacturers, and investors. Each group has a distinct role in enabling the transition to viable local SRH manufacturing.

## Policymakers

Segmented incentives and compliance-linked procurement mechanisms are the most powerful policy levers. PVAC provides the mandate; structured manufacturer support programmes are the required implementation vehicle.

## Donors & DFIs

Blended financing tied to readiness tiers maximises impact per dollar. Investment readiness support before capital deployment is as critical as the capital itself. Coordinated portfolio approaches avoid duplication.

## Manufacturers

Governance and quality systems are not compliance requirements – they are the foundation of bankability and market access. The pathway to investment runs through GMP compliance. Early investment in systems pays compound returns.

## Investors & DFIs

Upgrade feasibility analysis and readiness segmentation are essential inputs to investment decisions. Segment A manufacturers represent near-term deployable capital opportunities with defined de-risking pathways.

## The Critical Insight

The market exists. The policy framework exists. The financing instruments exist. What has been missing is a structured, evidence-based interface between these elements – grounded in manufacturer reality rather than policy aspiration.

ADVISORY SUPPORT

# How HSCL Supports Value Chain Transformation

Health Systems Consult Limited (HSCL) provides end-to-end strategic and operational advisory for healthcare value chain transformation across Africa. Our work spans the full spectrum from diagnostic assessment to implementation oversight – ensuring that strategy translates into measurable system change.

Service Area	Description
<b>Manufacturer Readiness Diagnostics</b>	Structured six-dimension assessments producing investor-grade readiness profiles and segmentation.
<b>Financial &amp; Operational Modelling</b>	Business case development, upgrade cost modelling, and bankability analysis for manufacturers and investors.
<b>GMP Strengthening Pathways</b>	Practical compliance roadmaps aligned to NAFDAC standards and international GMP frameworks.
<b>Market Feasibility &amp; Prioritisation</b>	Commodity-level market sizing, demand forecasting, and procurement channel mapping.
<b>Blended Financing Structuring</b>	Capital stack design, DFI engagement, and transaction advisory for blended financing instruments.
<b>Implementation Oversight</b>	Programme management, milestone verification, and adaptive learning support throughout implementation.

## ENGAGE WITH HSCL

To access the full manufacturer readiness dataset, discuss advisory engagement, or explore partnership opportunities on Nigeria's SRH manufacturing agenda:

[info@hscgroup.org](mailto:info@hscgroup.org) · [hscgroup.org](http://hscgroup.org) · Abuja, Nigeria

Health Systems Consult Limited (HSCL) is a strategic healthcare business advisory firm. This brief draws on diagnostic assessments conducted in support of the Presidential Initiative for Unlocking the Healthcare Value Chain (PVAC). Specific manufacturer data has been aggregated and anonymised.