Guest Editorial

The public-private niche in health — opportunities for the Friends of Democratic Pakistan

Sania Nishtar,[1] Khalif Mohamud Bile[2]
Founding President, Heartfile,[1] WHO Representative in Pakistan.[2]

The platform of Friends of Democratic Pakistan (FoDP) is gradually moving towards a paradigm of engagement with public-private partnerships (PPPs) as its key feature. This was evidenced by the theme of the fourth meeting of FoDP, held in Abu Dhabi on January 26.[1] Although stepping up traditional bilateral and multilateral assistance remains a core objective, other models are also being explored to channel support to Pakistan both, as investments or as part of innovative development models, capitalizing on the strengths of the private sector. The Government of Pakistan appears to be committed to stepping-up its own capacity and reorienting its institutional landscape to facilitate public private partnerships. This is evidenced by the policy frameworks that have been created and the institutional arrangements that are being put in place in order to facilitate the development of PPPs.[2]

The significant interplay of the private sector in health service delivery in Pakistan can present mutually beneficial and gainful opportunities. The challenge at the FODP forum, therefore, was to present PPP prospects for the health sector meeting three criteria: in addition to public-private resonance, projects needed to have a public goods character while offering commercially viable investment opportunities.

The private sector can play an important role in the health sector if its potential is carefully harnessed. However, since the delivery of essential health care services per se is a state responsibility, structuring the role of private sector in its provision often creates a mistaken notion that the state is divesting from its responsibility, which is to ensure the provision of these services universally. Recent publications have dispelled such notions by outlining the potential role that private providers can play in a cohesive health system with clearly delineated roles and delivery mechanisms that are complementary and effective.[3,4] Two out of the five proposals flagged as priority areas for public-private partnerships in the health sector at the Dubai meeting of the Friends hinge on that understanding.[5] The first proposal centers on contracting out services to private providers/NGOs as a tool to help revitalize services in the post conflict zones of Pakistan. Pakistan has experience with contracting out, with some evidence now in the public domain, which can guide reengineering of management arrangements in areas where public sector management has competing priorities and where the comparative advantage of private sector management can assist the public system to achieve its goals in the health sector.[6] The effort needs to be carefully designed with clear deliverables to achieve planned outcome results, contributing directly to the Millennium Development Goals, harnessed through private sector's added values and transparent and cost-effective bidding norms, while ensuring accountable monitoring systems and envisaging long term sustainability.

The second proposal was structured with a view to benefiting from the capacity of the private sector in

expanding the training of community midwives, a scarce cadre impinging on the delivery of maternal and neonatal healthcare services and related poor mortality outcomes especially at the rural level. This has been advocated on the grounds that Skilled Birth Attendants can step up delivery and help revitalize the referral chain. However, the quality of their services, continuing education, supervision and reporting would require a contractual bond connecting them to the health system.

The other three projects envisaged to meet these criteria and presented at the forum included one entailing vaccine production at the National Institute of Health. Ordinarily, it is not the mandate of a Government to run an enterprise or get involved with a commercial project. However, for the sixth most populous nation, where the expected doubling time is less than 40 years, indigenous vaccine manufacturing is recommended by WHO because of health security and economies of scale. A carefully structured arrangement could incentivize a commercial manufacturer to produce for local consumption. The government could help reduce cost of production through regulatory incentives so that over the long term, investments in vaccine procurement could be optimized and technical support could be channelized through bilateral assistance, for capacity building, thereby creating a win-win model. PPP engagement for the establishment of a bio-equivalence lab was the fourth project mooted at the FoDP forum. This can be a step towards ensuring quality of medicines as a public goal through the spin off effect on quality of generics.

Similar considerations apply to the fifth project, an area of PPP engagement with regard to manufacturing auto-disable syringes. Pakistan has been labeled as a cirrhotic state,[7] and has a high rate of injection use per capita, often unsafely administered, substantiating the high prevalence of hepatitis B and C viral infections equaling 7.3% in the general population.[8] Investment in an auto-disable plant would therefore meet a public objective by reducing the burden of hepatitis and hence healthcare costs over the long term. Technical collaboration solicited through the FoDP forum can ensure investors with the right expertise to finance this area, which is a commercially viable option in its own right given the economics of scale.

In sum therefore, the need to narrow down the list of options to outline specific areas for PPP engagement within the rubric of the Friends of Democratic Pakistan's mandate is a priority. Although the possibilities can be endless, there are areas which have the potential of meeting public endpoints whilst providing an investment opportunity where the FoDP forum can play a catalytic role. Policy makers should build further on technical deliberations to support specific action in these areas.

References

1. Nishtar S. The taxonomy within FoDP. (Online) (Accessed March 1, 2009). Available from URL: http://www.heartfile.org/pdf/68_FoDP.pdf.
2. Infrastructure Project Development Facility. (Online) (Accessed March 1, 2009). Available from URL: http://ipdf.gov.pk/home/.
3. Lagomarsino G, de Ferranti D, Pablos-Mendez A, Nachuk S, Nishtar S, Wibulpolprasert S. Public stewardship of mixed health systems. Lancet 2009; 374: 1577-8.
4. Nishtar S. Choked Pipes: Reforming Pakistan's Mixed Health System. Oxford University Press 2010. Karachi. ISBN 978-0-19-547969-0.
5. Nishtar S. public private partnership for improving health outcomes. Presentation at the Dubai meeting of the Friends of Democratic Pakistan. (Online) (Accessed March 18, 2009). Available from URL: http://heartfile.org/dubai_sanianishtar.ppt.
6. Loevinsohn B, Harding A. Buying results? Contracting for health service delivery in developing countries. Lancet 2005; 366: 676-81.
7. Ahmad K. Pakistan a cirrhotic state? Lancet 2004; 364: 1843-4.
8. National Survey for Hepatitis Prevalence, 2008. Pakistan Medical Research Council, Ministry of Health; Islamabad, Pakistan.