Webinar on 25 February 2021

Public Private Partnerships (PPPs) and commercialization in health: donors, profit and people
If someone comes in with 100 million, it's hard to say "no".

Screenshot from movie: "A luta continua"
Welcome

Webinar proposed and organized by: WEMOS, Kampala Initiative PPP Task Group and Partners

The webinar will be recorded

Twitter #BeyondAID #KampalaInitiative

MedicusMundi.org/KampalaWebinars for updates, documentation and how to engage
The Kampala Initiative is a democratic civil society space and structure (alliance, community) of independent, critical-thinking activists and organizations across Southern and Northern boundaries.

Within this space, the critique of aid shall lead to formulating, promoting, disseminating and seeking political traction for a new, broadly shared civil society narrative on cooperation and solidarity within and beyond aid.

The concrete activities of the Kampala Initiative will be focused on an (open) set of thematic fields that need particular civil society attention and on a related set of critical, concrete and catalytic cases as entry points for joint interventions.

#BEYONDAID #KAMPALAINITIATIVE  WWW.MEDICUSMUNDI.ORG/KAMPALAWEBINARS
# Kampala Initiative
## Webinar #10 PPPs & Commercialization of Health

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 min</td>
<td>Welcome and introduction</td>
<td>Ravi Ram</td>
</tr>
<tr>
<td>8+8+5 min</td>
<td>Introductions:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impact of PPPs on gender equality</td>
<td>Leah Eryenyu (AMwA)</td>
</tr>
<tr>
<td></td>
<td>Health PPPs in Uganda and their promotion</td>
<td>Allana Kembabazi (ISER)</td>
</tr>
<tr>
<td></td>
<td>PPPs in healthcare: fix or stop?</td>
<td>Marco Angelo (Wemos)</td>
</tr>
<tr>
<td>9 min</td>
<td>Discussion and clarifications</td>
<td></td>
</tr>
<tr>
<td>5 min</td>
<td>Short example: the Lubowa PPP-hospital</td>
<td>Denis Bukenya (HURIC, PHM, KI group on PPPs)</td>
</tr>
<tr>
<td>15 min</td>
<td>Interactive Session #1</td>
<td>on the role CSOs can play towards governments with regard to (envisaged) PPPs in health in their respective countries</td>
</tr>
<tr>
<td>5 min</td>
<td>Short example: the Dutch combined Aid &amp; Trade agenda and its push for health PPPs</td>
<td>Barbara Fienieg (Wemos)</td>
</tr>
<tr>
<td>15 min</td>
<td>Interactive Session #2</td>
<td>on role CSOs towards (bilateral or multilateral) donors with a view on their push for PPPs in healthcare.</td>
</tr>
<tr>
<td>15 min</td>
<td>Outlook and closure</td>
<td>Organisers</td>
</tr>
</tbody>
</table>
PUBLIC PRIVATE PARTNERSHIPS AND COMMERCIALISATION OF HEALTH CARE: UGANDA’S CONTEXT

ALLANA KEMBABAZI

ISER
Facilitating Social Justice
INITIATIVE FOR SOCIAL AND ECONOMIC RIGHTS
Achieving Equity in Health:
Are Public Private Partnerships the Solution?
**INDICATORS/Criteria for Assessment**

- **a. Availability**
  - Is the availability of health workers in the public sector affected by the growth of the private sector?
  - How does private actor involvement affect the availability of essential medicines as defined by the World Health Organization?

- **b. Accessibility**
  - Does the health system ensure access without discrimination?
  - Does private actor involvement influence the distribution of facilities between urban and rural areas?
  - Does private actor involvement affect the cost of health insurance or healthcare?
  - Are there effective measures in place to ensure that life-saving treatment is provided regardless of the ability to pay?

- **c. Acceptability**
  - Do private actors in health respect:
    - the cultures of individuals, minority, peoples and communities?
    - the perspectives and needs of women, men, older persons and adolescents?
  - Are private insurance providers accepting all? Are there parameters which inform selection of patients through e.g. health, employment or financial status?
  - Are there measures in place to safeguard the autonomy of individuals in making decisions about their health and in the use of healthcare services?

- **d. Quality**
  - Are privately provided health goods, facilities and services of adequate quality?

- **e. Core Obligations**
  - How does private actor involvement affect:
    - equitable distribution of all health goods, facilities and services, including for vulnerable groups?
    - provision of essential medicines and primary/health care?
    - health strategies and plans of action?
    - reproductive, prenatal and maternal, and child health care?
    - provision of adequate training for health personnel, including on human rights?

- **f. Maximum available resources**
  - What are the trends in state spending on health and how do they relate to any changes in the level of private actor involvement in the sector?

- **g. Impact on vulnerable groups**
  - Are vulnerable groups being impacted by private actor involvement?
  - Are there effective measures in place to ensure that vulnerable groups are not discriminated against by private health care and insurance providers?

- **h. Participation**
  - Is participation by vulnerable groups enabled and encouraged?
  - Have primary stakeholders been given a say in determining accountability standards for private health care providers?
  - Have steps been taken to incorporate the feedback and decisions of primary stakeholders in the process of privatization?

- **i. Regulation**
  - Is there adequate regulation of private actors?
  - Has the state entered into bilateral investment treaties or investor-state contracts that affect its ability to regulate effectively, for example by providing extensive protection for the ‘legitimate expectations’ of the investor and allowing the investor access to international arbitration?

**Accountability of Private Actors**

- **a. Monitoring**
  - Has the State enacted procedural steps to assess the impact and role of private actors in healthcare?
  - Have adequate indicators and benchmarks been determined to measure the effects of non-state involvement?

- **b. Review**
  - Are independent review mechanisms regularly reviewing the impact of private involvement in health, including the relevant laws and policies?
  - Are mechanisms in place to ensure the results of the review are taken into account in future laws and policies?

- **c. Access to remedies**
  - Is there access to remedies against right to health abuses by private actors?
  - Do people have information about remedies?
  - Can people access legal counsel and/or other relevant support?
  - Are there judicial and non-judicial avenues of recourse against human rights abuses by private actors?

- **d. Transparency**
  - Is the right to receive and impart health-related information respected by private actors, including for vulnerable groups?
  - Are policy processes relating to the role of private actors transparent?

**Extraterritorial Obligations**

The following considerations are relevant to donor states’ obligations:

- **a. Development cooperation**
  - Are foreign states funding private actor involvement that is harmful to the right to health?
  - Are foreign states requiring promotion of private actors as a precondition for the provision of funds?
  - Are donor states exercising due diligence, including by conducting human rights impact assessments?

- **b. Obligations concerning activities of corporations and other private entities in their territory**
  - Are states regulating the extraterritorial activities of their corporations and other private entities?
  - Are states cooperating in the provision of remedies?
  - Are remedies available for groups as well as individuals?
  - Are victims participating in the determination of appropriate remedies?
  - Are states removing substantive, procedural and practical barriers to remedies in transnational cases?
The World Bank funded Uganda Reproductive Health Voucher Project (URHVP) is a form of Public Private Partnership (PPP) whose target is poor women failing to access sexual reproductive health services. The Project is funded by the World Bank and the Swedish International Development Agency through Global Partnership on Output Based Aid, which extended a grant of 13.3 million USD to Uganda to implement it. This coupled with additions from UNFPA and Government of Uganda (The Ministry of Health under Uganda Health Systems Strengthening Project (UHSSP) provided USD $3,058,950).

- 17.3 Million USD Project
- 25 districts
- 2015-2019
• “Although the project was supposed to have focused on poor women, only 32% of the beneficiary mothers were classified as poor while the remaining 68% were classified as medium or rich. The Eastern region was more affected as only 29% of the selected beneficiaries were poor compared to 33% in Western region.”

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT FOR FY 2019

In its results report, the World Bank claimed it “provides good lessons on how the government can contract with the private providers to deliver reproductive health services to poor women living in underserved areas.”
RATIONALE PROVIDED FOR THE VOUCHER PROGRAMS AND OTHER RESULTS-BASED FINANCING MODELS IS TO CREATE THE BENEFITS OF A COMPETITIVE MARKET ENVIRONMENT, WITHOUT DEPRIVING ACCESS TO THE POOR, AND ALLOWING THEM TO VOTE WITH THEIR FEET.
Government dragged to court over Lubowa specialised hospital scam

BY JAVIRA SSEBWAMI | PML DAILY STAFF WRITER
— April 4, 2019

KAMPALA – The Initiative for Social & Economic Rights (ISER) has Thursday, April 4, 2019, filed a petition in the Constitutional Court challenging the constitutionality of the Parliament approval without Parliamentary approval.

ISER Uganda has dragged the Attorney General to court over specialised hospital scam. (PHOTO/COURTESY)

Summary

MPs on the Committee on National Economy, together with Dr Aceng and the Health ministry Permanent Secretary, Dr Diana Atwine, were blocked by security from accessing the Lubowa site, which project construction, is under contest.

STATUS OF LUBOWA HOSPITAL THIS WEEK

Allana Kembabazi, ISER program manager
Public-Private Partnerships in Healthcare: fix or stop?

Marco Angelo
25th February 2021 – Kampala Initiative webinar – PPPs and commercialisation in healthcare: donors, profit and people
What is a Public-Private Partnerships and how does it work?

A long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance.
The promotion and the narrative of Public-Private Partnerships in healthcare

1. PPPs shift the investment risk from the public to the private sector
2. PPPs leverage the expertise and skills of the private sector
3. PPPs provide better efficiency and Value for Money (VFM)
4. PPPs increase access of poor populations to healthcare

From: Jim Yong Kim (2017). Rethinking Development Finance
PPPs in healthcare: can we fix them?
Main concerns of Public-Private Partnerships in healthcare

The use of private finance in PPPs:

- Makes them expensive for the governments (and citizens)
- Influences priority setting
- Requires complex contracts and risky renegotiations
- Can affect access to health services

EXAMPLES

According to a 2019 systematic review, all peer-reviewed articles that compared PPP cost with traditional procurement in the EU, pointed out the higher cost of PPPs in health.

Cepparulo, Eusepi, & Giuriato (2019). Public Private Partnership and fiscal illusion

A 63 billion contract for the leasing of specialised medical equipment in Kenya, was conducted without a proper assessment of the health needs and capacity, resulting in underutilization of the medical equipment.

IEA (2020). Leasing of Medical Equipment Project in Kenya: Value for Money Assessment

68% of PPP contracts in Latin America were renegotiated.

OECD (2014). The Renegotiation of PPP Contracts: An Overview of its Recent Evolution in Latin America

A PPP agreement introduced user fees in 94 rural hospitals in West Bengal (India), where the increasing cost of care is the second cause of rural indebtedness.

Roy & Gupta, 2011. PPP and User Fees in Healthcare: Evidence from West Bengal
Our recommendations on Public-Private Partnerships

1. Stop promoting PPPs in healthcare delivery and financing until more evidence on their impact on access, efficiency and fiscal risk is produced.

2. Focus on overcoming the obstacles in strengthening public healthcare provision and financing, through technical and financial assistance.

3. Promote public investment, especially when used to address the most pressing needs of the health system; strengthen the public purse through progressive fiscal revenue.
Warm-up, using the chatbox

What is your opinion (and/or organisational position) on the realisation of PPPs in healthcare?

a) They should be stimulated by governments
b) No additional action is needed
c) They should be better regulated
d) They should not be stimulated or supported with public resources
e) They should not be realised at all
f) I don’t know
A Kampala Initiative Task group

Challenging the Role of the Private Sector in Global Health: A Civil Society perspective on “Public Private Partnerships in Health

We focus on the impact of the maximising finance for development agenda on global health goals, in particular the promotion of public-private partnerships in health.

The task group has three main objectives:

• to challenge the narrative on PPPs and popularise an alternative model that could deliver on global health goal
• to build CSOs & other stakeholders’ capacity to engage on these issues
• to track other emerging distorting practices of aid and trade
Impact of Covid-19

- Started to develop a working paper entitled “Challenging the Role of the Private Sector in Global Health: A Civil Society perspective on Public Private Partnerships in Health”.
- The aim of the paper is to challenge the narrative around the value of PPPs in health and primarily focuses on case studies on health PPPs in Africa. We identified three potential case studies (one of which was the Lubowa hospital in Uganda).
- Reframing the paper in the context of Covid-19- given the huge impact that the pandemic has had across the globe we reflected on the need to evaluate PPPs in the context of how they have reacted in the time of Covid-19.

Controversial Lubowa and Queen Mamohato Memorial Hospital, Maseru, Lesotho

PPP Projects
The Case of Lubowa Hospital (Uganda) in light of the Queen Mamohato Memorial Hospital, Maseru, Lesotho PPP Projects

A) The Non-disclosure of contracts and Flouting of the procurement procedures. For the Queen Mamohato Memorial Hospital the contract was disclosed in 2012 two years after the hospital was opened. This was after a change in Lesotho’s Government. Surprisingly this financial arrangement was brokered with guidance from the World Bank's IFC. The Lubowa Hospital also did not go through the required national procurement procedures.

B) The ridiculous nature of the costs of set up and maintenance of both hospitals and their cost benefit analysis. The Lubowa Hospital is costing approximately 16 times more than any other hospital in Uganda where as Queen Mamohato Memorial Hospital cost about a third of Lesotho's total hospital demand

C) The Contracts caused a dangerous diversion of scarce public funds from primary health-care services in rural areas, where three-quarters of the population live. For Uganda’s case the hospital will cost $397 million, making it the most expensive hospital ever built in Uganda.
Discussion 1:

If your government were involved in the realisation of a PPP hospital, what would you advise your government?
Dutch Aid & Trade agenda in healthcare in LMICs: An active push for PPPs

Barbara Fienieg

25 February 2021, Kampala Initiative webinar
‘PPPs and commercialisation in healthcare: donors, profit and people’
Example: Dutch Aid & Trade (A&T) agenda

Dutch A&T finance for (Dutch) business strengthening (ODA grants, loans, guarantees, equity)

Study: use in healthcare in sub-Saharan Africa

= win-win approach:
  wins for Dutch companies/investors while contributing to the SDGs

Sometimes:
- public finance recipient country
  - Sometimes: finance private actors (companies, foundations)

+ (potential) impact on progress towards health equity
Main findings Dutch A&T in ‘healthcare sector’

• Great number/variety of A&T instruments applied in health, and significant proportion of money total ODA A&T portfolio (21%)

• Dominant objectives:
  • private sector development
  • business climate improvement

• Lack of evidence-based health-related Theories of Change
  Let alone health equity related

• Preference for turnkey infrastructure development projects
  • large contracts/MNCs
  • match-funded!

• Explicit (financial) support for Dutch companies for:
  • Dutch start-ups/trade abroad and the promotion of Dutch top sector Life Sciences & Health
  • TA and studies for the rapid realisation of PPPs in healthcare

Case study 1: Multi-hospital upgrade project in Tanzania

Case study 2: Support for Dutch companies in healthcare Kenya
Technical Assistance and studies for the rapid realisation of PPPs in healthcare?!

3 examples:

- **Technical Assistance (TA) to fast track PPPs in the Health Sector** (ODA funds, 2017)
  - Central Q: how to assist county governments in Kenya to realise PPPs
  - Proposal: develop a “light version” of Kenya’s PPP law

- **Partners for Primary Care model** (FMO support, 2018)
  - Philips/AEL consortium’s management + infrastructure upgrade project in 3 PHC clinics in Makueni county (Proposal for 12-year PPP contract submitted in 2020)
  - Fin. model: grant funding -> blended finance -> commercial funding

- **World Bank IFC PPP Trust Fund** (FMO support 2019)
  - Facilitate PPP contracts in water and healthcare (sectors of Dutch expertise)

“*The arrangement aims to bring business opportunities to the market that are relevant for the Dutch private sector and at the same time create development impact in emerging markets*”
Concerns include undue influence/interference

“Foreign trade propositions are fine. But we don’t need foreigners to teach our government that what our country’s health system needs most is commercial fixes or schemes.

We shouldn’t let our government off the hook. They have a social contract with us. The right to health for everyone is a public responsibility.”

– Civil society representative in Kenya
Discussion 2

Considering donors’ influence on PPPs in health, what would you advise bilateral and/or multilateral donors such as the World Bank to do?
THE KAMPALA INITIATIVE
OUTLOOK TO ACTIVITIES IN 2021
...AND HOW TO ENGAGE

Ravi Ram, PHM Africa and Kampala Initiative

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SIGN THE KAMPALA DECLARATION
ON COOPERATION AND SOLIDARITY FOR
HEALTH EQUITY WITHIN AND BEYOND AID

If someone comes in with 100 million,
it’s hard to say "no".
PERSPECTIVES

• Continued series of webinars
  Proposals to host a webinar are considered on a rolling basis. More details on how to do this are available on the website here - https://www.medicusmundi.org/community/

• “Beyond aid” mailing list (Google group)
  Our space for sharing, debating and matchmaking – ad hoc and focused thematic discussion. Proposals to host a thematic discussion are also considered on a rolling basis

• Thematic working groups / task groups
  - “Watch the GAP”
  - “Track Changing Initiative”
  - “PPPs”

• More information
  Our 2020 activity report and 2021 workplan are available on the website https://www.medicusmundi.org/kampalainitiative/
THANK YOU! AND STAY IN TOUCH!

If someone comes in with 100 million, it’s hard to say "no".

Screenshot from movie: "A luta continua"

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