

Diplomacy
Dialogue



Private Sector Engagement for Strong Health Systems? –G2H2

Policy options for Social Infrastructure Development

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Different Infrastructure Investments

(Yescombe, Public Private Partnerships, 2013)

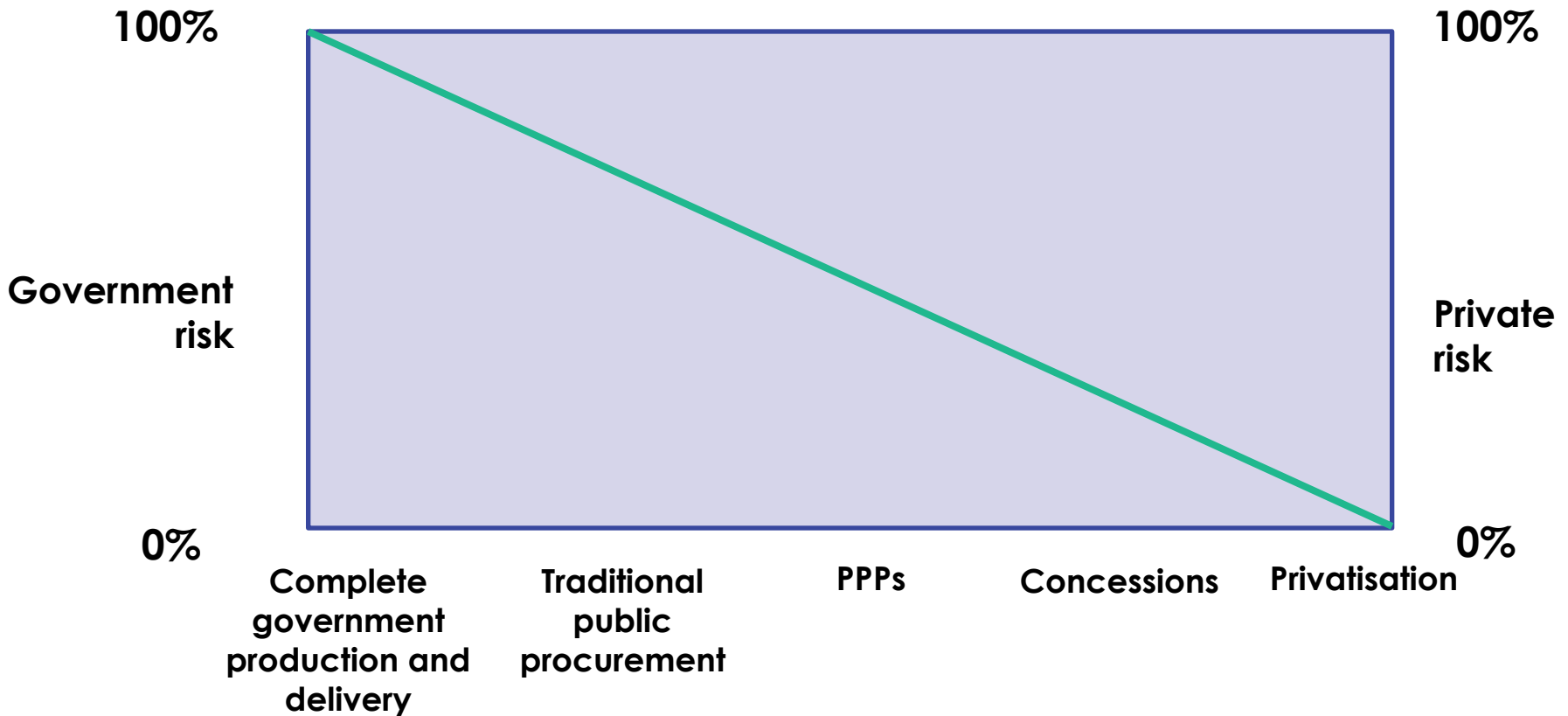


Physical Infrastructure: transportation facilities and utility networks (for water, sewage, electricity, telecom etc.) - i.e. infrastructure considered essential for day-to-day economic activity

Social Infrastructure: schools, hospitals, libraries, prisons etc, (i.e. infrastructure considered essential for the structure of society)

Source: CSEND (2014), Monitoring of SDG Implementation Infrastructure and Methodology: Proposal for Action, http://www.csend.org/images/articles/files/Monitoring_SDG_Infrastructure__Methodology.pdf

PPP classified according to risk and mode of delivery



Source: OECD (2008), Public-Private Partnerships: In Pursuit of Risk Sharing and Value for Money, OECD Publishing, Paris. P.21.

Policy Choices



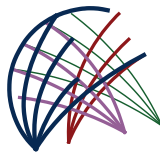
1. Government finances and implements (provided tax income is sufficient, regular and equitable)
2. Traditional Procurement- private sector company bids and executes, (should be transparent, corruption free, professional)
3. PPPs – what kind? DBFO, BOO, BOOT, BOLB)
Government competent in negotiating and managing private sector partner?
4. Privatisation- why?- market and government failure?- should not create private monopoly,
5. If PPP- should move from “Value for Money” to “Value for Money AND society” (SDGs: participation of stakeholders, inclusivity, transparent process).

Option PPPs.. ?? What kind of PPP? Who takes more risks – government or private sector?



1. Build & transfer (BT)
2. Build-lease & transfer (BLT)
3. Build-operate-& transfer (BOT)
4. Build-own-& operate (BOO)
5. Build-transfer & operate (BTO)
6. Contract-add-&operate (CAO)
7. Develop-operate & transfer (DOT)
8. Rehabilitate-operate & transfer (ROT)
9. Rehabilitate-own-& operate (ROO)

Source: CSEND (2014), Monitoring of SDG Implementation Infrastructure and Methodology: Proposal for Action, http://www.csend.org/images/articles/files/Monitoring_SDG_Infrastructure_Methodology.pdf

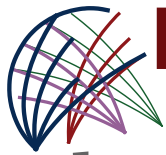


Models of public–private partnership in hospital provision



Model	Description
Franchising	Public authority contracts a private company to manage existing hospital
DBFO (design, build, finance, operate)	Private consortium designs facilities based on public authority's specified requirements, builds the facility, finances the capital cost and operates their facilities
BOO (build, own, operate)	Public authority purchases services for fixed period (say 30 years) after which ownership remains with private provider
BOOT (build, own, operate, transfer)	Public authority purchases services for fixed period after which ownership reverts to public authority
BOLB (buy, own, lease back)	Private contractor builds hospital; facility is leased back and managed by public authority
Alzira model	Private contractor builds and operates hospital, with contract to provide care for a defined population

(source: Martin McKee, Nigel Edwards, & Rifat Atun, 2006)



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Evolution of PPP concept & practice



1. Past: Value for Money which means achieving the optimal combination of **benefits** and costs in delivering services users want. Many PPP programs require an assessment of whether a PPP is likely to **offer better value for the public than traditional public procurement**—often called value for money analysis. Results mixed

2. New: Value for People/society- UNECE. People-first Public-Private Partnerships (PPPs) **ensure that out of all stakeholders, 'people' are on the top.** People-first PPPs must expand in scale, speed, and spread with more people having access to better services at affordable prices. Results emerging

Source: CSEND (2014), Monitoring of SDG Implementation Infrastructure and Methodology: Proposal for Action, http://www.csend.org/images/articles/files/Monitoring_SDG_Infrastructure_Methodology.pdf

1. Key is to ensure that health and living conditions of population is improved
2. **If by public sector:** be it based on top performance, non-discriminatory, transparent, no corruption, science based and accountable
3. **If by private sector:** same as with a public sector solution but based on affordability and government regulatory oversight
4. **Future:** mixed, co-creation, also cooperatively owned, digitally supported and aligned with the SDGs and PfPPP



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Thank you