Introduction

Ministries of health are largely responsible for achieving the commitments that their national governments have made as part of the FP2020 initiative, which aims to enable 120 million more women and girls to use contraceptives by 2020. With many countries facing reductions in family planning (FP) budgets, ministries of health must use creative governance approaches to effectively leverage and manage available resources to achieve FP2020 commitments. Recognizing its role as steward of the private sector, which already provides a significant portion of health services in many countries, can enable the public sector to focus on serving the poor and addressing inequitable access to FP products and services (Lagomarsino et al., 2009; Bloom and Chu, 2012; Sharma and Dayaratna, 2005). While many countries already have some interactions with the private sector, these are often weak or strained (World Bank, 2011; Sharma and Dayaratna, 2005; Lagomarsino et al., 2009).

This brief describes how ministries of health (MOHs) can strengthen linkages with the private sector to achieve FP2020 goals through a four-phase process:
1. Assess the market and policy environment
2. Engage the private sector as a partner in planning, decision making, and resource allocation
3. Remove barriers to and create incentives for private sector participation
4. Seek to balance the role of the public sector in relation to the private sector

The private sector comprises a complex set of actors including nongovernmental organizations (NGOs), for-profit facilities and practices of doctors and midwives, pharmacies and drug shops, pharmaceutical manufacturers, and distributors, among others. There are many opportunities for the public sector to engage with the private sector. The World Bank (2011) defines five domains in which such engagement can occur: 1) policy and dialogue, 2) information exchange, 3) regulation, 4) financing, and 5) public provision of services. Selectively focusing on these specific domains as each of the four phases is implemented can enhance the MOH’s efforts to strengthen linkages with the private sector.

In many countries, the relationship between the public and private sectors is characterized by mistrust, which renders cooperation between the two sectors difficult (World Bank, 2011). Throughout the process described below, the MOH can begin building trust with the private sector by focusing on creating and enforcing policies and regulations that are predictable and fair to the private sector. Further, those who serve as the primary liaisons with the private sector must be empowered and responsive to it. The governments of Ghana, Kenya, Mali, and Mauritius have all successfully built trust with the private sector and launched public private partnerships (PPP) initiatives (World Bank, 2011).

**Phase 1: Assess the market and policy environment**

Conducting market and policy environment assessments enables the MOH to understand what influences private sector participation in the existing FP market. Collecting information about each of the five domains will facilitate a comprehensive understanding of the environment that can serve as the foundation for the MOH’s private sector strategy. Using participatory approaches to conduct the assessments can begin to improve coordination and build trust by developing a culture of dialogue between the public and private sectors (USAID | DELIVER PROJECT, 2014; Dalberg Global Development Advisors and Reproductive Health Supplies Coalition, 2014; World Bank, 2011).

![Figure 1: A Strategy for Strengthening Linkages with the Private Sector for Family Planning](image-url)
Working with the Private Sector

Policy and dialogue: Understanding the policy landscape includes reviewing the degree to which current policies are implemented, what the barriers to implementation are, and how barriers may adversely affect the private sector. For example, does the current tax policy inhibit the manufacture of essential drugs, and is the policy posing a barrier to greater cooperation between private and public sector entities? The MOH can identify existing formal dialogue mechanisms to serve as vehicles for involving the private sector, the extent to which those mechanisms are being used, and how effectively they work (World Bank, 2011; Pandit and Bornbusch, 2004; Feeley et al., 2009; Sharma and Dayaratna, 2005). During the assessment, it is also useful to consider policy gaps and alternative mechanisms for engagement.

Information exchange: An assessment of the exchange of information between the public and private sectors must examine the extent to which the government includes the private sector when sharing information, and whether the private sector provides data and service statistics for inclusion in the national health information system and national disease surveillance programs (World Bank, 2011).

Regulation: A review of the regulatory framework should answer the following questions:

- How well do regulations ensure high-quality FP services across the private sector (World Bank, 2011; Sharma and Dayaratna, 2005)? Is there an effective avenue for responding to patient complaints about quality (Feeley et al., 2009)?
- Does the private sector registry capture all private FP providers (World Bank, 2011)?
- Are the rules standardized for new facilities that offer FP services and for existing facilities that begin offering FP services (World Bank, 2011; Sharma and Dayaratna, 2005)?
- Is there an inspection process in place that examines all aspects of clinical service delivery? Are public and private sector providers and facilities held to the same inspection standards? How often are inspections carried out (World Bank, 2011; Feeley et al., 2009)?
- Are private providers required to complete continuing medical education (World Bank, 2011)?
- Is there a policy that specifically addresses traditional providers that offer FP information and services (World Bank, 2011)? Are those regulations enforced, and are inspections carried out?
- Do the regulations account for human resource shortages (Feeley et al., 2009)?

Financing: The assessment should also examine all existing financing mechanisms that allow the public sector to work formally with the private sector to provide FP services. Such mechanisms may include contracting with private FP clinics and providers at any level of government; financial incentives, such as duty and tax exemptions; and covering private FP services through national health insurance schemes (Sharma and Dayaratna, 2005; World Bank, 2011; Lagomarsino et al., 2009).

Public provision of services: The MOH can determine if there are programs in place that allow the private sector to obtain FP commodities through the public sector procurement system, and if there is a referral system that effectively transfers patients from the public sector to the private sector, if needed (World Bank, 2011). The MOH can also determine whether its distribution of subsidized or free commodities and services is crowding out the private sector’s growth potential (Sharma and Dayaratna, 2005).

Once the assessment is complete, the MOH is equipped with a better understanding of the market for FP and the policy environment for private sector involvement, which will enable it to engage with the private sector.

Phase 2: Engage the private sector as a partner in planning, decision making, and resource allocation

To develop a trusting relationship with the private sector, the public sector can focus on the domains of policy and dialogue, and information exchange (Lagomarsino et al., 2009; World Bank, 2011).

Policy and dialogue: The MOH can begin to build trust with the private sector by incorporating private sector representatives into planning and decision-making processes. However, the quality of the engagement matters most—more engagement is not necessarily better. To ensure that private sector participation is mutually beneficial, the MOH can:

- Recognize that it takes time and resources for private sector actors to attend meetings, respond to outreach, and provide comments and feedback on public sector documents and plans (World Bank, 2011). Attending monthly planning meetings may be burdensome for private sector actors, but participation in quarterly meetings is feasible when updates are available from other planning meetings.
- Institutionalize sustainable dialogue mechanisms, such as regular meetings with private sector stakeholders, and include them in planning sessions,
Public-Private Partnerships in Kenya

In 2013, Kenya’s National Treasury established the PPP Unit that is charged with coordinating all PPP projects in Kenya, and manages their review and approval. The initiative, which started with World Bank funding, was intended to focus on infrastructure projects. The PPP Unit recently began working with the MOH to identify opportunities for PPPs within the health sector. The MOH is currently exploring opportunities to partner with the private sector for upgrading equipment; building a hospital; providing information, communication, and technology (ICT) services; and improving oxygen plants. To ensure transparency, the PPP Unit publishes a pipeline report each month.

Use meetings with the private sector as opportunities to provide useful guidance and information on policy (Sharma and Dayaratna, 2005).

Craft consistent private sector policies (World Bank, 2011). For example, if the MOH has an overarching policy for engaging the private sector, key points from that policy should carry through its FP policy, and vice versa.

Information exchange: Information must flow both to and from the private sector. To ensure that data from the private sector are included in data sources, such as the health management information system (HMIS) and surveillance systems, the MOH can create regulations requiring all providers and facilities—both public and private—to submit their data. This will help to paint a complete picture of the country’s FP situation. Private sector information that describes the distribution and sale of contraceptives and service usage will enable the MOH to maintain an up-to-date market assessment. While the private sector is required to provide HMIS data in some countries, compliance is limited. To address this issue, some countries have found that providing free or subsidized products or supplies from central medical stores to private sector facilities incentivizes reporting on how many commodities, supplies, and services were delivered, and general demographic information about clients. Formalized policy and dialogue efforts will help ensure information about government planning, forecasting, and projections flows to the private sector (Sharma and Dayaratna, 2005; World Bank, 2011).

Phase 3: Remove barriers to and create incentives for private sector participation

After completing the assessments and soliciting feedback, the public sector can demonstrate its commitment to enabling the private sector by acting upon what it learned in the first two phases. Adapting select regulations and creating new financing opportunities should be the priority at this stage.

Regulation: The MOH can focus on developing a well-designed and appropriate regulatory regime that holds the public and private sectors to the same standards and addresses quality and equity by:

- providing standardized rules for opening facilities (World Bank, 2011).
- including an unbiased and consistent inspection process for private facilities that is actually carried out (World Bank, 2011).
- including all provider groups (traditional healers) (World Bank, 2011; Sharma and Dayaratna 2005).
- requiring and providing continuing medical education training for health workers (World Bank, 2011).
- having clear, consistent, and appropriate enforcement (World Bank, 2011).

An effective regulatory regime will provide the MOH with the controls it needs to be accountable to the executive branch, the legislature, other ministries, and its constituents, while creating space for the private sector to flourish. In a sector like family planning, which has low profit margins, too many regulations or poorly targeted or enforced regulations will discourage the private sector from investing. Using an iterative process—continually evaluating regulations based on feedback from the private FP sector and changes in the FP market—can enhance MOH efforts to establish or revise the regulatory regime. To ensure this process is institutionalized, the MOH can empower an existing working group or unit within the MOH, or establish a new one, to review and assess policies and regulations for private sector impact and be responsible for reaching out to private sector representatives.

Financing: The MOH can use a range of mechanisms to incentivize the private sector to deliver services and improve the investment climate. Key incentives include duty and tax exemptions, which can also be used to encourage geographic distribution of FP services (Lagomarsino et al., 2009; Sharma and Dayaratna, 2005;
World Bank, 2011). For example, Ethiopia and Sudan offer reduced taxes to private facilities in underserved areas (World Bank, 2011). The MOH may consider offering a facility or building for free in exchange for a pledge that the private provider will deliver family planning services to underserved clients or train students and health workers (World Bank, 2011). Public-private partnerships with the MOH can provide stability for a private partner by ensuring investment over a longer period of time (Sharma and Dayaratna, 2005). The MOH can contract out service delivery, allowing it to pay private providers for achieving specific outcomes while maintaining control of programming details such as which services are provided and to whom services are offered. Ensuring that the public can access private services without paying out-of-pocket eliminates a key barrier to access (World Bank, 2011).

Phase 4: Seek to balance the role of the public sector in relation to the private sector

In the final stages of engaging the private FP sector, the MOH can identify ways to leverage its role as the primary funder of services for the poor to encourage the growth of the private FP sector. Regular and useful dialogue between the MOH and the private sector will result in opportunities for the private sector to provide meaningful feedback on policies, regulations, and their impact on private sector engagement in the FP market. Data received from the private sector can bolster this feedback.

Public provision of services: The private FP sector has well-founded concerns about being crowded out of the FP market by free and subsidized supplies and services provided by governments (World Bank, 2011). To balance the need for access in under-served areas and among under-served populations with private sector growth, the MOH can work with the private sector to distribute free and subsidized supplies and services. This strategy both leverages the private sector’s distribution channels and increases its market access. The MOH can also strengthen referral systems, encouraging the public sector to refer patients to the private sector as appropriate (World Bank, 2011).

Challenges and Opportunities

Enabling the private sector to provide FP services is complicated, and requires sustained commitment. Experience of the family planning community from around the world has demonstrated that developing private FP sector strategies is the starting point, and there are several key points that the MOH should keep in mind:

- **Identify and reach out to diverse private FP sector stakeholders:** From large pharmaceutical companies to traditional healers, the private FP sector is diverse. The MOH can seek assistance from associations of private providers and facilities to identify stakeholders from the entire private FP sector to ensure its views are adequately represented and addressed throughout the engagement process.
- **Institutionalize the relationship with the private FP sector:** Sustainable relationships with the private FP sector require institutions and other governance structures that internalize the connections between the public and private sectors. Strengthening or establishing working groups, a unit within the MOH, and online presence, and including the private sector in formulating relevant policy and planning documents can help institutionalize working with the private sector for family planning.
- **Reach out to other government agencies:** There may be a private sector unit housed in another government agency that the MOH could work with, or the executive branch may be interested in establishing a

---

### Afghanistan: Developing Stewardship of the Private Sector

Afghanistan’s Ministry of Public Health (MoPH), with support from HPP, established a Directorate of Private Sector Coordination (DPSC) that manages the MoPH’s relationship with the private sector. DPSC’s work with the private sector is multifaceted. Under HPP’s guidance and support, the DPSC:

- Conducted capacity assessments of licensing and insurance schemes in collaboration with associations that represent private sector actors.
- Institutionalized Minimum Required Standards (MRS), which the DPSC and the Association of Private Hospitals in Afghanistan use to evaluate the quality of private facilities.
- Created a streamlined approach for licensing private facilities, reducing the time required to obtain a license from eighteen to six months.
- Conducts quarterly meetings with associations that represent private sector actors such as hospitals, pharmaceutical manufacturers, and health service providers to strengthen and sustain dialogue.
private sector unit as a resource for all government agencies. If there is no private sector unit, or it is weak, the MOH can collaborate with other agencies to build support for an empowered private sector unit.

- **Generate political support for the private FP sector:** Engaging the private sector for family planning is inherently complex due to the need for consensus among a diverse group of stakeholders. Political support from the executive branch, the legislature, and at senior levels of management can help move private sector initiatives forward as they encounter coordination challenges. Without this political support, private sector initiatives may languish.

- **Adopt diverse approaches and generate demand:** Private FP sector actors need a market comprising customers who are willing to pay for products and services. Demand generation efforts that focus on educating the public, targeting free resources, etc., can be a cornerstone of any private sector initiative. Focusing on addressing cost, access, and quality will help create a more sustainable market.

- **Develop capacity:** The MOH can improve its chances of success in private FP sector efforts by developing capacity internally and throughout the health system to engage with the private sector and coordinate its contribution to the national FP vision. In all private sector strategies, the MOH can include provisions for building skills in establishing, managing, monitoring, and evaluating private sector initiatives (World Bank, 2011).

- **Build trust over time:** Building trust takes time, and requires both the public and private sectors to acknowledge their initial misgivings and commit to working together (World Bank, 2011). The MOH can build trust with the private sector by establishing processes that ensure the private sector is engaged effectively and by constantly addressing the fine line between regulation and overreach by modifying policies, regulations and private sector engagement practices (World Bank, 2011).

**Notes**

1. The private sector is defined as both the commercial and nonprofit sectors.

2. The process described here modifies and expands on Sharma and Dayaratna (2005).

**References**


For more information see separate briefs on working with ministries of health and parliamentarians:
