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HEALTH IN YOUR HANDS

A PUBLIC - PRIVATE PARTNERSHIP

Public-Private Partnerships for Health

A Review of Best Practices in the Health Sector

Water and Sanitation Program
An international partnership to help the poor gain sustained access to improved water supply and sanitation services

London School of Hygiene & Tropical Medicine

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Contents

Introduction

Public-private partnerships (PPPs) have evolved as a result of pressure to ensure quality in providing public services. PPPs pool public and private resources, and capitalize on the skills of the respective sectors to improve the delivery of services. Today, PPPs in the health sector focus on preventing diseases such as sexually transmitted infections and malaria, developing and facilitating access to vaccines and drugs, and improving health service delivery. Whether international or national in scope, PPPs challenge the traditional distinction between the public and private sector, and their perceived aims and responsibilities.

Although a number of PPPs have been established in the public health sector over the past few decades, little information is available on the necessary conditions leading to their formation. To address this need, this review has been prepared as a guide to best practices for PPPs in the health sector. It examines the underlying philosophy of PPPs, their costs, benefits, and impacts, as well as their governance, management, and implementation strategies. The report draws on the experiences of six case studies of PPP initiatives, interviews with key players from the private and public sectors, and literature. The review offers general lessons of principle and process for forming partnerships and effectively managing them.

Five contextual shifts in international public health are cited as reasons for the emergence of PPPs: an ideological shift which has created a facilitating environment for business, disillusionment with UN efficiency, a recognition that the global health agenda is too large for a single sector or organization to address on its own, a realization that the market alone cannot provide solutions, and a growing interest within the private sector to enhance its involvement in social issues.

Partnership is now the keyword in PPPs. Early PPPs had ad hoc partnership arrangements, which allowed for flexibility. However, as partnerships have become more common, complex, and global in scale, governance and constitution have become increasingly important in keeping initiatives focused.

The features of a successful PPP are transparency, accountability, a sound governance structure, and a well-defined leadership. Other factors for success are a clear understanding of market mechanisms and how they influence the outcome and overall strategy of the PPP.

While the main focus of health partnerships is to meet public health goals, the possible costs and benefits need to be carefully studied to evaluate their wider socio-economic impact. To do this, six case studies were documented in Annex 1 and are referred to throughout the review in relation to lessons learned and principles of governance, communications, strategy, selecting partners, and measuring impact.

1 Are PPPs the new panacea?

Public-private partnerships (PPPs) have become the preferred mechanism for international efforts to improve public health over the last decade. Joint ventures are being set up between public and private sectors as a result of pressure to ensure quality in public services at a time when governmental and international development budgets are shrinking. In principle, partnerships pool resources, capitalizing on the skills of each sector. They can benefit citizens by improving the standard of health, governments by reducing the investment burden, and industry by increasing profits. Whether international or national in scope, they challenge the traditional view that the aims and responsibilities of the public and private sector are discrete and opposed (Buse and Walt, 2000a).

Although the term itself, "public-private partnership," is relatively new, collaborations between governments and industry have been in existence for many decades in different forms, such as "privatization," "contracting out," "new management ideas," and "competition in the public sector." The concept of "partnership" has become possible through a change in attitude on the part of policy makers. Commercial suppliers, who were earlier perceived to be more interested in profits than in public welfare, are now being viewed as useful partners in public service. Government officials, who were often perceived to be authoritarian and needlessly obstructive, are now being regarded as capable and responsive partners (Slater and Saade, 1996).

PPPs in the health sector are being put to the test in preventing diseases such as sexually transmitted infections and malaria, increasing consumer awareness, and developing and facilitating access to vaccines and drugs. While they have the potential to unlock resources and deliver effective health services, they are not a panacea. Widdus (2001) suggests that they should be viewed as social experiments, and as such, their philosophy, costs, benefits, and wider impact, as well as their governance, management, and implementation strategies need to be examined.

In the absence of detailed information on the formation, governance, and operations of such partnerships, this review has been prepared as a guide to best practices for PPPs in the health sector. It examines the underlying philosophy of PPPs, their costs, benefits, impact, governance, management, and implementation strategies. Lessons and analyses were taken from the experiences of six case studies (Annex 1), interviews with key players from the private and public sectors, and literature. The review offers general lessons of principle and process for forming partnerships and effectively managing them.

2 What are PPPs?

"To address emerging threats to health, new forms of action are needed. There is a clear need to break through traditional boundaries within government sectors, between governmental and nongovernmental organizations, and between the public and private sectors. Cooperation is essential; this requires the creation of new partnerships for health, on an equal footing, between the different sectors at all levels of governance in societies" (WHO, 1997 The Jakarta Charter).

There can be a wide spectrum of arrangements between the public and private sector to provide public services. At one extreme, government plays the role of a provider. At the other extreme, services are fully privatized and the role of government is limited to that of a regulator. According to the United Nations Development Program (UNDP), the broadest definition of PPPs includes agreement frameworks, traditional contracting, and joint ventures with shared ownership. For the purpose of this review, PPPs are defined as the spectrum of possible relationships between public and private players for the cooperative provision of infrastructure and/or services. Traditional contracting and corporate philanthropy are excluded from this definition.

A distinguishing feature of PPPs is that the parties develop a shared governance structure and decision-making process. They forge an agreement to implement specified activities and commit resources (i.e., financial, technical, or personnel) in order to realize common goals such as disease reduction through increased

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The Jakarta Charter, 1997

treatment coverage or development of a vaccine (BPOG, 2000). Although motivations may differ (i.e., increased market for products versus decreased disease incidence) between the two sectors, PPPs allow the sectors to work together toward common objectives. Generally PPPs in the health sector have three objectives:

1) To promote those behaviors (i.e., use of bednets, safe sex, handwashing) that reduce the incidence of diseases such as malaria, AIDS, and diarrhea;

2) To facilitate equitable access to vaccines and treatments; and

3) To improve health service delivery.

There are three common models of partnership: product-based partnerships, product-development partnerships, and systems/issues-based partnerships.

- **Product-based partnerships:** These are primarily drug donation programs to increase coverage (i.e., the Global Alliance for Vaccine Initiative - GAVI).
- **Product-development partnerships:** Such partnerships involve market development support for a public health good. The partnership covers some of the risks associated with product discovery/design, development and /or commercialization/ marketing (push factors, for example Personal Hygiene and Sanitation Education [PHASE], NetMark, GAVI). "Pull" incentives are offered in some partnerships, such as market guarantees, tax credits, and early recommendation for product introduction from international agencies (Widdus, 2001). GAVI and NetMark are examples of this type of PPP.
- **Systems/issues-based partnerships:** These collaborations can help overcome market failure, tap non-medical private resources, and bring strategic consistency to different approaches to combat a single disease (i.e., Roll Back Malaria) (Buse and Walt, 2000b).

3 The evolution of PPPs

Until the late 1970s, governments and development agencies contracted the private sector to execute large infrastructure projects, such as railroads, sewers, and road networks (see Box 1). A clear agreement was drawn up which defined the roles of the contractor and provider, and the incentives and benefits that would accrue to each party. There was limited collaboration outside the contractual agreement. Where non-contractual collaborations existed, such as those between pharmaceutical manufacturers and public health agencies for the donation of vaccines or treatments, they were informal and depended on the mandate and motivation of individual private and public sector entities (Widdus 2001).

Box 1. Evolving public-private partnerships for infrastructure services

British policies towards the private sector have been forerunners of global policy. Thirty years ago private sector involvement in infrastructure service was restricted to schemes to build infrastructure, such as prisons, bridges, and water supply systems. In the liberalizing climate of the 1980s, wholesale privatization and deregulation of public sector services took place. The state divested itself of its interest in railways, airlines, steel and motor production, water, gas, electricity, and telecommunications. Disillusionment with some of the results has led to a more moderate state of private sector investment where the role of government is to regulate and safeguard the public good. Today it is suggested that "regulation is the new privatization."

In the 1990s, public services in Britain entered the era of the Private Finance Initiative (PFI). PFI has encouraged self-financed projects to be undertaken by the private sector and provided incentives for the private sector to take the lead in joint ventures with the public sector. To date PFI has encouraged schemes to improve hospital services (for power, waste incineration, and dialysis services), schools, prisons, water, sewerage, and transport.

The use of PPPs is a key element of the current government's strategy for delivering modern, high-quality public services. Whether these projects really represent value for money to the public purse remains a controversial subject.

The rise of neo-liberal ideologies, such as globalization, free markets, privatization, and competition, in the late 1970s and early 1980s coincided with the international debt crisis of 1982. The poor performance of state-owned enterprises and governments' unsuccessful involvement in market processes in many countries became apparent. This was followed by a wave of deregulation, liberalization, and privatization across the globe in the 1980s and 1990s. The performance risk for all projects shifted from domestic taxpayers to private investors. Subsequently, influential international organizations began to champion a greater role and more responsibility for the private sector in providing efficient and cost-effective public services (Buse and Walt, 2000a).

PPPs emerged as a result of five contextual shifts:

- An ideological shift in the 1990s from "freeing" the market (i.e., liberating business from restrictive bureaucracy) to "modifying" the market (i.e., creating a facilitating environment);
- A growing disillusionment with the UN and its agencies and their overlapping mandates, parallel programs, and interagency competition;
- An increasing recognition that the health agenda is so large that no single sector or organization can tackle it alone (Buse and Walt, 2000a);
- A realization that the market alone cannot solve the problems of the world's poorest. Public involvement is needed if health services, drugs, and vaccines are to reach the poor (Widdus, 2001); and
- A growing interest among private players to enhance their involvement in social issues and to be seen as ethically and socially responsible. For example, Unilever's mission statement declares that "corporate social responsibility is an integral part of our operating tradition" (Unilever).

4 Why join a PPP?

A partnership can flourish only if both partners gain from it. The gains to the public sector of investing in health are clear. In the private sector, there are a variety of potential gains from investing in health and joining PPPs. For the private sector profits are critical, but they are far from the only consideration in deciding where to invest resources. If potential profitability is a prerequisite to investment in an activity, other concerns can and do intervene in making choices. At any given time, a company's senior managers are considering several potentially profitable products. Sometimes choice is determined by subjective factors and personal preferences. Most managers are also motivated by the desire for respect in the community and to contribute to improving the quality of life—investing in products and alliances to meet public health objectives appeals to these broader sensibilities (BASICS, 1999; Slater and Saade, 1996).

Industry and the public sector may indeed be looking for similar benefits. A private sector manager wants the consumer's vote in terms of choice of his or her product. The public sector politician is looking for votes for their policies. Public sector politicians aim for economic development, which is also a prerequisite for development of the consumer product market. Hindustan Lever, for example, would like to invest in the water and sanitation sector in India so as to create an environment in which more will eventually be spent on hygiene products (Curtis, 2000).

Table 2 summarizes the potential benefits and contributions to the public and private sector partners in the PPP for handwashing with soap. In this case, the private sector can improve its image, which will reflect in its brand equity value. Working on such projects can aid staff motivation and retention; offer insight into the workings of government and development agencies and the nature of future markets; and offer access to international knowledge and to public infrastructure. The public sector should also gain from joining this PPP, not only in terms of improved public health and associated savings, but from learning how industry carries out management, marketing, and communications.

Table 1. Examples of PPPs in the health sector: their aims, partners, and impact

Name	Intervention	Partners	Impact
Global Alliance for Vaccines and Immunization (GAVI)	Improve donor collaboration, strengthen national immunization services, provide low-cost vaccines, and support research for developing new vaccines needed primarily in the developing world (i.e., for malaria, HIV)	Bill and Melinda Gates Children's Vaccine Program, International Federation of Pharmaceutical Manufacturers Associations, public health and research institutions, national governments, the Rockefeller Foundation, UNICEF, the World Bank, and the WHO	Outcome-based grants introduced, US$ 300 million committed to government health programs in 21 developing countries, the partnership extended, a new vaccine procurement system developed that has reduced vaccine prices, created a viable market in poor countries for sophisticated vaccines (GAVI)
Roll Back Malaria (RBM)	Subsidize drug development, production, and distribution as well as the promotion of insecticide-treated nets	UNDP, the World Bank, London School of Hygiene and Tropical Medicine (LSHTM), Academy for Educational Development (AED), USAID, schools, lending agencies, development agencies, initiatives such as NetMark and Medicines for Malaria Venture (MMV)	Greater awareness and availability of insecticide-treated nets and anti-malarial drugs, research on resistant treatments (ITNs in the 21st Century, 1999)
Salt Iodization Pakistan	Increase iodized salt consumption to combat iodine deficiency. Generate a demand for and increase the production of iodized salt through social marketing.	UNICEF, CIDA, Population Services International (PSI), Social Marketing Pakistan (SMP), Government of Pakistan	Over 30% of all edible salt is now iodized. Approximately 35 million people are new users of iodized salt (www. psi.org)
PHASE	Include hygiene/sanitation education in community activities, schools, and local organizations to reduce worm-related diseases/infestations	GlaxoSmithKline, Ministries of Health and/or Education, local NGOs	Greater awareness of worm infestations, prevention and treatment (GSK, 1998)
NetMark	Prevent malaria in Africa by promoting insecticide-treated materials	AED, Malaria Consortium, Johns Hopkins University, Department of International Health, Group Africa	Increased understanding of market segmentation, consumer behaviors and private sector concerns NetMark
Condom promotion among commercial sex workers	Social marketing campaign promoting condom use among commercial sex workers and their clients in red light areas in Indonesia	USAID HIV/AIDS Prevent Project (HAPP), FUTURES, Consortium of Concerned Condom Manufacturers	Increased condom usage by target population, increased visibility and destigmatization of condom use (Ramlow, 2000)

Table 2. Possible benefits and contributions for public and private players in the Handwash PPP (Curtis, 2000)

	Private Sector	Public Sector
Benefits	■ Enhanced image as a global corporate citizen, improving brand equity ■ Staff motivation and retention ■ Influence in development and government circles ■ Insight into the nature of future markets ■ Access to national and international research and knowledge ■ Access to public infrastructure to stimulate markets	■ Better services, higher coverage, and improved health, which ultimately leads to economic development ■ Freeing resources for other priorities ■ Learning about consumer research, marketing, and communications management ■ Understanding clients as consumers

Contributions	■ Professional expertise in:
	  ■ Marketing
	  ■ Communications planning and management
	  ■ Consumer research
	  ■ Product tracking
	  ■ Product development
		■ Catalyst role
		■ Legitimacy/institutional home
		■ Resources
		■ Knowledge of target markets
		■ Facilitate regulatory environment
		■ Best practices and global vision

5 Philosophy and basic strategy

While the advantages and disadvantages of PPPs will continue to be debated, the underlying issue of philosophy cannot easily be resolved (Seedhouse, 1997). There are two extremes of political opinion on the subject. While, on the one hand, collaborating with the "evil of global capitalism" is considered unacceptable, on the other, it is felt that the only solution to the problem of development is the operation of the free market. Hancock (1998) suggests that working with industry may be incompatible with improving health since the options for increasing profit—producing and selling more, reducing production costs, rationalizing the workforce, and increasing prices—may lead to the depletion of resources and increased unemployment and poverty. It has also been suggested that the public health agenda may be captured by industry (Buse and Waxman, 2001), which could result in greater spending on drugs and other health products rather than on primary health care and the prevention of infectious diseases. Counter-arguments are that through profit-driven growth, industry has been responsible for the global economic develop-ment that has improved health around the world. Such opposing ideologies cannot be reconciled simply by the marshalling of supporting facts. Possible costs and benefits, both internal and external to the PPP, must be carefully examined to evaluate their wider impact.

STRATEGY

The case study review (in Annex 1) and available literature suggest that there are a number of strategies that can enhance the success of partnerships. These include employing the principles of good governance, the selection of appropriate partners, transparency, account-ability and good communications, fair competition, equity, and the evaluation of externalities.

Good governance

A governance structure that fits the needs of the partnership is necessary to ensure that the public health objectives and the objectives of all the partners are being met, and that there is transparency in communications. Based on a review of health partnerships, four models of governance were identified (Buse and Walt, 2000b):

- *The elite committee model:* A committee is set up with members from partner organizations. Equal partners negotiate and arrive at decisions through consensus. The committee does not implement decisions but influences their respective organizations to achieve partnership goals. GAVI, for example, has set up a steering committee based on this model, with influential members from each partner organization.
- *The NGO model:* The public partner provides resources (organizational, material, or financial) to enable a private partner to carry out the public program. The social marketing of condoms in Indonesia is an example.
- *The quasi-public authority model:* A hybrid organization, with features of both public and private players, is created by public sector institutions to act in the public interest, provide goods and services, and enable the private sector to enter the market. An example of this is the Medicines for Malaria Venture (MMV) (Walt and Buse, 2000b).
- *The catalyst model:* A catalyst organization acts as a bridge between the public and private sectors, bringing together players who would normally not work together. The catalyst facilitates, coordinates, and conducts meetings, designs a communications strategy, and employs a local coordinator.

To find an appropriate governance model, von Hayek suggests that these and other governance models be explored in the light of the objectives of the partnership, the principles of good governance, and the existing governance structures of the partners in the PPP (von Hayek, 2001). According to the WHO guidelines on PPPs, key stakeholders who do not have the resources to attend meetings of governing bodies should be subsidized to take part (Buse and Waxman, 2001).

Partner selection

The public sector should choose its partners so as to cover the targeted market segments and maximize coverage. The review suggests that private and public sector organizations can work together to support disease prevention programs if they have a perceived mutual benefit and there is a win-win situation. When one partner is not convinced of its benefit, the partnership can fall apart (see the NetMark case study).

Transparency and communications

According to Buse and Walt (2000a), the "effectiveness" of PPPs in the health sector is enhanced by transparency and easy communications in the following seven areas:

(1) clearly specified, realistic, and shared goals;

(2) clearly defined and agreed roles and responsibilities;

(3) distinct benefits for all partners;

(4) the perception of transparency in the public eye;

(5) active "maintenance" of the partnership (i.e., resolution of conflict, regular meetings, etc.);

(6) equal participation; and

(7) honoring agreed obligations.

Both the finances and the actions of PPPs are subject to particular public scrutiny. Without transparent structures and careful attention to the wider spin-offs from a PPP, they are open to criticism for wasting money or being unethical or even damaging (UNDP). Working with industry may offer new opportunities for corruption or dishonest dealing. Wheeler and Berkley (2001) suggest that public sector partners may need to invest more time and effort in explaining their strategies and commit more resources to communications than their private sector counterparts. Partners should be happy to have everything they do or say appear on the front page of a newspaper (Hancock, 1998).

Ruchat and Dal's review of the Global Polio Eradication Initiative suggests that creating a joint communication strategy is difficult but necessary. The process of producing a "partnership" document and reaching consensus on the final product was slow and difficult. The lesson learned was that they had to be willing to accept the lowest common denominator in the interest of the partnership in producing public information or media pieces (Ruchat and Dal, 2000).

Accountability

As PPPs employ public resources, they are accountable to the public. PPPs should be able to demonstrate that public resources are being effectively employed. Given that considerable resources may be expended to set up and operate a PPP, when partnerships ultimately fail, the cost to the public, including opportunity costs, could be substantial. The public sector can easily underestimate the time and effort required and overestimate the chances of success of a partnership (Webber and Kremer, 2001). Effective monitoring and evaluation are required, and audit and oversight from independent bodies should be encouraged.

Avoiding unfair competition

PPPs may have unintended consequences. Unfair competition and diminished sustainability can become issues when public funds are used to subsidize products that are already available in the local market. In Indonesia for example, heavily subsidized condoms dominated the condom market and reaped most of the benefit of public sector support. This threatened to de-motivate the commercial sector and could have resulted in the disappearance of local condom brands from the market. Similar consequences were noted with the NetMark project for the promotion of subsidized bednets. A PPP needs to explore how subsidy and promotion will impact local industry and the sustainability of the partnership.

Equity

One of the reasons for setting up PPPs is to address the issue of equity and therefore should not work against that through inappropriate market interventions or subsidies. Private markets often do provide goods and services that are affordable for all (Widdus, 2001). The Roll Back Malaria initiative currently supports targeted schemes to subsidize nets, insecticides, or both, for vulnerable population groups. A PPP should have a strategy to ensure equity, particularly when public contribution has been raised with the purpose of helping the poorest.

Externalities

Externalities are the spillover of benefits or harms beyond the immediate aims of a project. For example, the positive externality in treating a communicable disease is that it impacts the entire population rather than the individual service user (Smith et al., 2001). GAVI's program to reduce mortality from vaccine-treatable diseases in developing countries will impact the larger population in terms of health care costs and quality of life. PPPs may also have a negative impact such as on local employment and income when local markets are disrupted. All externalities need to be carefully assessed when planning interventions.

"Everybody wants brands. And there are a lot more poor people in the world than rich people. To be a global business... you have to participate in all segments."

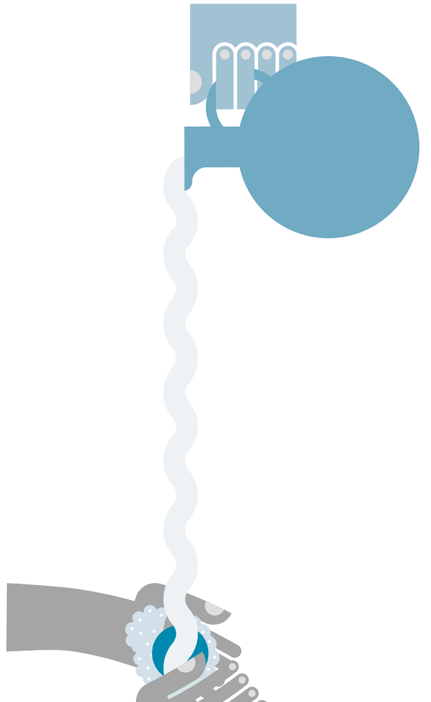
Keki Dadiseth, Unilever (Balu, 2001)

6 Lessons learned

- PPPs should be based on win-win partnerships, where both partners have an interest in carrying out mutually agreed-upon activities. Industry may need to be given incentives not only for being in the partnership but also to continue with it, for instance, bad image or loss of public sector support for bowing out.
- Expectations of who is to contribute what may be at serious variance. All parties need to agree upon products and endpoints, and ways to measure them at the outset. Each partner's responsibilities toward these ends need to be defined and agreed upon at the start.
- Partners should trust each other. When industry and government have little

experience working together, it takes considerable time to build up understanding and trust. A neutral broker, who understands both sides and can "translate," is useful.

- Industries with a record of damaging public health either directly (by dealing in arms or tobacco, for instance) or indirectly (those that are polluters or have poor labor relations) may be inappropriate partners for health PPPs. It may be helpful if prospective private partners are required to pass an ethical audit (Hancock, 1998).
- A transparent system of governance is required—set up either as part of an international agency or as a separate legal entity. Resources are needed to ensure the participation of stakeholders, such as local manufacturers' associations, who might otherwise lack the ability to participate.
- Without leadership or representatives to champion the cause in each sector, agreement is unlikely to be forthcoming and the underlying legal, political, and institutional obstacles remain unresolved (UNDP).
- All potential private partners should be given the option to participate. Although larger corporations may find it easier to collaborate because of their resources and international culture, special efforts are needed to include smaller players. It is worth noting that working with a single industry partner could mean the collapse of the initiative should the partner pull out.
- Subsidized products can crowd out local markets for health-related products, thereby affecting sustainability. On the other hand, the promotion of a branded product can lead to an overall increase in the demand for that product category and not just the branded product (i.e., the halo effect). Public funds should support and develop local markets where they have the potential to operate effectively.
- If PPPs create a demand for products, then supply must keep pace. Efforts to stimulate demand must be coupled with action to help local manufacturers adapt their production processes. GAVI has been effective on both ends, in increasing the demand for vaccines and encouraging pharmaceutical companies to supply and/or produce vaccines.
- Markets do not operate perfectly, and industry may need to be pointed in the direction of a market opportunity they have not yet perceived. The role of the public sector might be to point out a source of potential profit that had gone unnoticed.
- The possible negative and positive spin-off from the PPP should be constantly reviewed. Does the PPP help large international companies at the cost of local producers?
- The PPP needs to examine the effect of the initiative on the most vulnerable groups and design a strategy to ensure that this target group is effectively reached.
- Considerable resources should be allocated to effective communications, both within and external to the partnership.
- All the activities of the partnership should be recorded and put up for public scrutiny. The minutes of meetings can be posted on the project website and external financial audits conducted.
- A generic campaign may not be as effective as a branded campaign. Encouraging individual manufacturers to promote their own brands in collaboration with a public health message sponsored by a public agency (i.e., washing hands with soap X) may be the most effective strategy. A PPP dealing with multiple industrial partners cannot support individual brands.



Box 2. To brand or not to brand

The handwashing initiative in Central America and the contraceptive use campaign in Indonesia both opted for associating their social marketing campaigns with a product brand name. The following points have been raised in favor of promoting brands:

- Brands convey quality and build consumer confidence
- Brand names, as in the case of condoms or soap, can become generic and facilitate purchase
- Promoting branded products never seems patronizing
- Branding permits market segmentation and image building
- Brands continue after public sector funds have run out and thus may be sustainable
- Brands help define and focus a campaign (Harvey, 1999)

According to Hindustan Lever, the poor can be as discerning as the rich when it comes to brand consciousness. Moreover, since brands are associated with a product's distinctive quality and features, promoting a brand would mean promoting a better quality of life. Marketing well-made branded products to the poor is not just a business opportunity; it is a sign of commercial respect for people whose needs are often overlooked (Balu, 2001).

"Everybody wants brands. And there are a lot more poor people in the world than rich people. To be a global business…you have to participate in all segments." Keki Dadiseth, Unilever (Balu, 2001)

As brands are often owned by one company, this may lead to perceptions of unfair competition. Whether branding is an essential strategy of a successful health PPP remains to be determined.

Annex 1

Case Studies of PPPs in Health

i PUBLIC-PRIVATE PARTNERSHIP TO PROMOTE HANDWASHING WITH SOAP IN CENTRAL AMERICA

This initiative brings together public and private sector partners to increase awareness of the health benefits and market opportunities of handwashing with soap. The handwashing program is being promoted through a large-scale communications strategy aimed at decreasing the incidence of diarrheal disease.

Partners: USAID through two funded projects, Basic Support for Institutionalizing Child Survival (BASICS) and the Environmental Health Project (EHP), the soap industry, Ministries of Health and Education, media organizations, donors, and NGOs.

Table 3. Benefits to and contributions of partners in the Central American Handwashing Initiative

	Industry	Public Sector
Benefits	■ Development/enlargement of the market for soap in rural areas ■ Increased soap sales ■ Media attention for community service ■ New alliances forged with the public sector ■ Exposed to new methods of market research and advertising for behavior change	■ Segmented pricing helps reach different target groups, which leads to increased coverage ■ Incidence of diarrheal disease reduced ■ Sustainable changes made in the private sector's advertising messages ■ Exposed to new social marketing techniques ■ Improved school hygiene programs
Contributions	■ Marketing expertise used to implement an advertising strategy and spread generic messages through pro bono activities ■ Helps to ensure sustainability and low pricing (donor dependency reduced)	■ Access to social networks, coverage of poorest populations ■ Assists in the distribution of advertising messages/materials (Saade et al., 2001)

Governance: BASICS and EHP played the role of catalysts for the partnership, bringing together unlikely partners and acting as mediators between the public and private sector to meet the objective of promoting handwashing with soap.

IMPACT

A major benefit of the handwashing initiative was building awareness in the private sector that public health objectives are compatible with business opportunities. Soap producers learned that there is a way to advertise soap and promote handwashing. In the public sector, the initiative led to better communication on handwashing and health. The coverage of existing hygiene programs increased, and soap sales increased (Saade et al., 2001).

LESSONS LEARNED

Picture: UNICEF

Role of the catalyst. Catalysts play a crucial role in market research and development of a communications strategy, in addition to facilitation and coordination of the partnership; they foster a sense of ownership of the initiative among the partners; have a clear vision of the project's goals and help partners stay focused; ensure that roles, responsibilities, and expectations are clearly articulated, that processes are transparent and agreements documented; they have a local coordinator to follow the partnership constantly and maximize the participation of all players (Saade et al., 2001).

Sustainability. As financial and technical support rests with the companies themselves, sustainability depends on the involvement and leadership of industry. In this case, there were some limited long-term activities in handwashing undertaken by industry after project funding ceased.

Demonstrating public health impact. It is difficult to evaluate the impact of a large-scale public health intervention, especially one that involves a private practice such as handwashing. As a result, convincing partners to continue or to embark on further projects may pose problems. Spending on effectiveness and cost-effectiveness evaluations may need to be substantial, at least in the early years, to test the validity of the PPP approach.

Road map. All partners must have a clear understanding of the main elements and logical progression of steps. BASICS designed a model for implementation that listed the evolution of each step in the PPP shown as a nautilus, which could serve as a model for other projects (Saade et al. 2001).

Behavioral research. Behavior change strategies have to be based on a good understanding of the target audience. BASICS developed its communications strategy based on market research that provided information on the actual and potential market for soap and the behavior and attitudes of the target population vis-à-vis soap and handwashing.

Roles, responsibilities, and expectations. Drawing up a Memorandum of Understanding (MOU) helps to define the roles and responsibilities of the partners, the goals of the initiative, and the expected outcomes. In this case, the terms were open-ended so partners could take advantage of emerging opportunities.

Decision making. Joint decision making may cause delays but creates a sense of ownership for the project among all the partners.

ii

NETMARK: PARTNERSHIP TO INCREASE THE USE OF INSECTICIDE-TREATED MATERIALS TO PREVENT MALARIA

The NetMark initiative seeks to prevent malaria in Africa by promoting insecticide-treated materials through the formation of PPPs. By acting as a catalyst with the Ministries of Health, international donors, and NGOs, NetMark has promoted an integrated market segmentation model that brings together the resources and strengths of each partner. More specifically, the initiative facilitates the entry of the commercial sector into the market by sharing the cost of market development to keep prices low and increase access. As the coverage of the commercial sector is extended, the limited resources of the public sector and NGOs can be better focused on reaching those who most need their help—the most vulnerable groups. Another benefit of this approach is that by collaborating with the private sector, donors and NGOs can focus on behavior change, leaving the commercial sector to handle product procurement, distribution, and brand advertising (NetMark).

Partners: AED, The Malaria Consortium, LSHTM, Johns Hopkins University, and Department of International Health, Group Africa.

Table 4. Industry and public sector benefits and contributions to NetMark

	Industry	Public Sector
Benefits	■ Enhanced image as a global corporate citizen ■ Market development with shared risk	■ Access to Research and Development expertise of the private sector ■ Better services with higher cover-age, leading to improved health, which in turn assists economic development
Contribution	■ Developing new drugs to combat resistance (MMV) ■ Preferential pricing: lower-priced drugs for the poor ■ Training shopkeepers in malaria treatment ■ Production of low-cost, insecticide-treated nets	■ Subsidizing development of drugs to make them available and affordable to poorer populations ■ Providing tax breaks to companies ■ Catalyst role in developing the market for drugs and insecticide-treated materials

Governance: A technical advisory team with representatives from the WHO, Centers for Disease Control and Prevention, Swiss Tropical Institute, the World Bank, UNICEF, USAID's BASICS, and CHANGE projects.

IMPACT

Much of NetMark's work in the two years since its inception has been in market and consumer research and determining the most effective strategy to promote insecticide-treated materials. This has involved negotiating with a private sector partner to manufacture the pre-treatment chemical while NetMark developed the market for nets. However, over a year after the initiative was launched, the private sector partner withdrew from the partnership because it felt the market could not be sufficiently developed. NetMark has now recruited another four partners, Aventis, Bayer, VSS, and a net manufacturer to support the initiative.

LESSONS LEARNED

Branding and neutrality. The public sector should maintain neutrality in promoting one brand of insecticide-treated nets over another.

Crowding out. Distributing products free or at lowered prices could undermine the demand in the private sector for health products and lead to a "crowding out" of the market. At the same time, lack of coordination between different agencies pursuing the same goal of making the nets affordable to the poor caused the market to be flooded with free or inexpensive nets, almost driving local manufacturers out of business.

Tariff regulation. Lowered tariffs on the finished product favored importing the nets when tariffs on the raw materials were not lowered.

Intellectual property rights. In offering a mass-produced product, the public sector must be wary of violating the patents on products already on the market (for instance, chemical treatment for bednets).

Taking into account the socio-economic status of the target population. Offering a product cheap (or free) for a short period to stimulate demand ("crowding in") may not be effective if people earning an average income cannot afford the commodity.

Roles and responsibilities. At the outset, clearly delineate how the initiative will be managed, and the responsibilities and benefits for each party. Keeping the private sector committed may mean entering into a contract or setting up a board of directors to whom they are accountable.

Risk sharing and market opportunity. The private sector needs to be convinced that there is a market for their product and that risk is shared among partners.

iii PARTNERSHIP WITH CONDOM MANUFACTURERS TO PROMOTE CONDOM USE IN RED LIGHT AREAS IN INDONESIA

Under the USAID HAPP initiative, FUTURES worked with the Consortium of Concerned Condom Manufacturers to promote behavior change and implement a social marketing campaign to increase condom use among commercial sex workers and their clients in Indonesia.

Picture: FUTURES

Partners: USAID HAPP, FUTURES, and Consortium of Concerned Condom Manufacturers

Governance: USAID HAPP is responsible for overall coordination.

IMPACT

Condom use among commercial sex workers rose 30 percent in one year. Condom availability and visibility also substantially increased in red light areas, as verified by store checks and digitized mapping.

Table 5. Industry and public sector benefits and contributions to the condom program in Indonesia

	Industry	Public Sector
Benefits	■ Development of a market for condoms	■ Segmented pricing helped reach different target groups and lead to higher coverage
Contributions	■ Marketing expertise ■ Helped ensure sustainability and low pricing (donor dependency reduced)	■ Access to social networks, reach into poorest populations

LESSONS LEARNED

Picture: FUTURES

Crowding out the local market. Heavily subsidized condoms threatened to de-motivate the commercial sector as the subsidized brand dominated the condom market and reaped most of the benefit from public sector support. This could lead to the disappearance of local condom brands from the market

Effect of the mass media. An effective mass media campaign helps to increase awareness and heighten personal risk perception that precedes the adoption of protective behavior. It also helps to de-stigmatize condoms, create an enabling environment for selling and purchasing condoms, and expand the condom market by increasing retail sales.

Demonstrating market opportunity. The private sector will invest in disease prevention programs if it has incentives and the programs will generate returns. Conversely, the private sector will be de-motivated to invest if it does not perceive any market opportunity. For example, commercial condom companies will sponsor "entertainment-education" events organized by NGOs if they are perceived to have promotional value for their condom brands. If NGOs fail to deliver value and a quality product, they will not generate repeat sponsorship of their events and activities.

Sustainability. The private sector is inherently sustainable, as true commercial enterprises do not rely on public sector support.

iv PARTNERSHIP TO INCREASE THE CONSUMPTION OF IODIZED SALT IN PAKISTAN

The partnership seeks to address the problem of iodine deficiency by promoting the consumption of iodized salt. A social marketing campaign was launched to increase demand. At the same time, manufacturers were convinced to increase production of iodized salt (www.psi.org).

Partners: UNICEF, CIDA, PSI, SMP, and the Government of Pakistan.

Picture: Population Services International

Governance: The project has been designed and managed by UNICEF, with funding from CIDA. PSI and SMP have been contracted to implement the project.

Table 6. Industry and public sector benefits and contributions to the iodized salt partnership

	Industry	Public Sector
Benefits	■ Market development for iodized salt ■ Competitive advantage in the market over non-iodized salt	■ Reduced incidence of iodine-deficiency diseases and improved population health
Contributions	■ Making iodized salt available by adopting new manufacturing processes	■ Assistance in adapting manufacturing processes/ subsidies ■ Developing the market/public awareness

IMPACT

Picture: UNICEF, Pakistan

Over 30 percent of all edible salt is being iodized. As a result of this initiative, which was launched just two years ago, there are now over 35 million new users of iodized salt.

LESSONS LEARNED

Linking public health objectives with market opportunity. Once the private sector is convinced that their product has a public health benefit and that there is a market for this, they will invest their own funds in marketing and product development. This will ensure the sustainability of the product.

Branding and support from industry associations. Brand recognition is a powerful marketing tool. A key feature of the marketing campaign in Pakistan was the creation of the "hand and pot" logo, which became a universal symbol for iodized salt in Pakistan. Salt manufacturers now use this logo to market their product. However, once the market was established some producers used the logo without iodizing salt—and there was no enforcement agency to regulate this.

Incentives for change through legislation and collaboration. Convincing private sector players to invest their own funds makes the program effective and sustainable. For instance, a processor who has purchased his own equipment for mixing and packaging salt is far more likely to iodize his product correctly and consistently than someone who obtained his equipment and materials through a government or donor subsidy. Similarly, legislation requiring that all salt be iodized, while important, has been ineffective in countries where enforcement is difficult. To be effective, legislation on iodization of salt should accompany programs.

Role of a catalyst. International donors and governments are often not structured to work directly with the private sector. A catalyst organization, like PSI or BASICS, can provide the critical bridge between the public and private sector.

Demand and supply. Creating a demand and increasing production should be simultaneous processes.

v

PHASE: CLEAN HANDS, HAPPY HANDS, HYGIENE PROMOTION IN SCHOOLS

GlaxoSmithKline's PHASE project is a health education program that targets primary school children aged 6-13 years. It aims at reducing the incidence of diarrhea-related disease associated with poor hygiene in Kenya, Peru, Côte d'Ivoire, Nicaragua, and Uganda.

Picture: Glaxo SmithKline

Partners: GlaxoSmithKline, Ministries of Health and Education, local NGOs.

Governance: GlaxoSmithKline provides overall management and the training materials. It collaborates with local governments and NGOs in countries where it has operations. The partnership is seen as a long-term collaboration.

Table 7. Industry and public sector benefits and contributions to PHASE

	Industry	Public Sector
Benefits	■ Enhanced image as a global corporate citizen ■ Development of a market for deworming drugs (25% increase in drug sales since the1980s)	■ Better services and higher coverage, leading to improved health, which in turn triggers economic development ■ Development and provision of training materials for schools and communities
Contributions	■ Marketing expertise ■ Design of training materials, management of campaign	■ Access to social networks, coverage of vulnerable populations

IMPACT

Increased awareness, prevention, and treatment of worm disease in Kenya and Côte d'Ivoire (GSK, 1998). The initiative has been extended to cover Uganda, Peru, and Nicaragua.

LESSONS LEARNED

Picture: Glaxo SmithKline

Distribution. Due to poor infrastructure, distribution in some countries (for instance, Uganda) may be difficult. Collaborating with existing development agencies, such as the World Bank, can facilitate distribution and increase coverage.

Cultural sensitivity. It is beneficial to create training materials that can easily be adapted to regional contexts.

Sustainability. An exit strategy to ensure continued benefits and expansion to whole countries on termination of GlaxoSmithKline funding is needed.

vi

THE GLOBAL ALLIANCE FOR VACCINES AND IMMUNIZATION

GAVI was set up in 1999 with the mission to protect every child from vaccine-preventable diseases. GAVI aims to close the gap in the availability of vaccines to children in the industrialized world and those in the poorest countries through a global network of international organizations, multilateral development banks, philanthropic organizations, and leaders in the private sector.

Partners: Bill and Melinda Gates Children's Vaccine Program, International Federation of Pharmaceutical Manufacturers Associations, public health and research institutions, national governments, the Rockefeller Foundation, UNICEF, the World Bank Group, and the WHO.

Governance: The initiative is governed by a board of directors consisting of top officials from its members and is chaired by the Director of the WHO.

IMPACT

Nearly three years after its inception, GAVI has introduced outcome-based grants for developing countries. It has approved funding proposals from over 20 countries that have per capita incomes below US$ 1,000 and committed US$ 300 million to government health programs for five years. This will help to pay for new and under-used vaccines and/or to improve the current immunization services in these countries.

Table 8. Industry and public sector benefits and contributions to GAVI

	Industry	Public Sector
Benefits	■ Development of new markets ■ High visibility and image boost.	■ Faster procurement strategies/less bureaucracy.
Contributions	■ Vaccine development and production.	■ Subsidized vaccines. ■ Facilitating procurement process.

LESSONS LEARNED

Encouraging sustainable investments. Investments in immunization need to take into account the sustainability of the health system as a whole. In particular, donors' support for immunization has in some cases encouraged the view that governments need not include it in their own budgets.

Increasing supply and demand simultaneously. Increased demand should be coupled with increased production or procurement strategies. Many vaccines developed in the last twenty years, such as Hib or pneumococcal conjugate, are governed by international patents and cannot be produced generically. They are expensive to purchase and consequently difficult to procure.

Outlining responsibilities of each partner to ensure focused support. To ensure focused support, the costs of the immunization program should be clearly defined and targets should be established.

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