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# Private Public Partnerships – Developing Sustainable Synergies

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## The Basics – Why Partner?

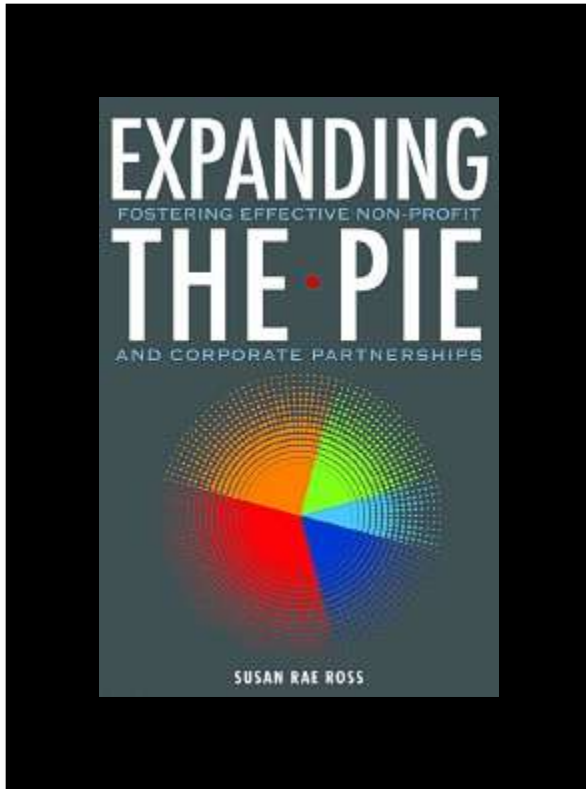
Facing complex development challenges, no one partner can do it alone -- combined interaction between partners is greater than the sum of their individual parts

- Tackle cross-cutting issues
- Address Shared Interests and Goals
- Avoid duplication of investments/activities
- Leverage Complementary Skills, Knowledge, Expertise
- Increase Efficiency & Effectiveness of Funds
- Improve Sustainability and Impact



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# Tri-Party Partnerships



**Partnerships in which key actors from the public sector, private sector and civil (NGO) sector all participate to achieve a commonly held goal, each adding value from their unique set of resources, skills, and networks.**

Focus on SOCIAL returns as well as (or in place of) financial returns.

Seeking a 'win-win-win' solution.

*Source: drawn from "Expanding the Pie: Fostering Effective Non-Profit and Corporate Partnerships", chapter 7, by Susan Rae Ross (Kumarian Press, 2012)*

# Unique Contributions

Donors

- Technical Development Expertise
- Global Presence
- Convening Power

Corporations

- Core Business Skills
- Expertise in Market-Driven Approaches
- Ties to Local Suppliers

Local Govt

- Understand Local Devt Priorities
- Political Will, Policy Influence

Local NGOs

- Understand Community Concerns
- Links to Stakeholder Networks
- Ability to “Get Things Done” on Ground

# PPP “Archetypes”

**McKinsey  
study notes  
four key  
groups:**



**Coordination PPPs** – e.g. Global Public-Private Partnership for Handwashing with Soap (GPPPHW)



**Funding PPPs** – e.g. Global Fund ATM, GAVI



**Product Development PPPs** – e.g. Medicines for Malaria Venture (MMV)



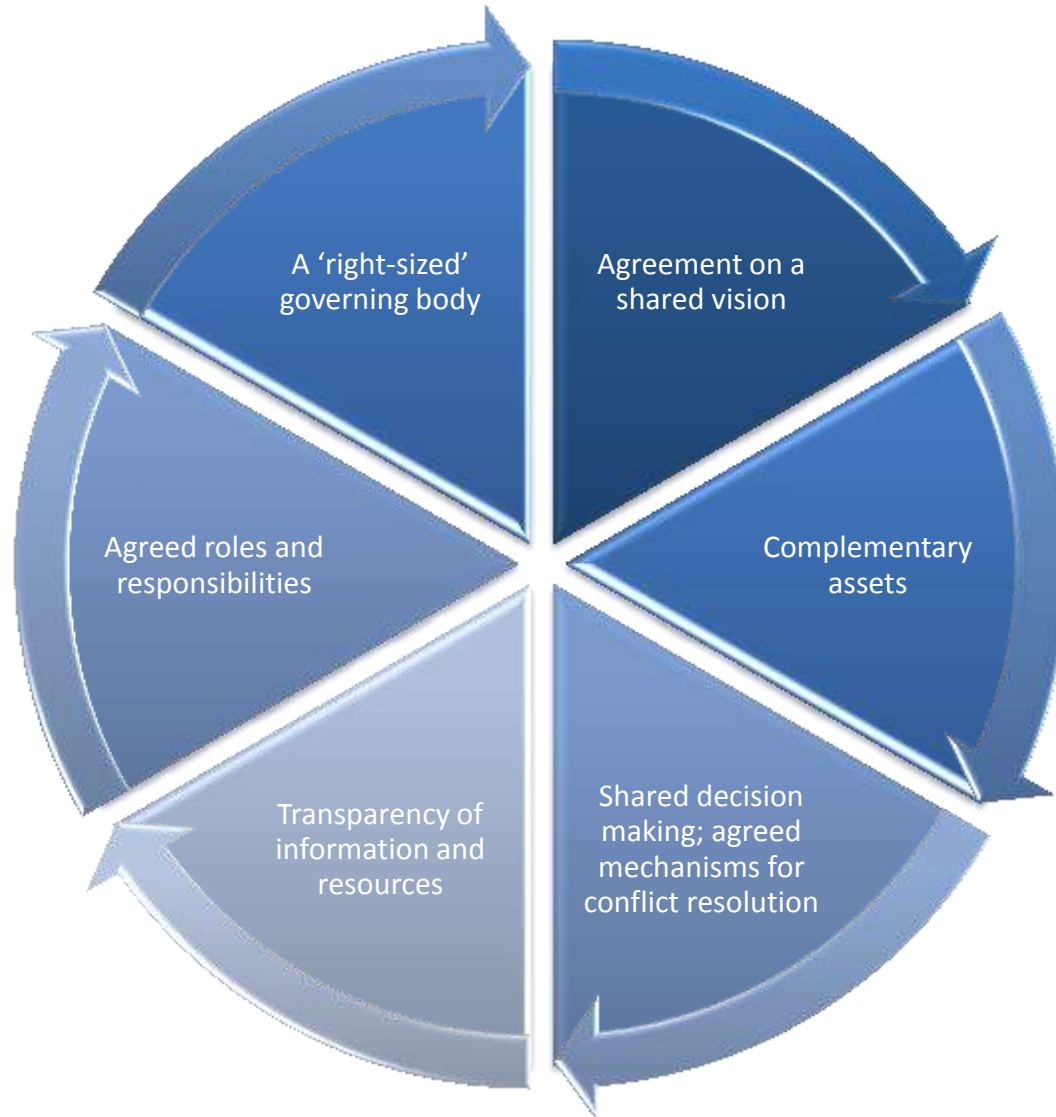
**Delivery PPPs** – e.g. MSI mobile outreach clinics, ColaLife essential meds distribution



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# Success Factors

*for partnership  
operations*





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# Understanding The Private Sector Perspective



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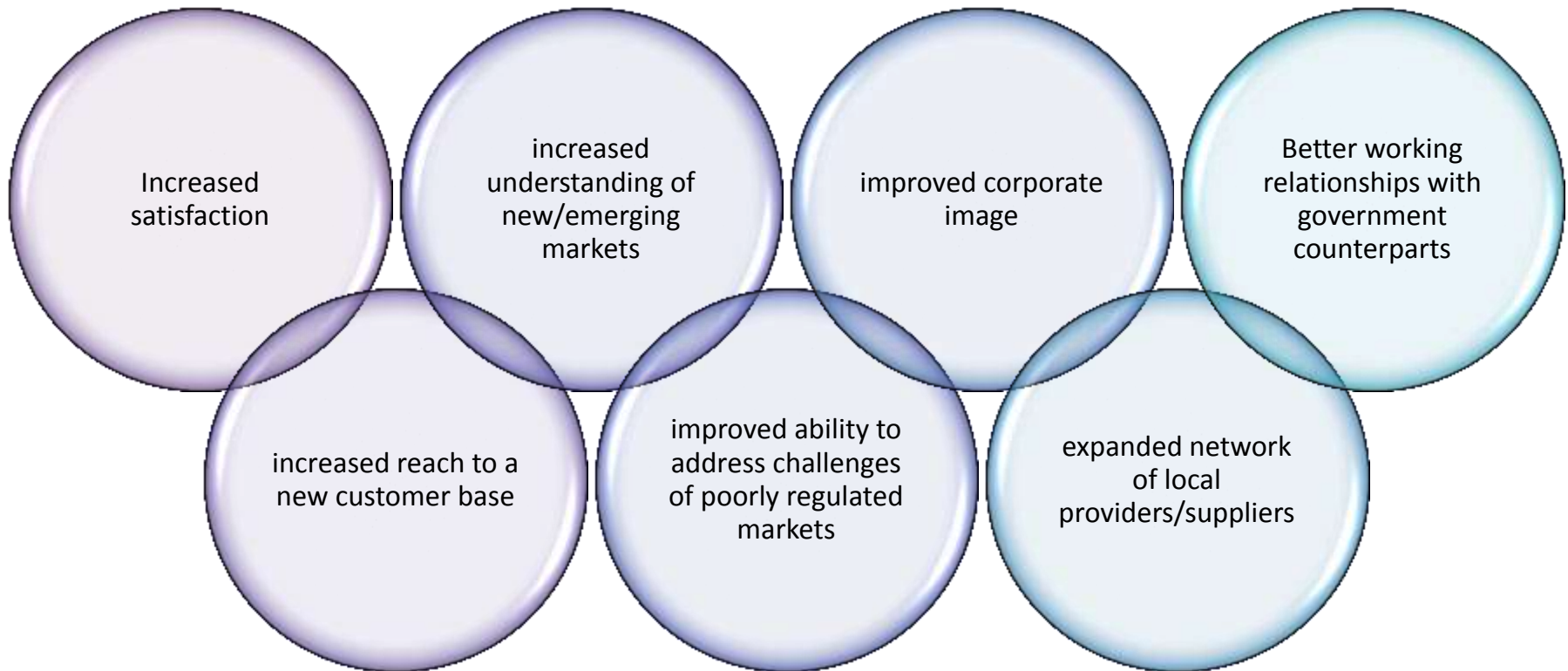
# What's behind corporate engagement in PPPs?

- Is enhanced corporate image the only benefit to corporate partners?
- Are financial contributions from corporations the only form of value added in partnership?





# What corporate partners say:





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# What types of resources do private partners contribute?

- Staff time and expertise
- Core business capabilities/knowhow in:
  - marketing, communications
  - supply chain management, distribution
  - innovation, R&D processes
  - service delivery and scale-up capabilities
  - organizational efficiency, governance
  - financial management
- Cash and in-kind contributions



# Investments by PPP Type

## Coordination

- Communication design
- Marketing
- Communications mgmt.
- Communication channels and networks

## Funding

- Financial planning
- Asset management
- Financing Instruments
- Fundraising

## Development

- Market research for product design and introduction
- R&D capacity
- Access to compounds

## Delivery

- Marketing expertise
- Supply chain expertise
- Logistics/distribution
- Local presence
- Project management

# BSR Report on GHPs

- Trends

- growing engagement in ‘transformational’ partnerships;
- 70% expect to maintain investments in health systems infrastructure/capacity
- 40% of companies expect to increase investments in partnerships
- 65% of research based pharma companies expect to expand partnership work in NCDs
- 65% of partnerships in SSA, but anticipate growth in SE Asia and Latin America

- Gaps/Recommendations

- Prevalence of single-company partnership endeavors, very few multi-company.
- Difficulty tracking outcomes and measuring overarching impact of the partnerships... need unified framework
- Need to better understand return on investment, particularly non-financial aspects
- Encourage a ‘partnership mindset’
- Investments must be aligned w/needs of primary care systems, build local capacity, promote innovation



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# Global Health Partnerships Snapshot

*A PPP in health is any formal collaboration between the public sector at any level (national and local governments, international donor agencies, bilateral government donors) and the nonpublic sector (commercial, nonprofit, and traditional healers, midwives, or herbalists) in order to jointly regulate, finance, or implement the delivery of health services, products, equipment, research, communications, or education.*

- *Source: Designing Public-Private Partnerships in Health, SHOPS/USAID, July 2011*

# Proven Health Models

## ***Some Typical Models in Global Health***

### Social Marketing (*continuum*)

- Sales of Subsidised Commodities, and Cross Subsidies
- Commercially Sustainable Manufacturer's Model
- BCC and M-Health efforts

### Demand-led Financing Models

- Vouchers for products or services

### Workplace Health Service Delivery

- Facility-based integrated health service delivery, open to surrounding community



# Promising Growth Areas

## Bottom-of Pyramid Models

- Use existing systems to reach underserved populations

## Social Franchising

- Building capacity of local private sector service delivery

## Organizational Strengthening Initiatives

- Corporate Volunteer/Fellows Programs
- One-Off NGO/Business Pairings

## Community-Based Finance Options

- Insurance mutuelles, etc.





# Examples by Model Type

## Bottom-of-Pyramid models

- ***Shakhti–HUL*** ( Hindustan Unilever Ltd. )  
small enterprise distribution of oral rehydration salts
- ***ColaLife*** and other rural distribution schemes  
ORS and Zinc distributed to villages via beverage company distribution networks

## Social Franchising

- ***Redplan Salud (Peru), MSI BlueStar and PSI networks***  
NGO/Public sector collaboration on high-quality Integrated Health Service provision -- quality assurance that benefits consumer and provider

## Community-Based Health Finance

- ***Rwanda Insurance Mutuelles*** – use an innovative tier system of risk-sharing, with local risk-pools for primary care, district-wide pools for secondary care, and a nationwide all-encompassing insurance pool for tertiary care. Promising model, but still not fully proven.

# What's in it for them?

## Social Marketing and Manufacturer's Model

- Road toward volume sales of proven products in tough markets
- Expanded market reach
- Improved relationship with long-term or global clients

## M-Health and BCC

- Corporate communications
- Expanded brand awareness
- Access to hard-to-reach market segments

## Workplace Health

- Improved worker health
- Reduced absenteeism (illness)
- Improved staff morale

## Corporate Volunteer Programs

- Perquisite for Top Performing Staff
- Employee Motivation, Commitment, and Retention
- Employee Skills Development (leadership teambuilding, entrepreneurship)
- Better Market Knowledge
- Corporate Image, Communications

***Benefits to Corporate Partners by Model***

## USAID Partnership Toolkit and USAID Building Alliances for Health Guide:

<http://idea.usaid.gov/gp/alliance-tools>

[http://idea.usaid.gov/sites/default/files/attachments/Health\\_Guide.pdf](http://idea.usaid.gov/sites/default/files/attachments/Health_Guide.pdf)

## BSR report on GHPs

[https://www.bsr.org/reports/BSR\\_Working\\_Toward\\_Transformational\\_Health\\_Partnerships.pdf](https://www.bsr.org/reports/BSR_Working_Toward_Transformational_Health_Partnerships.pdf)

## CSIS report on partnerships

[csis.org/publication/seizing-opportunity-public-private-partnerships](http://csis.org/publication/seizing-opportunity-public-private-partnerships)

## McKinsey PPP report

[mckinseysociety.com/public-private-partnerships-harnessing-the-private-sectors-unique-ability-to-enhance-social-impact/](http://mckinseysociety.com/public-private-partnerships-harnessing-the-private-sectors-unique-ability-to-enhance-social-impact/)

## Corporate Volunteer & Fellows Programs:

- Pfizer Global Health Fellows

[www.pfizer.com/responsibility](http://www.pfizer.com/responsibility)

- MerckFellows

<http://www.merckresponsibility.com>

## Social Franchising

SF4Health [www.sf4health.org](http://www.sf4health.org)