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Private Sector Update



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Objectives of GFF engagement with the private sector

Overarching objective:

GFF to use the flexibility of its trust fund and the expertise of its facility partners to draw in the **financial resources and capacity of the private sector** to help countries achieve RMNCAH outcomes

Three pathways:

1. Developing **innovative financing mechanisms** to catalyze private sector capital for Investment Case financing
2. **Facilitating partnerships** between global private sector and countries
3. Leveraging private sector capabilities in **countries to deliver on Investment Case objectives**

All pathways require involvement of various GFF partners (e.g., UN agencies, bilateral donors like USAID, World Bank Group institutions such as IFC, etc.), based on the comparative advantage of each institution in working with the private sector

Pathway 1: Innovative financing

- **Comprehensive landscape analysis underway**
 - Aim: to identify barriers to increased private investment in RMNCAH, as well as potential catalytic instruments GFF trust fund and partners can use to help “de-risk” impact-oriented equity-focused private investors in GFF countries
 - Study expected to be completed in December
- **Blended financing for RMNCAH investments**
 - Objective: To draw in private capital to invest in equity focused RMNCAH country priorities
 - GFF grant can reduce risk for private investors through various financial instruments (grants, guarantees, concessional finance)
 - Medical Credit Fund example
- **IBRD performance based buy-downs**
 - Sustainable Development Bond raises private sector financing (IBRD)
 - GFF grant buys down interest rate upon achievement of performance targets
 - Vietnam and Guatemala IBRD buy down under design

Pathway 2: Partnerships

- **Medical technology capacity building**
 - GFF countries request technical support in selecting, procuring/leasing, and introducing the optimal health technologies for their programs
 - Workshop and technical assistance for 2-3 GFF countries
 - Countries will be selected based on discussion with governments and priorities outlined in Investment Cases
 - WHO and DITTA* key partners (leveraging technical expertise from private sector)

*Global Diagnostic Imaging, Healthcare IT, and Radiation Therapy Trade Association

Pathway 3: Leveraging private sector in country

Current focus countries: Cameroon, Kenya, Senegal, Uganda

Cameroon

- Private sector engaged throughout Investment Case process; participated through existing private sector association
- Key private sector components in Investment Case:
 - Contracting of comprehensive package of maternal and child health services with private providers and faith-based organizations.
 - Development Impact Bond for kangaroo mother Care; GFF TF is outcome payer
- Govt. has taken a very active role in GFF private sector outreach:
 - Letter from Minister of Health to major local private sector companies encouraging support to key Investment Case priorities

Pathway 3: Leveraging private sector in country

Kenya

- Private sector engaged in Investment Framework through Kenya Healthcare Federation (KHF)
- UNFPA-led Private Sector Health Partnership (PSHP) in 6 high-need counties with Philips, Huawei, GSK, MSD for Mothers and Safaricom using their expertise to create solutions for health priorities
- Investment case financing supports various aspects of private sector engagement:
 - Joint Health Inspection Checklist (JHIC) developed by GoK in collaboration with private sector and Health in Africa support
 - Recently launched Maternity Insurance provides comprehensive cover for mothers and children up to the age of one year with choice between public or private providers accredited by NHIF
 - Private sector providers accredited by NHIF are delivering services under Health Insurance Subsidies for the Poor scale up

Pathway 3: Leveraging private sector in country

Senegal

- Private sector engaged in GFF country platform through Private Sector Alliance; strong govt. support to engage
- National scale-up of Informed Push Model (IPM) for supply chains using private providers has been identified as a potential priority for the IC
 - IPM pilot funded by Gates and Merck for Mothers, demonstrated success in reducing stock-outs
 - Government interested in exploring GFF support to institutionalize IPM by 2018
- Contracting/hiring of private midwives to support public RMNCAH service delivery being explored as a potential strategy to deal with HRH gaps

Pathway 3: Leveraging private sector in country

Uganda

- GFF-USAID funded Private Sector Assessment completed
- Key private sector components in Investment Case:
 - Scaling up results-based financing for public and private facilities for provision of RMNCAH services
 - Scaling up of maternal health voucher program; qualified public and private providers will offer services for vouchers
 - Merck for Mothers-supported work underway to explore possible solutions using private providers to decongest Kampala's over-burdened public facilities; key stakeholder workshop being planned for mid-November

Engaging private sector on country level

Challenges

- Private sector in health often heterogeneous and fragmented; difficult to engage effectively through GFF country platforms
- Lack of data available in initial phase of GFF process
- Limited in country capacity to manage PS effectively

Going forward

- Revise country platform guidelines to support more systematic engagement of private sector
- Include private sector analysis in early stages of GFF Investment Case development
- Support a more systematic approach to private sector engagement in GFF countries through DFID supported course
- Use GFF TF resources for TA

Learn more

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