

GFF Approach to Private Sector Engagement

OVERVIEW

The purpose of this Global Financing Facility (GFF) Private Sector Approach paper is to take stock of GFF-supported private sector activities as part of the current GFF Strategy, and to reflect on and propose early recommendations for areas of focus for the next strategy period (2026-2030).

This paper was informed by a desk review and a consultative process to distill the successes and lessons learned of the GFF's past private sector activities across three pathways (country support, partnerships, and innovative financing), and through a consultative process refining the GFF's instruments and comparative advantage to match the renewed ambitions for private sector engagement in support of RMNCAH-N.

The proposed priorities and recommendations included in this paper have been developed in consultation with the private sector engagement technical working group (TWG).

ACTION REQUESTED

GFF Investors Group members are requested to endorse the priorities for private sector support proposed in this paper, to provide direction for ongoing GFF operations, and help inform development of private sector engagement priorities for the GFF's next strategy period.

OVERVIEW AND CONTEXT

The objectives of this paper are: (1) to share the results of a desk review and consultative process on the GFF's private sector engagement and (2) to inform ongoing GFF operations and identify future priorities for the GFF's private sector engagement to improve outcomes for women, children, and adolescents.

This assessment has undertaken a multi-pronged approach, guided by the TWG, to: (i) review the global literature on the role of private sector engagement in RMNCAH-N, (ii) collect and analyze data from a consultative process with a cross-section of GFF stakeholders (iii) reflect on the GFF's comparative advantage and potential priorities for private sector engagement in its next strategy period. This paper presents the main findings of this process and the proposed future priorities for the GFF's private sector work.

I. Global evidence for the role of the private sector in RMNCAH-N

Importance of the private sector for provision of RMNCAH-N services. The private sector plays a significant role in the delivery of health services in low- and middle-income countries (LMICs), including low-income women and children:

- **In a review of 57 LMICs, more than 40 percent of women relied on private sector providers for family planning, antenatal, and safe delivery care.**ⁱ Similarly, in a review of 12 LMICs, more than 30 percent of children received treatment for diarrhea from private providers.ⁱⁱ
- **Although the likelihood of accessing private services increases with wealth quintile, data shows large numbers of low-income women and families also rely on private providers for RMNCAH-N services across GFF countries.** In Cambodia, 48.8 percent of the poorest quintile received care for fever/acute respiratory infection (ARI) in private sector, as did 50 percent for treatment of diarrhea. In the Democratic Republic of Congo (DRC), women and families in the lowest income quintile were found to be as likely to seek care for fever/ARI or diarrhea from private sector providers as from the public sector. In Nigeria, the private sector is the dominant provider for these services, even in the lowest quintile populations. In Bangladesh, the private sector is the preferred provider for diarrhea care.ⁱⁱⁱ
- **Furthermore, a systematic review found that the most vulnerable women and families in LMICs are equally likely to use private child health services as are higher-income households.** This includes the use of informal health care providers, which raises important issues of equity, quality, and safety.^{iv} The cross-country data variation also highlights the need for context-specific approaches for countries to engage the private sector to improve equity outcomes for women's and children's health.

Box 1. Definition of the private sector used in GFF's Private Sector engagement work

The GFF's definition of the "private sector" is derived from the World Health Organization (WHO) definition, which includes: "health care service providers (such as private lab chains and NGO-run health clinics), providers of inputs to healthcare production (e.g. medical equipment companies, drug shops, private health training institutions, pharmaceutical companies), and private intermediaries (e.g. health

insurance companies, commercial banks lending to healthcare businesses as well as professional associations).”

In addition, for its work on innovative financing, the GFF includes in its definition private investors and funders who are providing, or could provide, financial resources and investment for RMNCAH-N services, supplies, and medicines.

Note: This broad definition is used for the GFF’s private sector engagement work and is reflected in the data collection and consultation process; however, GFF engagement varies across actors in specific countries and types of activities.

Given the significant role that private sector actors play in healthcare delivery in LMICs, including the private sector in financing and service delivery reforms to improve access, affordability, quality, and regulation of RMNCAH-N services should be an important component of efforts to reach more low-income women and children. It is important to stress that this approach does not aim to “privatize” healthcare delivery, but rather to enable governments to leverage *all* available health system resources and delivery capacity, including those in the private sector, to improve health outcomes for women and children.

While there is no one-size-fits-all approach to working with the private sector to address these challenges, a systematic review documented numerous promising engagement strategies. These modalities include: contracting for goods and services, licensing and accreditation, subsidies, social marketing, vouchers, public financing of private services (through insurance or grants), public-private partnerships, training for quality improvement, and market shaping.^v In places where many people (including those in the lowest income quintiles) seek care from the private sector, global research highlights that engaging the private sector to improve quality and expand services in poorly served areas can increase access for the most vulnerable populations.

The GFF worked with a third-party consultant (Results for Development) to undertake an analysis of the global evidence base and collection of primary data around four key health system areas in which private sector actors should be supported to advance towards equitable access to quality care. The four areas identified are: 1) health financing (including innovative financing), 2) service delivery and quality, 3) governance and stewardship; and 4) supply chains and commodities. A distillation of the global evidence from the review is included in Annex 4. A summary of the four health system areas and their key findings for private sector engagement in each area are as follows:

- **Health Financing (health system area 1).** Despite the significant role it plays as a provider of RMNCAH-N services in many LMICs, the private sector is often left out or insufficiently included in public health financing mechanisms, such as national health insurance schemes, contracting arrangements, or government subsidies, which results in vulnerable patients paying out-of-pocket for essential health services. Fragmentation, along with emphasis on inputs-based budgeting rather than population-based payments, results in inequitably and inefficiently distributed financing across services and geographies and fails to address the full range of needs of the people it seeks to serve.^{vi}
- **Service Delivery and Quality (health system area 2).** Health service delivery reforms that focus exclusively on the public sector may miss opportunities to leverage existing and complementary

private sector capacity. Private sector delivery investments may complement public sector investments by providing opportunities to strengthen existing infrastructure and services, bolster human resources, and build community trust to fill gaps in healthcare delivery.^{vii} However, this also requires addressing persistent gaps in the quality of private health services, which often suffer from a lack of regulation^{viii} or common standards with the public sector, and failure to integrate the private sector into public health system planning and data systems.^{ix}

- **Governance and Enabling Environment (health system area 3).** Financial instruments and policies alone are unlikely to be effective in improving the quality and accessibility of private sector health services. Additional support is needed to facilitate government oversight and behaviors, trust building, and collaboration among private actors and the public sector.^x
- **Supply Chains and Commodities (health system area 4).** Engaging the private sector as key suppliers of commodities, supply chain, and logistics services and as frontline service providers can help promote more broadly accessible and cost-effective health commodities for women, children, and adolescents. Within publicly managed supply chains and service delivery networks there are opportunities to increase private sector participation e.g. through outsourcing to logistics services providers to improve adoption of innovative practices, cost effectiveness and strategic agility.

II. GFF experiences with private sector engagement: key findings

A. External review of lessons learned

Lessons learned from GFF experience with private sector engagement point to important insights into how GFF can achieve greater impact for women, children, and adolescents in its next phase of work.

Since 2016, GFF has provided support to governments of more than 24 countries to strengthen PRIVATE SECTOR ENGAGEMENT and improve access to and quality of RMNCAH-N services. The GFF’s November 2023 IG paper provides a high-level overview of the breadth of this work at the country and global levels (see summary in Annex 1). As part of the TWG process, a subsequent review was conducted to take stock of more recent engagement by the GFF. Taken together, this assessment of the full eight years of GFF private sector engagement to date found both successes and challenges across the three pathways around which the GFF has historically focused its work – **country support, innovative financing, and partnerships.**

1. **Country support.** Much of the GFF’s private sector engagement work with partner countries to date has been either designed to provide foundational and enabling support for private sector stewardship and governance, or else to provide co-financing and technical assistance on World Bank Group (WBG) projects for results-based financing contracting for public and private providers.

Effective examples of private sector engagement	Challenges
<ul style="list-style-type: none"> • GFF support for stewardship and governance of the private sector. • GFF projects supporting results-based financing (RBF) for the delivery of services and commodities. 	<ul style="list-style-type: none"> • Many governance and stewardship activities did not lead to longer-term work to integrate the private sector into service delivery and health financing reforms. • Many governments limited contracting to only specific types of private providers that may not

<ul style="list-style-type: none"> • Comprehensive and holistic support for private sector engagement to several GFF partner countries (see example from Cote d’Ivoire, highlighted in Box 2 and detailed in Annex 3). 	<p>align with those from whom the poorest women and families are seeking care.</p>
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2. **Innovative financing.** The GFF launched several promising country and global initiatives to pilot and scale innovative financing models.

Effective examples of private sector engagement	Challenges
<ul style="list-style-type: none"> • GFF co-led investments to mobilize private capital for RMNCAH-N outcomes in target countries, including the launch of a Sustainable Development Bond (SDB) series, Development Impact Bonds (DIB), and Blended Finance with IFC (Annex 1). 	<ul style="list-style-type: none"> • Innovative financing work entailed significant transaction costs and barriers to scaling (DIBs) or channeling significant funds from innovative financing instruments (SDBs) into country RMNCAH-N programs and equity goals (IFC). • Private capital can play an important bridging role in funding for targeted RMNCAH-N needs, but cannot fill the complete financing gap and in GFF countries the additional volume of financing generated has been marginal.

3. **Partnerships.** The GFF also established several partnerships with global entities to support both country-level and global private sector engagement work to bring private sector expertise into GFF-WBG implementation platforms and improve RMNCAH-N outcomes.

Effective examples of private sector engagement	Challenges
<ul style="list-style-type: none"> • Collaborations on outsourcing last mile delivery of commodities with the UPS Foundation, Merck for Mothers, and the Gates Foundation • Training for country stakeholders through the Managed Markets for Health course (led in conjunction with the University of Edinburgh and the UK Foreign, Commonwealth and Development Office). 	<ul style="list-style-type: none"> • Although effective, partnerships involved significant transaction cost for all partners; there is a need to be more selective in defining which country priorities would most benefit from private sector partnerships at global/regional level. This also enables private sector partners to have a clear focus for results.

B. Stakeholder consultations: country and partner insights

To ensure that the GFF’s work is well-aligned with country and partner priorities, the GFF also undertook a consultative process¹ to seek their feedback on the needs, challenges, and opportunities for the GFF

¹ The country stakeholder consultations also had some limitations, including focusing on a subset of GFF partner countries as well as a subset of in-country partners. These limitations are outlined in Annex 2. Despite these limitations, the suggestions in Figure 1 are valuable to help identify spaces where country and partner demands overlap with available GFF instruments and expertise.

to improve private sector engagement to drive better RMNCAH+N outcomes. Figure 1 presents the consolidated feedback provided by stakeholders for the GFF’s future work across the four key health system components previously identified. The figure highlights the diversity of views expressed among country and global partners consulted from both the public and private sectors.

Figure 1. Summary of suggestions for GFF work on the private sector from stakeholder consultations²

Health System Component	STAKEHOLDER SUGGESTIONS for GFF		
	Country Governments	Private Sector Representatives	Partners and Civil Society
Health Financing	<ul style="list-style-type: none"> Limited identification of health financing opportunities cited. Exceptions - support to explore pooled insurance and innovative financing models, especially in mobilizing private capital 	<ul style="list-style-type: none"> Challenge of funding for private sector providers Technical assistance for private sector financial operation and management Strategic purchasing and contracting 	<ul style="list-style-type: none"> Contracting support for private sector Advocacy to governments for inclusion of private sector into results-based financing Mapping innovative financing instruments Working with governments to integrate sexual and reproductive health packages into financing packages Ensuring any private sector financing is context-specific and focused on equity goals.
Service Delivery and Quality	<ul style="list-style-type: none"> Challenge of providers moving from public to private sector, limiting human resources in public sector Quality assessment and regulation of private sector providers Scaling referral approaches and technology Expanding lessons from reform in areas like family planning to other areas 	<ul style="list-style-type: none"> Support for training and skills building for private sector providers Scaling digital tools for quality assessment in private sector 	<ul style="list-style-type: none"> Training for remote private sector providers Support for private sector role in child health and primary healthcare in transitioning countries Specific thematic ideas – HIV, teen pregnancy, youth
Supply Chains and Commodities	<ul style="list-style-type: none"> Limited identification of supply chain opportunities cited. Exceptions - interest in scaling social marketing success from family planning commodities, local manufacturing expansion, and public-private dialogue for commodities 	<ul style="list-style-type: none"> None explicitly highlighted 	<ul style="list-style-type: none"> Local manufacturing and procurement of local commodities Strengthening supply chains for remote medicines Support for general commodity delivery processes Training government to be a good purchaser
Governance and Enabling Environment	<ul style="list-style-type: none"> Building new public-private dialogues Strengthening existing public-private dialogue platforms Landscaping of private sector facilities Improving data and reporting for the private sector 	<ul style="list-style-type: none"> Support for more formal public-private dialogues Support for coordination among the private sector itself Support for landscaping and data reporting for private sector 	<ul style="list-style-type: none"> Bringing development partners into public-private dialogue Private health sector assessments Inclusion of private sector into health information systems Advocating for new public-private partnerships, including private sector into Investment Cases and grant funding Involving youth and civil society in achieving accountability and equity goals for governance of the private sector.

² While this feedback provides valuable input, it is important to note some limitations to the consultation process; these limitations include (1) that government and private sector consults represented a subset of GFF countries and (2) we did not speak to representatives who are involved in all types of health system private sector engagement reforms. A more detailed description of limitations is provided in Annex 2.

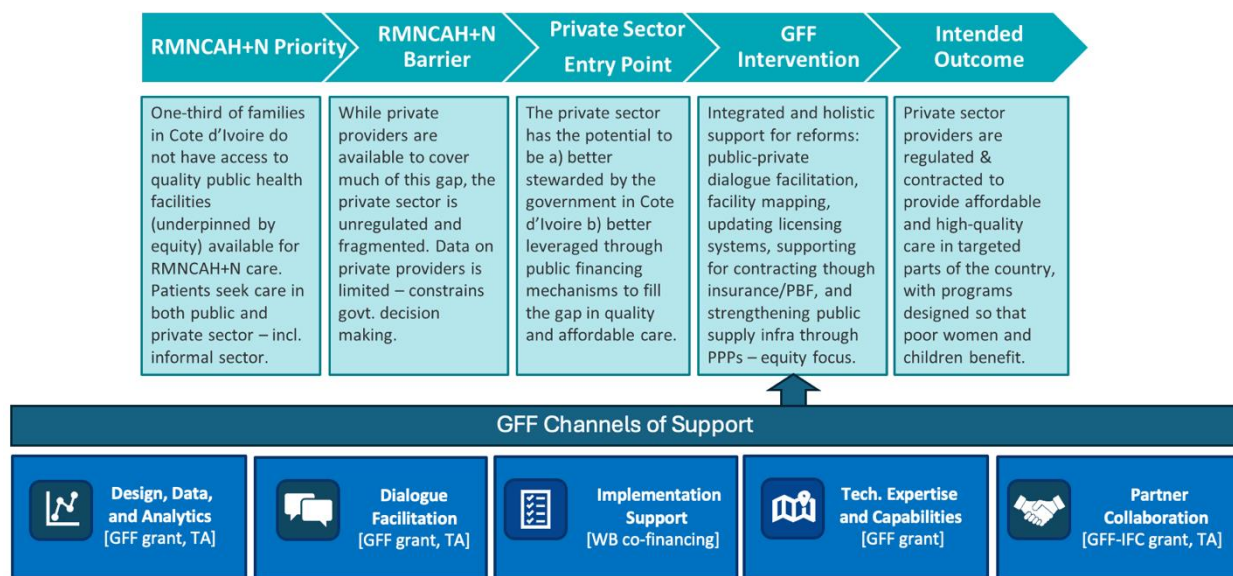
C. GFF Comparative Advantage and Opportunities to Strengthen Private Sector Engagement

A combined look at the findings from the consultations and the global literature review suggest ways that the GFF could better define and leverage its comparative advantage in private sector engagement, including greater focus on equity and gender principles in design and implementation. The GFF has promoted a diverse set of activities that have helped improve RMNCAH-N outcomes in many countries. Going forward, however, **the GFF could be more selective in its support and leverage its unique strengths** to better align future private sector engagement priorities with the GFF's comparative advantages.

The GFF's comparative advantages include:

- **The GFF model is set up to influence system change for RMNCAH-N rather than single components and reforms**, working directly with country governments to deliver results. The GFF's work in Cote d'Ivoire provided several important lessons related to this comparative advantage (see Box 2).
- **The GFF close partnership with the WBG allows it to deploy catalytic grants as co-financing for loan and grants** for countries, and to enable high quality technical assistance to integrate the private sector in health financing and service delivery reforms, followed by implementation funding (see Box 3).
- **GFF funding enables it to harness the WBG's existing expertise on health financing and public financing management reform**, which are necessary for private sector capacity in country health systems. It also enables the GFF to link to various WBG financing instruments (see Figure 2).
- **The GFF's commitment to ensuring equitable access to RMNCAH-N for all women, children, and adolescents** allows it to direct resources and support to the most vulnerable countries and hardest-to-reach populations.
- **The scope, diversity, and strength of the GFF partnership enables coordination and alignment of technical assistance and co-financing across a wide range of global partners** to develop and implement collaborative private sector solutions for country RMNCAH-N challenges.

Box 2. GFF Support to Cote d’Ivoire (graphic pathway)



Success Factors included:

- Strong country leadership and vision on public-private health system
- Timing: initial foundational private sector activities able to support later reforms on purchasing and service delivery; medium-long term reform planning by govt.
- Coordinated private sector engagement reforms maximize impact: governance (licensing, dialogue, analytics), health financing (insurance, contracting, PPP), service delivery capacity expansion (PPP to expand capacity in public hospitals through IFC partnership)
- Strong support from WB and GFF through high quality technical assistance and regional/international expertise, and enabling GFF grant funds for design and implementation to complement WB project funds

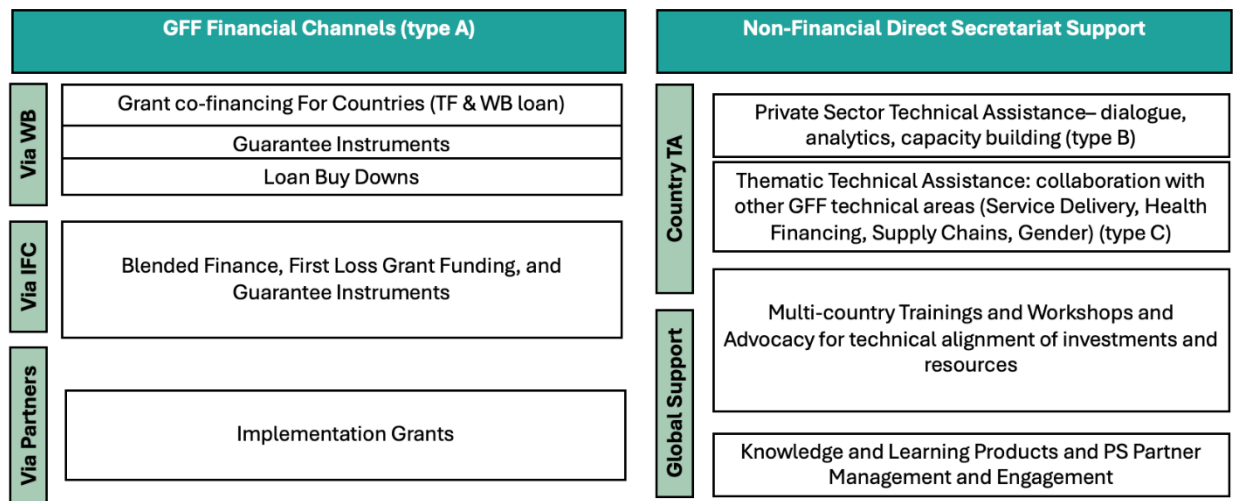
The GFF’s engagement has been more effective when it has focused on a specific RMNCAH-N bottleneck with activities across all health system components rather than focusing on a single component. This advantage was apparent in the case of GFF support to Cote d’Ivoire (described in Box 2 above), as compared to more stand-alone private sector engagement support in other countries (Annex 1). Issues of financing, quality in service delivery and commodities, and stewardship gaps are not siloed in practice. Thus, to maximize impact, the GFF support for strengthening areas should take a whole-of-system approach in line with the GFF’s overall model and comparative advantages.

Box 3. GFF-WBG Partnership on private sector engagement- Lessons and Opportunities

- **WBG Evolution Roadmap:** The WBG evolution emphasizes the public-private cascade approach and “One WBG” partnership, and this has spurred a broader review of the WBG health and nutrition portfolio and private sector components in current and past IDA and IBRD projects.
- **Synergistic efforts of GFF and WBG:** In GFF partner countries, private sector engagement in WBG operations was initiated and/or supported by GFF grant/TA, through lending projects, and analytical and advisory services.

- **GFF flexible grant financing** was often necessary for upfront and enabling work to include private sector engagement in pursuant WBG loan projects.
- **GFF high quality TA brings international best practices** to influence and support WBG teams and governments in designing reforms.
- **WBG loan financing enables at-scale reforms** by integrating them into the government’s overall health financing or delivery agenda, and on-budget funds and project implementation ensure strong buy-in from government stakeholders on private sector engagement.
- **Demonstrating the alignment and combined convening power** of WBG, GFF, and GFF partners provides an important demand signal and more attractive environment for private sector actors to engage.
- **Joint priorities for WBG-GFF support for private sector engagement** include: analytics and policy advice, strategic purchasing, regulatory environment, and public-private dialogue.

Figure 2. GFF instruments and channels for private sector engagement



III. Proposed future priority pathways for GFF private sector engagement

A. Priority Pathway 1 – Country Support Work

Based on these findings, the two proposed priority pathways for future GFF-supported private sector engagement to improve RNMCAHN outcomes in GFF partner countries. These two pathways are 1) strategic purchasing reforms and 2) service delivery quality and commodities supply reforms. Both pathways involve having a strong “anchor” for engagement. These two potential pathways, justifications, GFF comparative advantage, and enabling components are described below.

Anchor Pathway 1: Strategic Purchasing Reforms

- **GFF approach:** Support private sector engagement reforms in health financing – and specifically contracting and strategic purchasing of essential RMNCAH-N services – including addressing the enablers and constraints of these reforms.
- **Justification:** The global evidence base identifies the importance of government financing to reduce the burden of out-of-pocket expenditure for vulnerable women and children in countries where private sector coverage is high. Governments are increasingly using contracting, strategic purchasing and social health insurance tools to ensure coverage for essential services; private sector federation representatives in multiple countries also identified strategic purchasing and contracting as key priorities. Global partners, including civil society, highlighted strategic inclusion of the private sector in contracting that is in line with equity goals and adapted to context as a comparative advantage for the GFF.
- **GFF comparative advantage:** The GFF’s position within the WBG as a co-financier of health financing reforms makes it well-placed to deploy catalytic grant funds and technical assistance to integrate the private sector into country insurance and contracting programs, alongside WBG project financing. This combination enables countries to better leverage the necessary technical assistance for upfront design and analytics to include private sector providers in government financing schemes, while GFF country grant + WBG loan co-financing support implementation of private sector contracts with on-budget funding, with optional instruments available to de-risk private sector participation if needed. The GFF is also uniquely well-placed to strengthen governments’ capacity to ensure strategic purchasing is directed to private providers and in alignment with equity goals.

PRIVATE SECTOR ENGAGEMENT Anchor Pathway 2: Service delivery quality and commodities supply reforms

- **GFF approach:** Support PRIVATE SECTOR ENGAGEMENT reforms for RMNCAH-N service delivery quality and commodities supply, including addressing the enablers and constraints of these reforms.
- **Justification:** Extensive global evidence exists that quality regulation of service delivery and improving commodity access by strengthening supply chain across all health system actors (including the private sector) is critical to meet RMNCAH-N targets. Among country stakeholders representing both government and national private sector federations, support for quality assessments and reforms was highlighted independently as a core opportunity for the GFF and other partners to provide support. Global partners pointed to opportunities to partner with GFF on strengthening the service delivery supply chain, pointing to activities like the last mile delivery project as a model.
- **GFF comparative advantage:** GFF expertise and experience in both service delivery redesign and strengthening supply chains makes it especially well-placed to include the private sector in this anchor. The GFF also has the mandate and skills to support the uptake and expansion of quality reforms and other government actions to direct quality care to women, children, and adolescents in the greatest need.

Enabling factors: To help partner countries deliver on the core health financing and service delivery objectives, using either proposed pathway to strengthen private sector engagement may also require other forms of GFF support, including:

- **Technical assistance for:**
 - **Public-private dialogue**
 - **Private sector market assessments and analytics** to support design of specific reforms
 - **Integrating private sector into national data systems**
 - **Strengthening governance capacity** to manage private sector and shape markets alongside public.
- **Innovative financing mechanisms** e.g. blended finance, payment guarantees, viability gap financing for public-private partnerships, supply chain financing, and others to address specific bottlenecks to public sector contracting of private sector providers, such as de-risking support to ensure private sector participation.
- **Partnerships with global private sector entities** to contribute their expertise for RMNCAH-N bottlenecks in country.
- **Health financing enablers** (e.g. contracts) for strengthening/complementing service delivery quality and commodities anchor reforms.
- **Service delivery and commodities enablers** (e.g., quality processes and supply chain optimization) for strengthening/complementing impact of strategic purchasing in health financing anchor reforms.

These enabling activities will be most effective when paired with one or both of the proposed anchor pathways. Further, among the GFF’s current pathways of support (country support, innovative finance and partnership), the findings from the consultations show that these are most effective when their design and implementation are closely linked to specific country work programs rather than as standalone efforts. Service delivery reforms and health financing reforms can also be enablers for each other, depending on the country context and priorities for RMNCAH-N outcomes.

The proposed anchor concepts are described below in more detail, with illustrative enablers (Fig. 3 and 4); these can be adapted further to specific country context. The “Potential GFF Support” in the figures below can be linked to the types of support (labeled type A, B, and C) from Figure 2 (GFF instruments).

Figure 3. Change Pathway for Strategic Purchasing Anchor

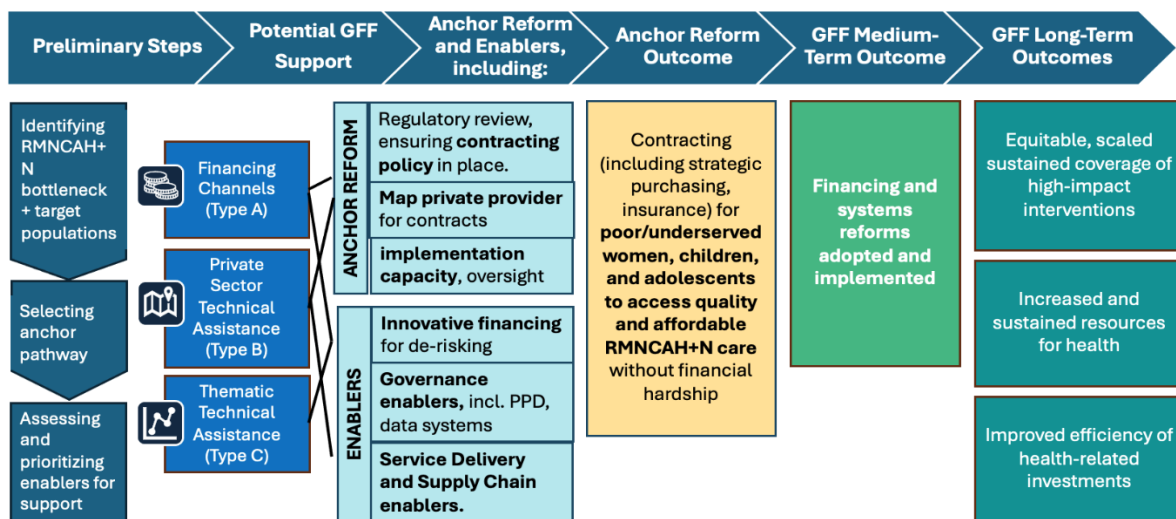
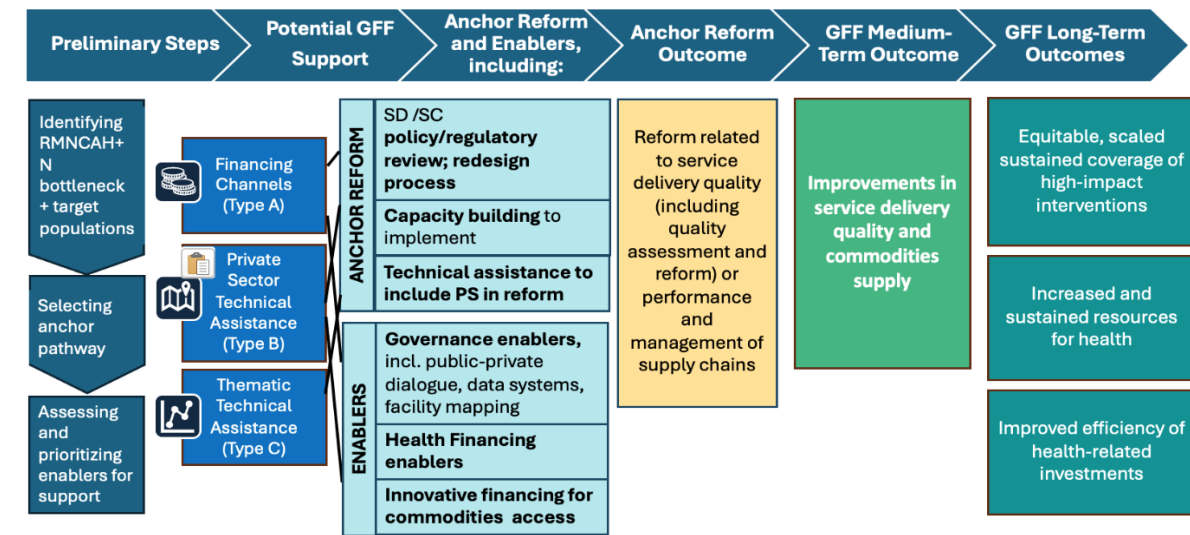


Figure 4. Change Pathway for Service Delivery Quality/Supplies Anchor



GFF's Approach. The GFF will take a holistic approach to providing private sector engagement support to countries on these anchor reform pathways. Key steps and considerations by the GFF will be as follows:

- **Entry point:** For partner countries that seek to prioritize private sector in their health financing or service delivery reforms for RMNCAH-N, the GFF will work with the government to define the specific bottleneck/challenge, and the target population for the intervention. Based on analysis of the issue, the GFF and the government will identify whether to utilize one or both of the two anchor reform pathways.
- **Once the priority entry point and reform pathway have been identified, the GFF will assess the necessary enablers and constraining barriers.** These enablers and barriers may relate to issues such as public-private dialogue, regulatory review, private sector data and reporting, policy reforms, technical support needed for setting up contracts with providers, and other potential needs across the four health system components as they relate to the anchor pathway.
- **The GFF will then work with partner governments and stakeholders to prioritize which enablers and barriers are most critical** to address to ensure that the target strategic purchasing from private providers and/or service delivery quality and commodities supply improvement translates into improved RMNCAH-N outcomes in the country.
- **The GFF will match these prioritized enablers and barriers with financial and non-financial instruments and support** that can strengthen or mitigate as needed. This also presents an opportunity for **partner support with enablers and barriers** to amplify the impact of this work, in addition to the anchor reform.
- **Finally, the GFF will work with governments, country stakeholders, and partners to deliver financial and/or non-financial technical assistance support** designed to achieve the anchor reform. The GFF private sector team will work hand in hand with technical specialists in RMNCAH-N, gender and service delivery to help design the reforms and support their implementation.

Narrowing Focus. The GFF’s strategic shift toward a more comprehensive package of support will necessitate deeper and reform-focused engagement in fewer partner countries. Priority will be on supporting those countries with significant private sector participation in RMNCAH-N services and commodities supply, and which are planning or implementing broader financing or delivery reforms.

Partner Engagement. The GFF will coordinate with or enlist partners to maximize support to countries and harness other/complementary expertise and resources for TA and implementation financing for each reform pathway. This builds on the approach the GFF is already taking in its support to Cote d’Ivoire (Box 2 above) and its engagement with groups like the Funders Forum for Supply Chain and the LMIC Supply Chain Leaders Forum.

Instruments and channels. The GFF will continue to utilize an array of data and analytic instruments, including private sector health assessments (PHSAs), public-private dialogue, and other tools that it has effectively implemented. The appropriate financing and other support instruments will be tailored to the country-specific enablers and barriers to be addressed, from the range of available options (see Figure 2).

Equity. Equity will be an explicit focus for the GFF’s private sector support to countries to ensure that poor women and children remain central at all levels of the GFF’s work. The GFF will focus on enabling governments and the private sector to partner and direct private sector engagement toward improving quality, affordable health care access for the underserved, while also making initiatives viable for private sector participation. GFF support will prioritize capacity building for governments to better manage private sector stewardship in areas such as quality of care, data reporting, and more. The GFF will also work closely with civil society to strengthen its critical role in accountability and oversight, especially in countries implementing purchasing programs or quality reforms directed toward the private sector. The GFF’s work with civil society will include leveraging their existing relationships with private sector in many countries, such as support for and engagement with existing PPDs.

B. PRIVATE SECTOR ENGAGEMENT Priority Pathway 2 – Global Support Work

While the GFF will prioritize country support, there are two areas of global work where there is an opportunity to scale up and support engagement across regions.

First, in countries where a significant proportion of women and children already seek care from the private sector, the GFF will work with global partners to undertake advocacy and demand generation activities to highlight the importance of private sector to improve RMNCAH-N outcomes. Despite global research that provides clear evidence of the importance of the private sector in reaching vulnerable women, children, and adolescents, many continue to consider “private sector” only a limited set of actors, such as for-profit providers. This overly narrow definition can be an impediment to expanding access to accessible and high-quality care, especially for low-income women and families. As a multi-stakeholder partnership, the GFF is well-positioned to respond to demand from partner countries to integrate private sector in their RMNCAH-N reforms where appropriate. Further, the GFF can facilitate cross-country learning through forums for knowledge exchange and study tours on private sector engagement experiences.






Second, the GFF will continue to develop and disseminate knowledge products to share lessons learned from country experiences on private sector reforms. These can draw on good practices across countries for private sector to improve RMNCAH-N outcomes, and how reforms have been designed and implemented with a gender and equity lens across GFF partner countries. Building on the existing work of the GFF Secretariat, the WBG and other partners, knowledge products will be developed for use by partner governments and private sector actors. Examples of activities underway include the guidance on strengthening private sector data for governance being developed in partnership with WHO.

IV. Conclusion and next steps

The GFF secretariat proposes the following next steps:

- i. **Select priority countries for support** based on prioritization of private sector engagement for RMNCAH-N and timing of reforms, and initiate the process to identify bottlenecks, target populations, and anchor pathway(s) in each country.
- ii. **Develop a work program to support priority countries**, following the decision framework and steps outlined in this paper.
- iii. **Identify opportunities for strategic partnerships with global private sector entities** to support partner countries on anchor reforms.
- iv. **Continue efforts on knowledge products**, including through partnership with other organizations for specific areas of work
- v. **Integrate the recommendations of this working group into the strategy process for the next GFF strategy period.**

Annex 1. Overview of GFF Private Sector Support (2016-2024)

GFF private sector pathway	Countries	GFF Approaches
 Country Support for GOVERNANCE + ENABLING ENVIRONMENT for Private Sector Engagement	Bangladesh, Cambodia, CAR, Cote d'Ivoire, Ethiopia, Myanmar, Niger, Senegal, Uganda, Zambia	<ul style="list-style-type: none"> • Design, data, and analytics (PHSA, analysis of PS data, rapid landscaping, support for PS data and reporting, review of provider data) • Dialogue facilitation (PPD) • Implementation support (e-licensing platform, capacity development) • Technical expertise and capabilities (Service delivery and financing reforms, data, regulation, and licensing, private sector strategic framework) • Financial support (TA, analytics, capacity building, program implementation)
 Country Support for HEALTH FINANCING and SERVICE DELIVERY	Afghanistan, Cambodia, Cameroon, Cote d'Ivoire, DRC, Kenya, Nigeria, Somalia, Tanzania, Uganda, Vietnam, Zimbabwe	<ul style="list-style-type: none"> • Design, data, and analytics (PHSA, private facility census and mapping, feasibility analysis, analysis of PPP strategy and resources, Assessment of PS options for health commodities) • Dialogue facilitation (PPD) • Implementation support (TA to monitor and track results of contracting, PPP training materials and capacity building workshops, PPP training toolkit, provider quality review) • Technical expertise and capabilities (contracting design and set-up, review of PPP investment laws) • Financial support (TA, assessment, and capacity building, implementation)
 Country Support for SUPPLY CHAINS AND COMMODITIES	Cambodia, Indonesia, Liberia, Mozambique, Tanzania	<ul style="list-style-type: none"> • Design, data, and analytics (PHSA, market assessment report, supply chain analysis) • Dialogue facilitation (PPD) • Technical expertise and capabilities (MM4H, PPP rice fortification program) • Financial support (TA, implementation, program evaluation)
 Innovative Financing Support (Country and Global)	Global + Bangladesh, Cameroon, Guatemala, Vietnam	<ul style="list-style-type: none"> • Development Impact Bond (partnership with MOPH Cameroon, Social Finance, Grand Challenges Canada, Nutrition International, World Bank) • Innovative financing mechanisms study in Bangladesh (partnership with USAID) • Technical studies, investments and diagnostics (partnership with IFC) • Sustainable Development Bond (partnership with World Bank Treasury) • Loan buy-downs (partnership with World Bank)
 Global Partnerships	Global	<ul style="list-style-type: none"> • Managed Market for Health course (partnership with University of Edinburgh and UK FCDO) • Private sector data for governance study (with WHO) • Global supply chain partnership for last mile delivery (partnership with Merck for Mothers, UPS Foundation, and Gates Foundation)

Annex 2. Technical Working Group, Data Collection, and Consultative Process

The GFF worked with a Technical Working Group (TWG) to provide inputs into the IG paper. The TWG was first convened in March 2024. The objective of the group was to further refine the GFF approach to private sector engagement, with the goal of reflecting on how private partner capacity, expertise and resources can support countries to improve health and nutrition outcomes for women, children, and adolescents. The TWG is composed of representatives from the GFF Investors Group, with support from the Secretariat. This includes representatives from the following organizations:

- UNFPA
- World Health Organization (WHO)
- USAID
- Gates Foundation
- Merck for Mothers
- Wemos
- Representatives from government

In early 2024, the GFF worked with an external consultant (R4D) to undertake a review of the global literature to assess evidence-based best practices related to private sector engagement for low-income countries and vulnerable populations. R4D conducted a rapid review of key peer-reviewed and gray literature using the search terms "private sector," "LMICs" and "health financing," "health service delivery," "governance," or "supply chains." This review included systematic reviews or case studies involving at least three LMICs where possible. Following a review of the evidence by the TWG, a second phase of the review was conducted, including a search for country case studies to fill in gaps in the literature that the TWG identified.

Starting in June 2024, the GFF undertook a further consultative process with key actors to match needs and gaps at the country and global level with GFF comparative advantages. This process included the following activities:

- Country government interviews, focusing on six priority countries for private sector engagement;
- Country private sector federation interviews, focusing on six priority countries for private sector engagement;
- Global partners survey, with responses from fourteen constituents representing bilateral agencies, multilateral agencies, private foundations, and CSO networks; and,
- Ongoing interviews and discussions with the Technical Working Group and partners.

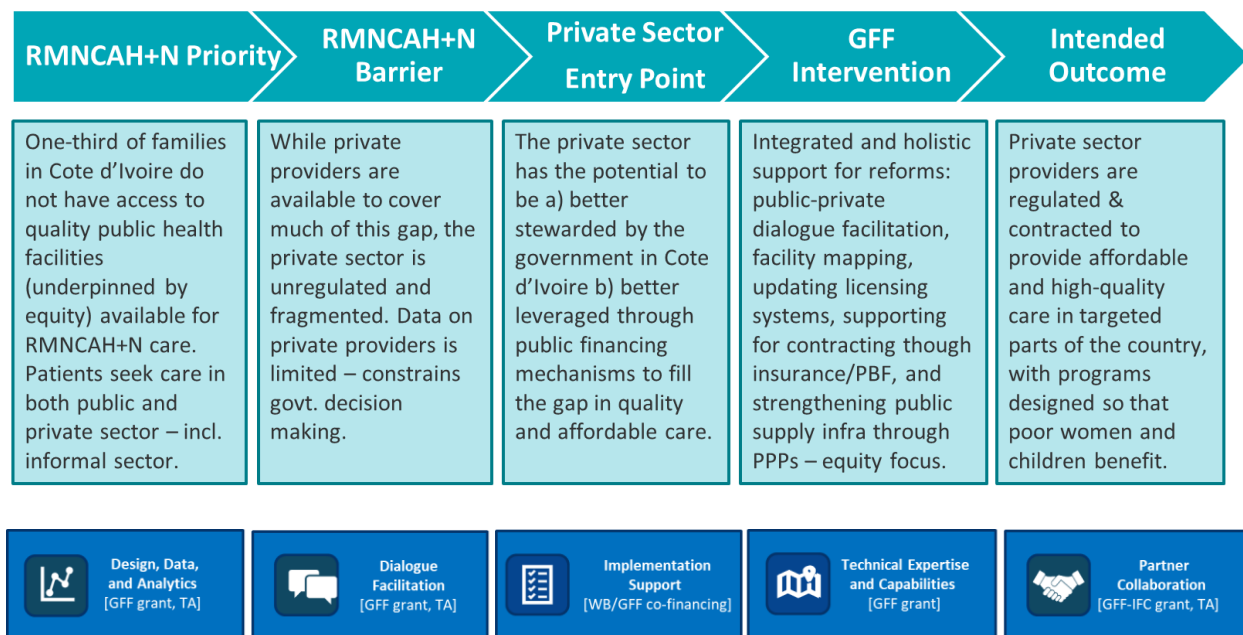
In reviewing stakeholder feedback, it is important to recognize limitations to the consultation process, such as:

- Consultations were conducted with representatives from a subset of GFF partner countries (not all). Consulted countries were selected based on opportunity for private sector engagement (including existing engagement with country partners and/or large coverage by private sector).
- 1-2 government representatives were consulted in each selected country; in some cases, other government representatives may have shed light on different areas of the GFF's PRIVATE SECTOR

ENGAGEMENT. In addition, issues such as strategic purchasing, supply chains, or other technical areas may not be well-understood by those interviewed, posing limitations to the consultations. On the private sector side, country federations were well represented but there was limited input from private companies, which could be an area of further consultation and outreach during the upcoming GFF strategy preparation.

Annex 3. GFF support for private sector engagement in Cote d’Ivoire

In Côte d’Ivoire, a series of foundational GFF- and World Bank-supported public-private activities over time has led to private sector engagement and a mixed health systems approach emerging as a priority for the Ministry of Health’s (MoH) long-term health sector strategy:



- Based on a process beginning in 2020, the entry point for private sector to improve RMNCAH-N outcomes was identified as opening up the performance-based contracting project in development by the government (with support from World Bank, GFF and partners) to include private providers for the first time
- This then led to discussion by World Bank and GFF with the MoH on the prerequisites needed to prepare for contracting with the private sector. Specific systemic gaps were identified, related to data for decision making on private sector, appropriate regulation and governance, and scaled-up support to MoH to address these gaps, as shown in figure B.1.

Figure. Activities Conducted to Identify System Gaps in Private Sector Engagement in Côte d’Ivoire



- In 2022, the MoH set a bold vision for integrated health system reform, where public and private sector can complement each other's capacity and capabilities in networks to support improving overall population health
- The MoH then requested the Bank and GFF's support to help expand access to care in two ways:
 - Increasing delivery capacity of overall system (public and private)
 - Ensuring removal of financial barriers to access, especially for the vulnerable and underserved, along with focusing on quality and regulation by strengthening governance oversight of private sector alongside public sector facilities.
- To achieve this vision, the GFF and the World Bank have expanded their earlier support on several activities related to private sector through a package of technical assistance and World Bank-GFF co-financed project of US\$200 million International Development Association (IDA) funding combined with a US\$25 million GFF grant:
 - GFF Trust Fund-supported technical assistance (TA) to the government of Côte d'Ivoire.
 - A comprehensive package of TA to the MoH to establish strong governance functions related to data systems, quality of care, and standards for private facilities, and to complement the strategic purchasing and insurance reforms being implemented through the CMU (national social insurance) and performance-based financing programs.
- Alongside this WB-GFF support, there is additional TA and financing support provided through the GFF-IFC partnership, as discussed in the box below.

Box. GFF-World Bank-IFC Collaboration on Public-Private Partnerships

The GFF grant support will enable the PPP design to specifically assess and propose ways to ensure the diagnostic services can be accessed by the vulnerable and those in areas without adequate coverage in existing facilities (e.g., outside Abidjan). This has a geographical targeting and an affordability aspect for equity; the study is also expected to define how the Bank project can use IDA/GFF co-financing for targeted concessionality within the PPP model (e.g., covering cost of essential diagnostic services for vulnerable patients, linkage of PPP with the health insurance purchasing function, cross-subsidy model between higher-resource Abidjan region and lower resource Abengourou, etc.). This ensures that the PPP study addresses not only supply-side infrastructure constraints, but also reduces existing demand side barriers for beneficiaries who are vulnerable women and children. The use of private sector capacity in this way to complement the public sector allows strategic deployment of all available health system resources.

Annex 4. Key findings from the global literature review for private sector engagement

1) Health Financing.

Despite those living in poverty accessing private sector for RMNCAH-N services in many countries, the private sector is often left out or insufficiently included in public health financing mechanisms such as national health insurance schemes, contracting arrangements, or government subsidies -resulting in vulnerable patients paying for services out of pocket. This also means providers who are delivering care to the vulnerable may not have access to quality training and other important resources. In countries where large portions of the population use private health services, health financing reforms are therefore necessary to reduce out-of-pocket payments and improve equity. These reforms may include, for example, changing policy and regulation to allow for the public purchaser to contract with private providers, adjusting payment rates to ensure a level playing field and better match the private sector's cost of delivery, and ensuring that public financial management rules allow funds to flow to the private sector.^{xi,xii} Furthermore, the fragmentation of financing for and spending on primary healthcare (PHC) is a challenge across the private and public sectors, with governments typically financing outpatient services, external donors funding prevention, and nearly half of private spending – mostly out-of-pocket – going to medicines. This fragmentation, along with a focus on inputs-based budgeting rather than population-based payments, results in inequitably and inefficiently distributed financing across services and geographies that fails to address the whole needs of the people it seeks to serve.^{xiii}

2) Service Delivery and Quality.

Service delivery reforms that focus exclusively on the public sector may miss opportunities to leverage existing and complementary private sector capacity. In many countries, the private sector originated and has persisted to fill gaps left by the public health system. In these cases, people often view the private sector as offering certain benefits, such as ease of access, less absenteeism and more friendliness of healthcare workers, higher quality of care, shorter wait times, and availability of chronic disease services often overlooked by vertical, donor-funded public health programs^{xiv}. Private sector delivery investments may complement public sector investments by providing opportunities to strengthen private infrastructures and services, leveraging existing infrastructure, human resources, and community trust to fill gaps in healthcare delivery.^{xv} However, this also requires addressing persistent gaps in the quality of private health services, which suffer from a lack of regulation^{xvi} or common standards with public sector, and integration of private sector in health system planning and data systems.^{xvii}

3) Governance and Enabling Environment.

Financial instruments and policies alone are unlikely to be effective in improving the quality and accessibility of private sector services. Additional support is needed to facilitate government behaviors, trust building, and collaboration among private actors and the public sector.^{xviii} A landscape of the 18 LMICs with the highest utilization of private healthcare services found that even in countries where the importance of the private sector was broadly recognized, the presence of specific policies on private sector engagement and formal dialogues were rare.^{xix} Furthermore, Health Management Information Systems (HMISs) are critical for informing effective health policy, but they frequently only collect data from the public sector or a small subset of private providers.^{xx,xxi,xxii} In countries where private sector data exists, it may not be fully integrated into public data systems, where it can be used for decision-making.^{xxiii}

4) Supply Chains and Commodities.

Engaging private sector as suppliers of commodities, supply chain and logistics services and as frontline service providers is needed to ensure cost-effective commodity availability for all women, children, and adolescents. Insufficient access to affordable essential medicines is a critical issue in LMICs, which suffer from regular stockouts and reliance on out-of-pocket purchases^{xxiv}. Private service delivery and associated supply chains can play an important role in filling gaps left in public supply chains and establishing a state of "prudent multiplicity," in which critical supplies are provided by multiple providers, creating competition that drives down prices and ensuring access to alternative providers when one supply chain breaks down^{xxv}. However, governments in LMICs often have difficulty working with private sector suppliers due to cumbersome and inflexible procurement practices or a lack of regulation among private suppliers that raises concerns about quality and corruption. Though there is no one-size-fits all solution, there are examples of strategies that have been successful at improving access to affordable essential commodities, such as strengthening regulatory systems for private suppliers, enhancing government officials' skills and capacity to conduct strategic procurements, and establishing flexible procurement framework agreements that enable more efficient procurement practices^{xxvi}. Within publicly managed supply chains and service delivery networks there are opportunities to increase private sector participation through outsourcing to logistics services providers that will improve adoption of innovative practices and improve cost effectiveness and strategic agility.

End notes

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