

Policy Brief

Public-Private-Partnerships in the Health Sector

Exploring Opportunities for CHAG

(Final Version)

Christian Health Association Ghana

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Introduction

This document aims to discuss the potential for Public-Private-Partnerships in the health sector in Ghana and to provide an impetus to implement and improve existing policies. After an introduction of the current health sector context with its enabling and constraining factors, the document suggests specific measures to improve and drive partnerships for better health outcomes. Finally, emerging partnership opportunities for CHAG are identified which may be explored in the near future.

Partnerships for development have grown in importance in recent years. Although clearly not a universal remedy, the idea of collaborating within and across sectors rather than working alone to address development goals offers many advantages including: access to complementary resources; improved focus and coordination; and the achievement of greater scale and reach. Within this context, the private sector has been encouraged to become a 'development partner' and play a key role with government and other actors in achieving sustainable development.

1. Understanding Partnerships

Over the last decade partnerships for development have been widely acclaimed and there is a growing consensus that the public service approach is but one of a number of ways in which essential services can be delivered. Voluntary, non-profit, community management as well as private business are some other modalities alongside privatization. Since the Johannesburg World Summit on Sustainable Development (2002), diverse public, private and civil society sector organizations have promoted the benefits of working in collaboration, rather than alone, to address development challenges. Access to complementary resources, improved focus and coordination and the achievement of greater scale and reach, are cited as some of the various advantages partnerships can offer. In view of a growing consensus that the alleviation of poverty and the achievement of key development goals cannot occur in the absence of a diversified and productive sector, special efforts have been made to encourage business to join such initiatives and play a key role as a 'development partner' with other government and other societal actors in achieving objectives such as the MDGs.

Partnerships can encompass a range of different forms of collaboration. Firstly, the traditional Public Private Partnerships (PPPs) or contractual relationships between private and public sector. These forms of partnerships are formal contractual relationships between private sector and the public sector in which the private sector provides an upfront investment in infrastructure or technology in return for a long term concession, lease or fee for the provision of public goods or services. Secondly, more flexible development partnerships in which organizations from government, businesses and civil society are working together in areas of mutual interest to achieve common or complementary goals. These relationships are also referred to as development partnerships with the private sector (DPPs). These tend to be informal and rely on wider stakeholder involvement than traditional PPPs. In addition, because they do not result in a business profiting directly by providing public goods, they are not heavily regulated or go through lengthy tendering procedures.

The premise for effective operational partnership arrangements is the presence of an overarching enabling policy, legal and regulatory environment as well as institutional and human capacities conducive for working across sectors and within sectors with different stakeholders both public and non-public.

2. Partnership in the Health Sector

2.1 Justification for Partnerships in the Health Sector

The importance and growing attention for partnerships in the health sector is essentially prompted by the pluralistic outlook of the health sector by virtue of the large number of health care providers both public as well as non-public. Conservative estimates of the contribution of the private sector to health services range from 25 to 50% with the mission sector the second largest service provider in Ghana. In line with the substantial share of total health spending going to private provision, data on use of services show that Ghanaians generally obtain one to two-thirds of their major health services from private sources (DHS, 2008). The justification for partnerships both within the health sector and across various social and economic sectors can be summarized as follows:

- (1) Multi-sector cooperation: The achievement of improved health outcomes is not determined by the ministry of health alone but depend on investments of various other sectors as well.
- (2) Improved access and delivery: The potential to expand health service provision more widely and provide access to health services for employees and communities through more strategic relationships between the private and the public sectors as well as NGOs, FBOs and development agencies. Working with the private sector can improve health care and workplace programs and support affordable health insurance schemes. The private sector, meanwhile, can obtain access to new markets and business opportunities.
- (3) Improved capacity: By working together as public and private sectors or as different sectors, can better address resources and capacity limitations as well as sharing and offering useful knowledge and experience.
- (4) Access to increased capital: Obtaining private sector finance can reduce cost for public sector and provide increased capital for improvements in the health service infrastructure and management, The private sector can also reduce operational costs and expenditure as well as boost cost recovery by working in partnership.
- (5) Innovation, new technologies and expertise: Working in partnerships can provide opportunities to make use of new medical technologies that support health and business innovations and improvements e.g. through ICT advances.

2.2 Policy, Regulatory and Institutional Environment

The overarching policy framework for partnerships in Ghana is provided by the National Policy on Public Private Partnerships (2011). The policy recognizes the need for PPPs and DPPs to improve quality, cost effectiveness and timely provision of public services and the importance to facilitate other actors involvement and contribution by creating an enabling financial, legal and administratively environment. Advantages for PPPs and DPPs are among others: (1) accelerated delivery and accessibility of needed services; (2) innovation; (3) risk sharing; (4) quality; (5) improved allocation and utilization of public funds (The National Policy on Public Private Partnerships, 2011, pg. 1-4). The overall policy of the Government of Ghana is business friendly and encourages private activity. The importance of partnership between the government and the private sector is furthermore stipulated in various GOG documents pertaining to advancing decentralization policies.

The need for partnerships in the health sector is well understood and endorsed by various sector policy documents over the recent years. The 2001-2006 Plan of Work of the MOH was entitled 'partnerships for health; bridging the inequality gap'. In 2003, the MOH outlined a Private health sector policy promoting a pluralistic health sector. The policy advocates for the private sector to increase its role in the health sector. It established a framework for collaboration between the private sector and the public sector, specifying investment in institutional capacity, human resources support for the private sector, monitoring and technical support.

The National Health Policy views partnerships as a core strategy for the effective functioning of the health system and for achieving health sector objectives and outcomes. Partnership involves the encouragement of different institutions and stakeholders both, public and non-public agencies, to work together to achieve the common objective of improving health, based on mutually agreed roles and the principle of sharing resources, risks and results (MOH Health Policy, 2007, pg. 45). The importance of the private role in the sector has been recognized by including private representatives in the annual health summits and by the creation of a Private Sector Unit in the Ministry of Health. However, apart from this, no other additional institutional arrangements are in place to effectively drive partnership arrangements in the sector. Despite the positive policy environment, much of the policy agenda remains to be implemented and the real challenge is how to integrate the private sector in the development process and genuinely drive effective partnerships in the health sector. It appears that for this to happen a change of mindset of the main stakeholders is necessary before meaningful and effective partnerships can take place.

2.3 Institutional and Human Capacity

Although initiatives and mechanisms have been put in place to ensure an enabling environment that is conducive to the implementation of partnerships in the health sector, a number of capacity constraints are faced at both the institutional and individual level. The key challenges include:

1. Poor cross-sector understanding; the differences between public and private sector working methodologies, attitudes, professional standards and ethics are considerable and often misjudged and viewed with suspicion. General mistrust is not conducive for an open attitude and constrain attempts to arrive at genuine partnerships. Within the MOH/GHS there is no high-level public champion for an enhanced private role in the health sector. The promotion of robust dialogue and relationship building through the expansion of institutions that promote active dialogue in the health sector is required to address this. Furthermore wider stakeholder connections that focus on health issues are also needed so that there is broad societal participation in the planning, design and implementation of effective and appropriate partnership projects.
2. Fragmentation of the private sector and poor representation: Despite having the private sector policy and stated intention to work in partnership between the public and private sectors, with the exception of the CHAG relationship, much of the private sector sees itself as left out of the mainstream of MOH and GHS thinking and action. This is to a large part attributed to the fact that the private sector in itself is not adequately organized with few, if at all, representative bodies. Whereas CHAG has a clear apex with the potential to adequately represent its constituency at the national level, representation at the Region and District level is overall weak.
3. Weak public sector coordination and leadership: The public sector is in itself fragmented due to poor coordination between the various GHS agencies, fragmented management systems regarding staff management, procurement, budgeting and financing and conflicting and partly overlapping roles and responsibilities between the various levels and actors due to inconsistent approach towards decentralization. Private sector health services are perceived as co-existing with public provision of health services rather than providing complementary services under the same system. As a result the capacity and potential of private providers is not drawn upon strategically. MOH is reactive to private sector proposals rather than proactive when it comes to pursuing public-private partnerships. At the District and Regional levels, the District and Regional Health Management Teams (DHMTs and RHMTs) are charged with overseeing the health sector, but are managed by the GHS which focuses on the activities of its providers, not the sector as a whole, and could be considered to have a potential conflict of interest, since self-financed and GHS providers can be seen as competitors. In addition, there is no specific forum for discussion and engagement between public and private sector representatives at these levels.

4. Lack of skills; The capacity and experience of working in partnerships is limited and more needs to be done by all stakeholders. This aspect will become even more important with the implementation of the Local Government Act and the need to develop institutional arrangements and skills at the (Sub-)District level for working in partnerships.

3. Conclusion & Recommendations

3.1 General

Driving new partnership opportunities and ensuring that they are implemented effectively requires a change of mindset of the main stakeholders in the health sector. Improved relationships between the public and private sectors, and recognition of their complementary development roles, are central in this regard. A legal and regulatory framework in which a responsible and entrepreneurial private sector can become a development partner, alongside enhanced institutional and human capacity will enable the public and private sector to pool their resources and competencies to contribute towards realization of the National health outcomes. It is recommended that:

1. Stakeholders actively engage with the public sector at national, regional and district level to broker a proactive and positive approach to support a mindset in support of opportunities for effective partnerships in full consideration of the underlying hindering factors. This requires a deliberate effort with respect to:
 - a. Awareness-raising: so that actors across the public and private health sector understand the potential and limitation of partnerships in order to become more responsive and willing to engage time in trying to build them;
 - b. Capacity development: to promote and support a legal and institutional framework which enables that organizations can put the systems and processes in place for cross-sector dialogue, for partnering and which provide skills training to build and run effective partnerships.
 - c. Opportunity-building: to enable a systematic way in which the public, private and civil society sectors can discuss, improve systems and procedures for developing partnerships and support partnerships and other ways of collaboration.
2. Stakeholders in collaboration with the MoH/GHS and private sector representatives to revitalize, review and drive implementation of the Private Health Sector Policy (2003). A feasible road map with a clear and realistic time table and implementation framework for implementing PPPs and DPPs should be developed. Policies and regulation advancing effective PPPs and DPPs should be developed in collaboration and in support of the Private Sector Unit of the MOH.
3. Stakeholders to actively engage with the MOH and GHS in discussion, design and implementation of the decentralization policy in line with the general decentralization policy of the GOG as this will have major impact on regulation, management, financing and operational issues of the health sector at all levels.

3.2 Partnerships CHAG with the GHS

A recent survey (2012) among CHAG member institutions looking into extent and collaboration with the GHS found that, on the whole, operational collaboration between CHAG MIs and the GHs is far from optimal. Many MIs operate in relative isolation and rather disconnected from the public health sector. A mix of contributing factors became evident such as inadequate cross-sector trust, understanding and appreciation; considerable fragmentation within the sector with limited coordination and lastly; restricted skills and institutional arrangements to establish and maintain a constructive dialogue and collaboration. There is much room for improvement in working with the GHS in the technical areas of health planning, continuous professional education, services delivery, technical support and health information management. At the level of the MIs, this could be brokered through a changed mindset in favor of a much more open and proactive approach to explore and capitalize on opportunities for collaboration and partnerships. It is also evident that MIs

could play a more prominent role in liaising with technical health management teams particularly at the district and sub-district and that these teams probably need strengthening. CHAG, at the National level, could broker for such improvements through a deliberate sensitization effort including a wider propagation of a current memorandum of agreement between the CHAG and the Ministry of Health especially among the GHS at the various levels. Lastly CHAG could consider to establish a more visible, structured and meaningful representative role at the region in support of its constituency.¹

3.3 CHAG Partnership with Donor Community, Corporate Business & Private Support Initiatives

The donor landscape rapidly changes with reduced funding levels through traditional development partners especially bi-lateral donors. This is mainly due to the prolonged worldwide economical crises, a paradigm shift in development aid towards economic collaboration and to multi-lateral agencies (UN, EC, World Bank etc.) and a shift towards more fragile and underdeveloped countries rather than middle-income countries such as Ghana. At the same time it is apparent that corporate business and private entrepreneurs and initiatives become more prominent and will offer new opportunities for partnerships.

It is expected that the current support from Danida will be completed by the end of this current phase with limited prospects to continue. In addition it must be assumed that support from International NGOs (e.g. Cordaid) is also likely to reduce or come to a stop all together as these organization usually align their support modalities with prevailing government strategies and priorities. It is therefore recommended that CHAG:

4. Based on a thorough appraisal of opportunities, develop a strategy to establish new partnerships with the international donor community (multi-lateral and bi-lateral donors, corporate business, international NGOs and international private support initiatives that effectively can contribute to support and develop CHAG and its mandate over a longer period of time.

3.4 Partnerships in Research

In the context of its advocacy agenda, it is important that CHAG position itself more strategically and more profoundly at the centre of the National policy debate. For this to happen, CHAG recognizes the need to develop a research agenda covering priority aspects of HSS and linking micro-level lessons with the macro level policy debate. Through its technical working groups (TWG) for each of the 9 HSS priority areas, CHAG is already engaged in operational and implementation research to investigate and duplicate best practices among its members. Whereas this particular research agenda will continue and further developed, it is also acknowledged that a more in-depth and longitudinal research agenda is required into specific health sector issues to inform the policy debate. For this to happen it is recommended to explore partnership opportunities with national and international research institutions with the aim to develop and finance a relevant research agenda. Specific recommendations:

5. Explore partnership opportunities with national and international research groups or agencies to initiate, develop and finance relevant HSS research projects.
6. Findings of the TWGs systematically presented and where possible to be used to inform and develop a more in-depth research agenda.

¹ For detailed recommendations refer to final report: "How do we work together with the GHS at the Region, and the District, report on findings and recommendations from survey among CHAG Member Institutions" (December, 2012).

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