

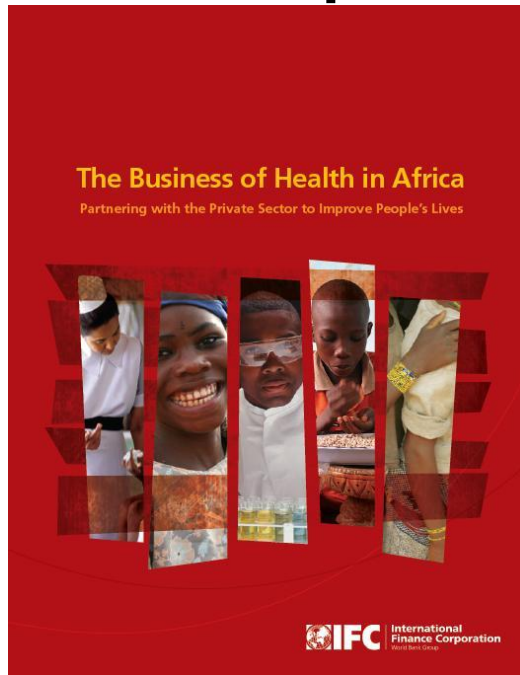
Healthy Partnerships



**How Governments Can
Engage the Private Sector
to Improve Health in Africa**

Context of Health in Africa initiative

2007 Report



- Policy, Analysis, Investment
- Addressing private sector constraints
 - Operating environment
 - Access to finance
 - Risk pooling or insurance
 - Human resources

The Power of Two

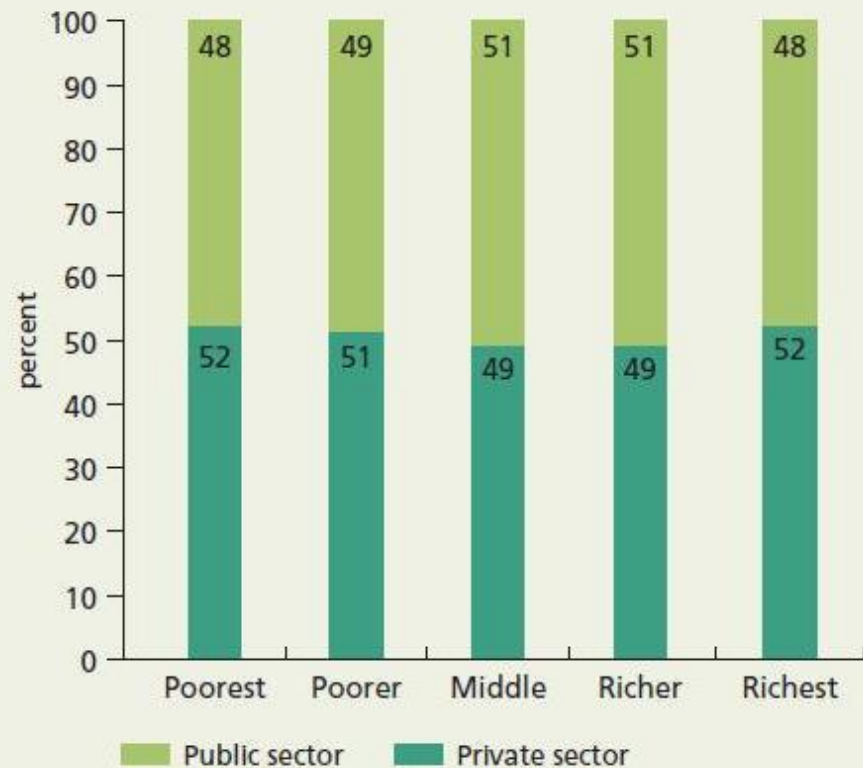
- Seeing with two eyes
 - Seeing the full health sector, with its public and private components
- Working with two hands
 - Both partners in the health sector, public and private, need to work together



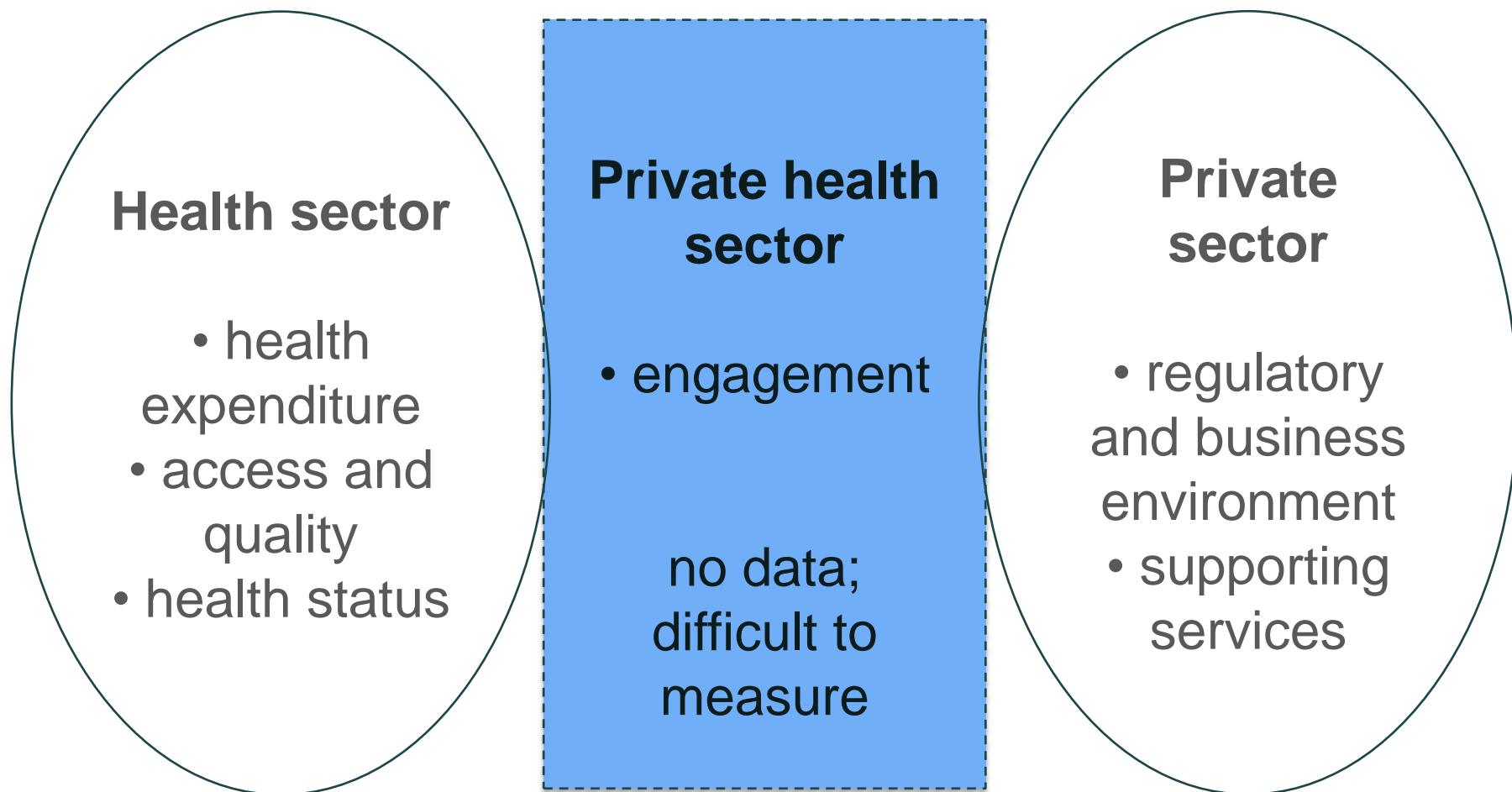
Starting point: 3 observations

1. Health systems improvements are urgent
2. Private sector: half of all services
3. Operating environment: constraint to improved contributions by private sector

Source of Health Care by Wealth Quintile for Households in Sub-Saharan Africa



What's an operating environment?



At-a-glance:

- Engagement
- Expenditure (% OOP)
- Business environment
- Supporting services
- Intermediate outcomes
- MDGs

Kenya

Population: 39.8 million
 GNI per capita (Atlas method): US\$730
 Life expectancy: 54 years

MDG 4	Under-5 mortality rate (per 1,000)	84
MDG 5	Maternal mortality ratio (per 100,000 live births)	530
MDG 6	HIV prevalence (among ages 15-49)	—
% of population	Tuberculosis incidence	0.3
	Malaria (notified cases)	30.3



Engagement



	Score	Maximum
Policy and dialogue	9	10
Information exchange	5	8
Regulation	7	13
Financing	2	6
Public provision of services	2	2

Health Expenditure

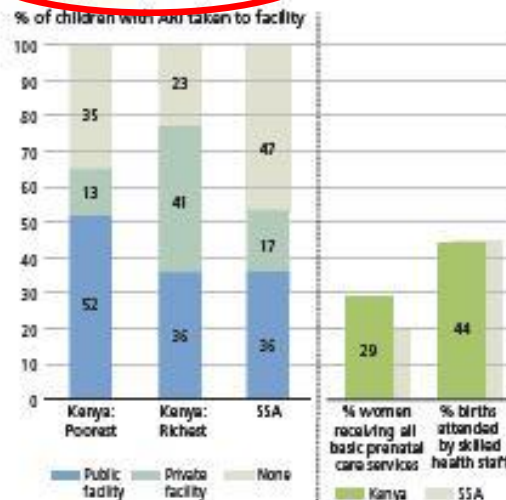
	Kenya	SSA Average
Health expenditure per capita in current \$	33.8	95.3
Public sector share of total expenditure (%)	42.0	49.5
Private sector share of total expenditure (%)	58.0	50.5
Out-of-pocket expenditure (% of private expenditure)	77.2	72.4

Business Environment

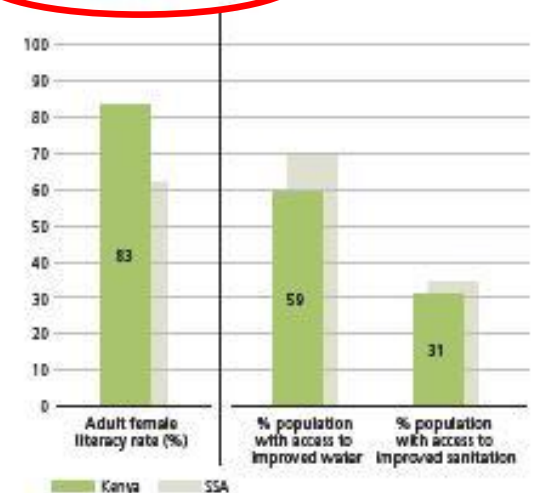
	Kenya	SSA Average
Time to enforce a contract (days)	465	644
Time to prepare and pay taxes (hours per year)	393	317
Time to start a business (days)	33	44
Cost of business start-up (% of income per capita)	38	96

Intermediate Outcomes

Access and Quality



Supporting Services

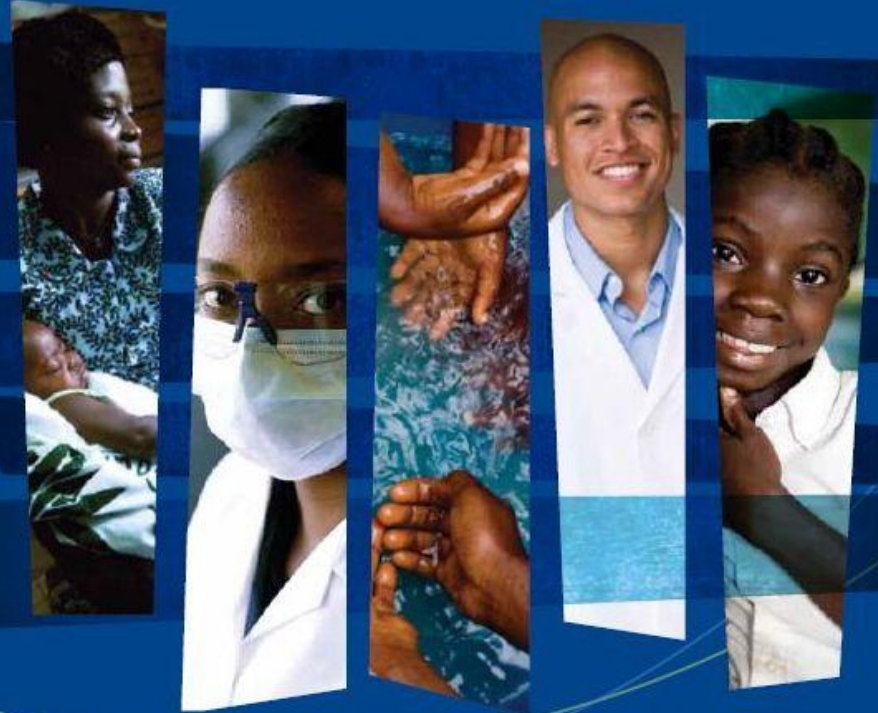


SSA = Sub-Saharan Africa average

- Systematic assessment of engagement
- In-depth interviews in 45 countries
- Good examples of what works well
- Informing and motivating reform

Healthy Partnerships

How Governments Can Engage the Private Sector to Improve Health in Africa



Waiting for utopia vs. practical change now?



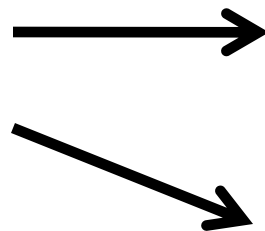
What constitutes engagement? 5 elements.

1. Policy & dialogue
2. Information exchange
3. Regulation
4. Financing
5. Public provision of services

1. Policy and dialogue: low implementation

Out of **45** countries ...

39 countries have
a policy toward the
private health sector



12 countries
implement policy

27 countries
do **NOT** implement

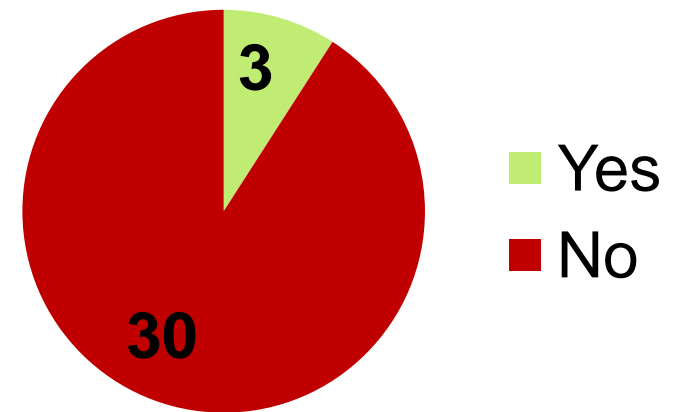
30 countries have weak dialogue or none at all

2. Information exchange: too low

- **33** countries require private facilities to provide information



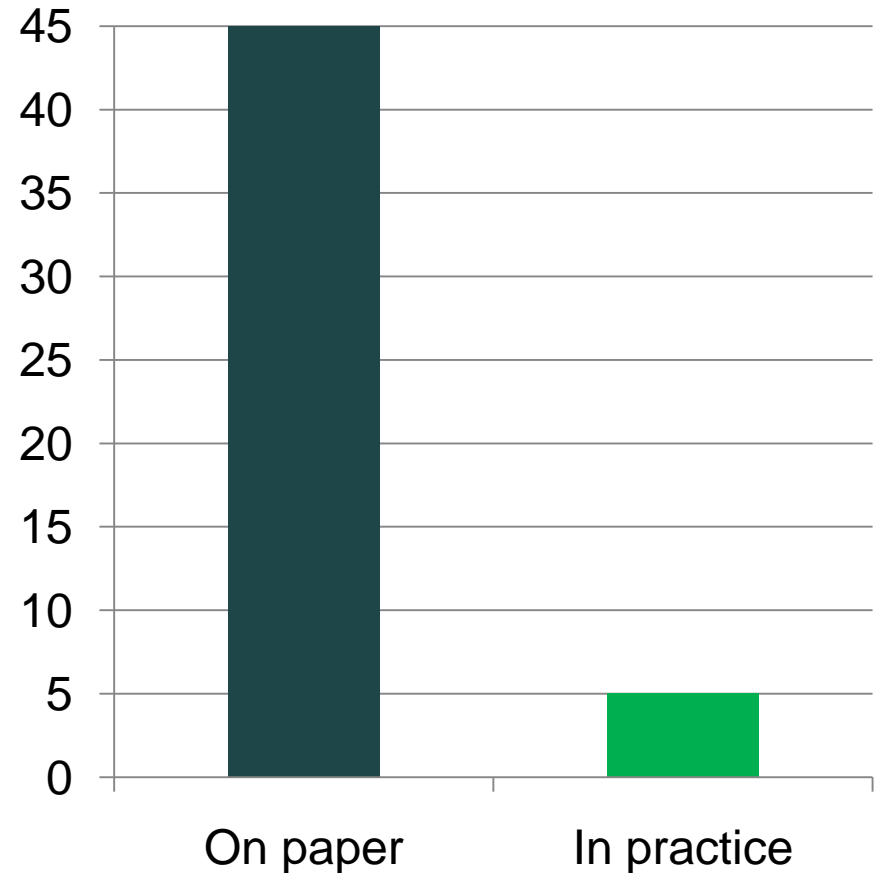
Information reaches the ministry



3. Regulation: lack of prioritization

■ Comprehensive registry of private facilities in only **6** countries

Quality inspections



4. Financing: a key instrument

- In **18** countries, contracts with private providers
- In **16** countries, financial incentives
- Technically, politically difficult
- Expansion of insurance – a **“game changer”**



5. Public provision of services: frequent

- Inclusion in public health programs (e.g. ARVs, immunization)
- Inclusion at times conditional on compliance



Engagement scores across the region

Country	P&D (10)	Inf. Ex. (8)	Reg. (13)	Fin. (6)	PPS (2)
Kenya	9	5	7	2	2
Ghana	8	5	7	4	2
Burkina Faso	8	6	8	2	1
Mali	7	3	7	3	2
Chad	3	2	4	0	1
DRC	2	2	5	1	1
Rwanda	8	6	7	6	2
South Africa	9	5	13	3	2

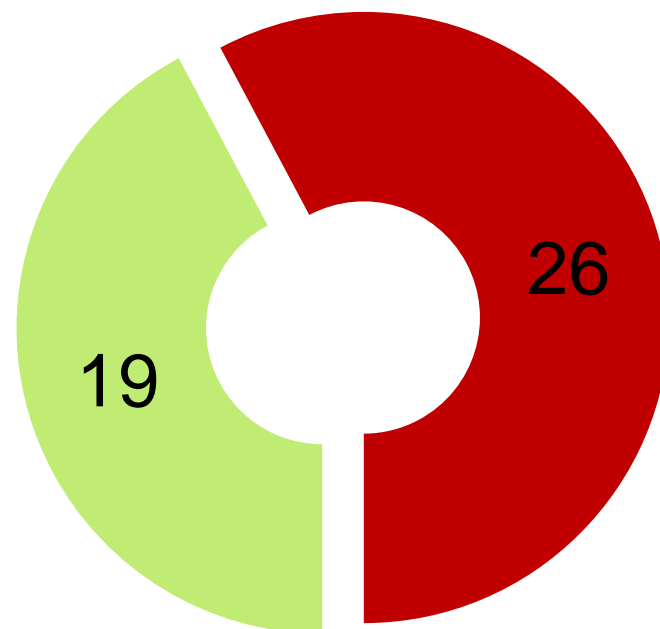
Private health sector has to step up

Government needs a counterpart to engage with

- Credible
- Capable
- Representative

Private health sector organization

■ Organized ■ Not organized



Key findings of the Report

- Concrete steps are not being taken
 - In effect, half of the population is abandoned
 - On paper, things are good. In practice, they are not
 - Regulations are inconsistent with current practices and the capacity to enforce
- Good instances of engagement in interventions and disease programs are not enough
 - Engagement must be systematic and deliberate
- The organization of the private sector matters

What is next?

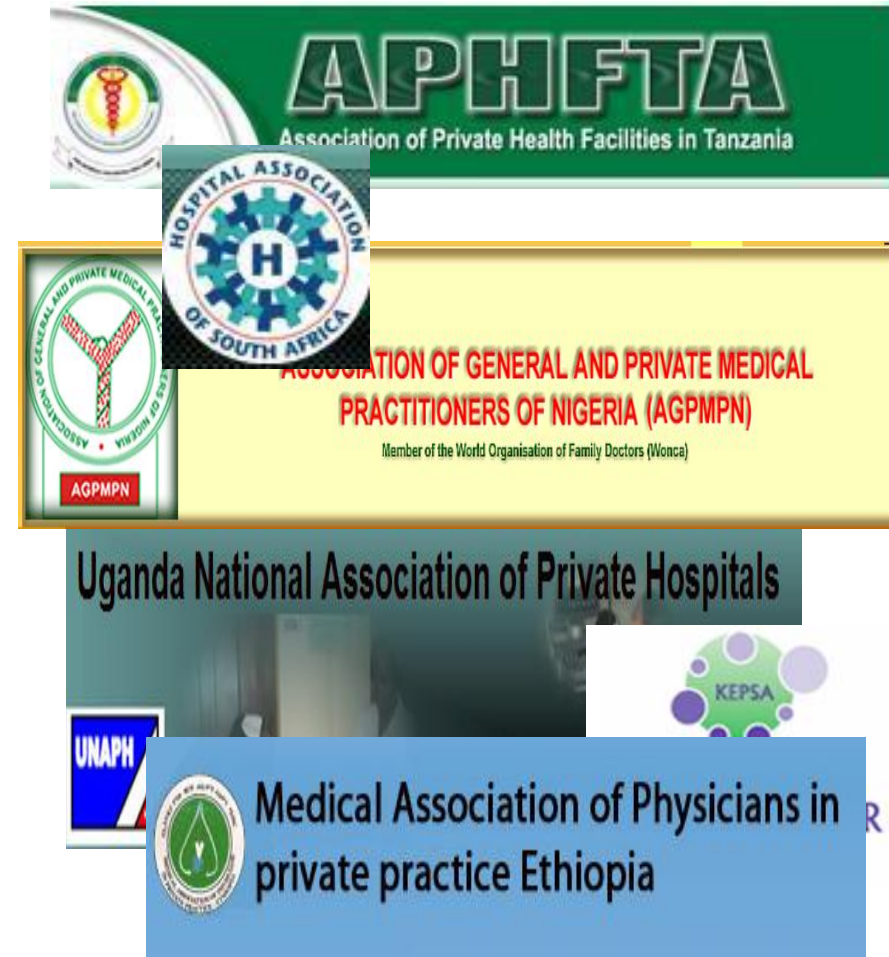


Recommendations: governments

- Government must lead
- Quick wins
 - Establish effective dialogue
 - Know who is doing what
- Start now
 - Review policies and practices
 - Focus on implementation
 - Expand insurance
 - Support quality enhancements

Recommendations: Private Health Sector

- Organize;
then, seek dialogue
- Encourage members to
 - Formalize
 - Join provider networks
 - Build capacity in clinical practice
and in business management



Recommendations: Donors, third-parties

- Support engagement and take active role, if requested
- Include private sector in country support programs
- Align programs with priorities coming out of dialogue

Resources ready to use right now

- In addition to ongoing work, toolkit is ready for use
 - Concrete guidance on engagement, private sector assessment, and capacity building
- All publications are online for your use and distribution
 - Also in-depth country studies and further analytical work

■ www.wbginvestmentclimate.org/health

The Power of Two

