



Federal Ministry of Health

Public Private Partnership in Health

Strategic Framework for Ethiopia

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Introduction

This “Public Private Partnership in Health Framework for Ethiopia” document lays out in general the boundaries and priorities for partnership in health and is designed for use in particular by public and private partners who plan to engage in PPPH and by the public in general. The purpose of this document is to provide general guidance to establishing, implementing, mainstreaming, coordinating, monitoring and evaluating partnerships between the Government of Ethiopia and the private health sector. This document is a guide to achieving the broader national health objectives.

More specifically, the document aims to highlight and underscore the important role and contribution of the private sector in health development; define an institutional framework within which to coordinate, implement, monitor, evaluate and enrich the public-private partnership; guide further development of the specific policies for PPPH with the different private sub-sectors; provide policy makers and other stakeholders in health with the guidelines for identifying and addressing PPPH concerns when taking policy decisions.

Background

Health Policy in Ethiopia

The Health policy, promulgated by the Transitional Government in 1993 takes into account broad issues such as population dynamics, food availability, acceptable living conditions, and other essentials of better health.

To realize the objectives of the health policy, the government framed the 20 years Health Sector Strategy through the Health Sector Development Programmes (HSDP). The HSDP prioritizes maternal and newborn care, and child health, and aims to halt and reverse the spread of major communicable disease such as HIV/AIDS, TB, and malaria.

The core elements of the health policy include: democratization and decentralization of the health care system; development of the preventive and curative components of health care; ensuring accessibility of health care for all segments of the population; and promotion of private sector and NGO participation in the health sector.

The Health Extension Programme (HEP) is an innovative health service delivery program that aims at universal coverage of primary health care and serves as the primary vehicle for health promotion, disease prevention, behavioral change communication, and basic curative care.

HSDP IV continues to prioritize same focus areas in health as that of HSDP III; however it is also designed to provide massive training of health workers to improve the provision of quality health services and the development of a community health insurance strategy for the country.

In addition HSDP IV intends to expand services to those who have not yet been reached and on improving the effectiveness, access and quality of services, including by leveraging with the private health sector.

Demographic and Epidemiological Realities

The population of Ethiopia is steadily increasing. Cognizant of the high fertility rate the government of Ethiopia is actively pursuing sexual and reproductive health services.

The major health problems of the population remain largely preventable communicable diseases and nutritional problems. However, there is a change in the disease landscape towards an increase in the prevalence of non-communicable diseases, primarily in urban settings. By harnessing the existing engagement with the private sector, the government intends to spur the delivery of comprehensive and wellness oriented primary care services to address the above mentioned health realities. This approach will enhance performance in health service coverage, expanding access and improving quality of services.

The above mentioned health programmes have enabled the country to reduce IMR, MMR, U5M and improvement in life expectancy of the population. In addition, Ethiopia has been successful in reducing disease burdens in TB, Malaria and HIV/AIDS and this has put the country on track towards the achievement of the health MDGs.

The government of Ethiopia has passed a new proclamation on Health Care Insurance in order to improve the health care financing mechanisms in the country and to increase the per capita health expenditure. The proclamation has established the institutionalization of health insurance

schemes (Mandatory social health insurance for formally employed and community health insurance for the informal sector) that are being initiated. In a phased manner, the Government will continue to design mechanisms for the involvement of the private health sector in this venture.

The health section of the Growth and Transformation Plan (GTP 2010/11-2014/15) stipulates supportive strategies to improve pharmaceutical production, supplies and services, and to strengthen health infrastructure for in-country delivery of high level medical care. To actualize these strategies, the Government encourages the active participation of the private sector.

Health Regulations

Proclamation No 661/2009 on Food ,Medicine and Health Care Administration and Control Authority(FMHACA) establishes and mandates the FMHACA to execute regulatory activities on food, medicine, environmental health, health professionals, health and health related institutions in the country.

The development of the above proclamation and the subsequent drafting of health facility regulatory standards were inclusive of all stakeholders including the private health sector representatives. This was to ensure that compliance to regulatory standards will be enhanced by the private health sector and to empower the private health sector to self regulate.

The devolution of power in decision making on public service deliveries to regional health bureaus and to regional FMHACA structures from the center down to the district level also applies for managing PPPH at their respective levels.

The Public Health Care System

The public health care system in Ethiopia is structured around the concept of a “health network model” that uses a three tiered health care delivery levels; namely primary, secondary and tertiary levels with defined catchment populations . For rural settings at the base is the primary health care unit that is a health centre with five satellite health posts catering to a population of 25,000; followed by a primary hospital, serving a population of 60,000 to 100,000; and next a general hospital, providing services to 1 up to 1.5 million beneficiaries. For urban setting at the base is a health center serving 40,000 people, followed by a general hospital as in the rural

setting. At the apex of both structures is specialized hospital which serves 3.5 to 5 million people.

The public health sector provides health services ranging from primary to tertiary health care and for this purpose is training a wide mix of health professionals from health extension workers to medical specialists.

In terms of distribution of human resources for health and according to Health and Health Related Indicators (EFY 2001 FMOH) the majority of general medical practitioners and nurses work in the public sector while the distribution of majority of the medical specialists is skewed in favor of the private sector.

In addition, the government is extensively engaged in the construction of new health infrastructure, provision of essential medicines, health technologies and other necessary inputs to improve access and quality, and production of all sorts of health professionals, according to the “flooding” strategy.

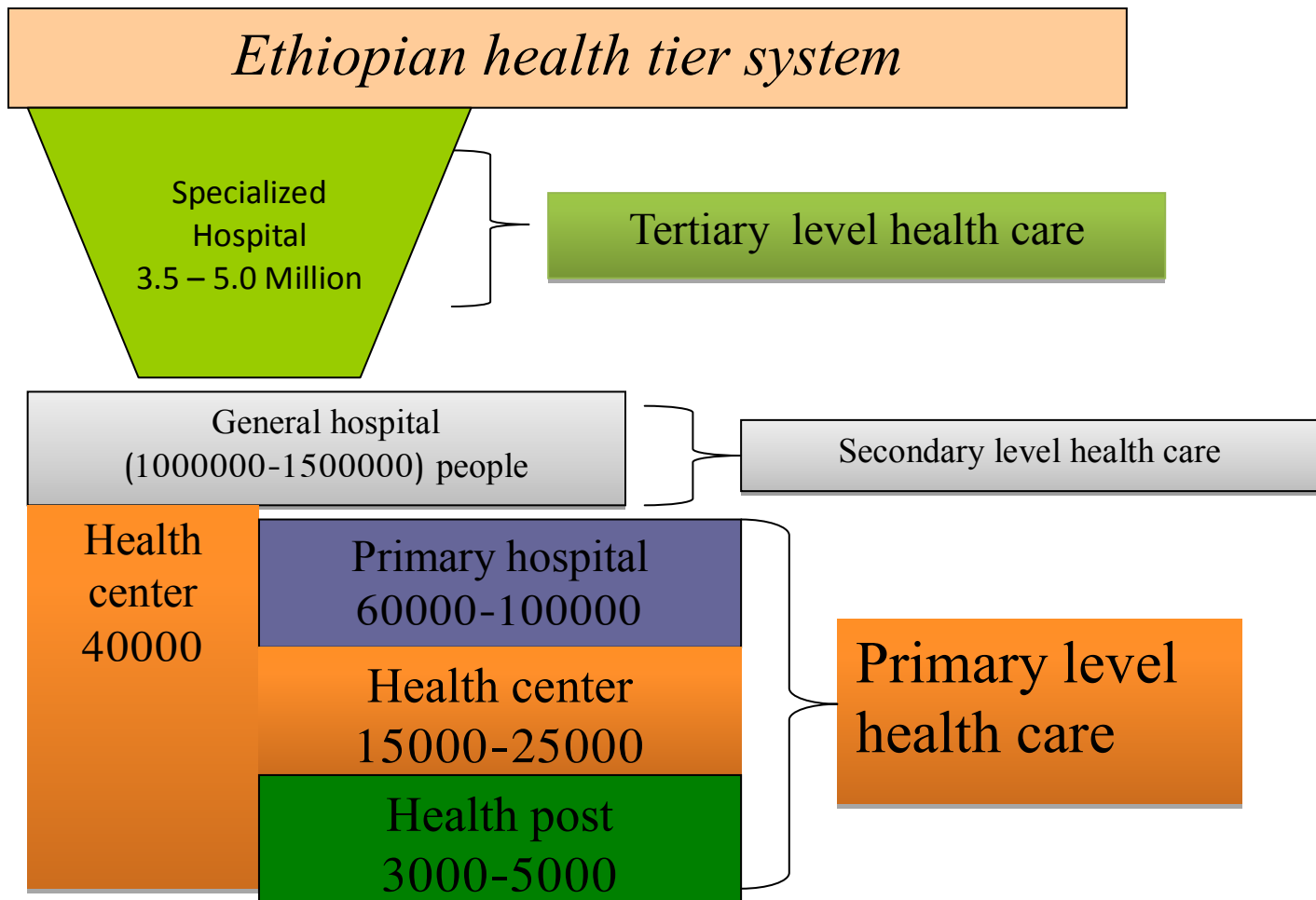


Figure 1: Ethiopian Public Health Tier System

Private Health Sector Profile

The private health sector in Ethiopia can be subdivided mainly into private for-profit and private for-not-profit. The private for-profit can further be subdivided into formal health service and products provider and the informal health service and products provider.

The group of formal private health service and product provider includes:

- Health care providers operating in hospitals, and clinics
- Diagnostic laboratories and diagnostic imaging facilities
- Pharmacies, drug stores and rural drug vendors
- Manufacturers of pharmaceutical health commodities and technologies

- Importers and distributors (wholesalers)
- Biomedical equipment maintenance service providers
- Health professionals training institutions
- Health insurance providers
- NGOs, CSOs and private foundations

The group of informal private health services and product providers includes:

- Traditional healers
- Traditional birth attendants(TBAs &TTBAs)
- Vendors of herbal and or alternative medicine

The Ethiopian Government is very well aware of the rapidly increasing demand for health services and the existing limitations in the availability of human and other resources. The government remains determined to cater essential health care to all Ethiopian citizens by harnessing the private health sector to engage in productive public private partnerships in health.

PPPH Experiences

Global

Global experiences indicate that public-private partnerships are a widely acknowledged approach for the health sector to tap into and make optimal use of available resources for health (Finance, Infrastructure, Human Resources, Pharmaceutical products and Health technology etc.).In addition, engagement of the private health sector has been found to have a positive impact on improving access and equitable use of quality health services. Properly managed PPPHs are contributing to enhancing governments' regulatory capacity in ensuring quality of services and cost control. Moreover, countries where PPPHs are well established in general are able to attract more funding for health from national and international investors and donors, as well as enabling the development of health insurance schemes.

In-Country Public-Private Collaborations in Health

The MOH has put in place a regulatory environment enabling the establishment and expansion of collaborative activities with the private health sector in many areas. These include but are not limited to financing, service delivery, capacity building, participation in policy, guideline and standards development and support in the formation of health professional associations.

Examples of existing public private collaboration are programs in the delivery of comprehensive HIV/TB care, reproductive health services, delivery of immunization services, youth center activities on RH&HIV/AIDS prevention etc.

Rationale for Public Private Partnership in Health

The public sector has made significant strides in increasing public spending in the health sector. According to the fourth NHA, national Total Health Expenditure (THE) increased by nearly threefold in the last five years. Similarly the per capita expenditure in the past five years has increased by 56%. However, health is still underfinanced and there is strong need for making more resources available (NHA, 2010). Appreciable additional resource mobilization is needed to reach per capita expenditure of US\$34 minimum expenditure recommended by WHO. Moreover, health expenditure constituted less than 5% of the country's GDP and this share is small even by the standards of some Eastern and Southern African countries (although the opportunity cost of Health Development Army and contribution of non-health sector resources is not considered). Thus, leveraging non-state resources through partnership with the private health sector is seen as an opportunity to address resource constraints.

As indicated in the background, key health outcome indicators in Ethiopia suggest the need for more and strategic investment on health to sustain gains made in the past years and further improve key health outcomes. Life expectancy (50.9 for male and 53.5 for female) has remained low for many years; nearly 120,000 newborns die annually in the first month of life and Ethiopia still has one of the world's highest rates of maternal death: 673 for every 100,000 live births. Ethiopia also experiences high morbidity and mortality from chronic non communicable diseases which is estimated to account for nearly 49% case fatality in urban centers.

One of Government strategies to improve health outcomes in the country is collaboration with the private sector in addressing high impact public health challenges as stated in the HSDP. The private health sector in Ethiopia is growing fast and it is currently estimated that more than 90 % of the out of pocket health expenditure goes to the private sector (NHA, 2010). Anecdotal data indicates that the private sector could be the major source of outpatient care and nearly 90 % drug outlets are for-profit drug stores. Spurred by high economic growth, the growing private health sector market has attracted the attention of the Ethiopian Diaspora and other foreign investors who have expressed interest to invest in the private health sector.

Considering the current state of the health budget, the GOE has recognized the need to leverage non-state resources in order to reach its ambitious targets in health. Furthermore, the GOE acknowledges that unregulated growth of the private health sector may do more harm and thus a well-designed public private partnership will be essential to constructively engage the private health sector. Therefore, the purpose of promoting public private partnership is to address the following strategic interests:

Accessibility

Since distance patients have to travel is a major barrier to health care, the construction of new health facilities in remote locations through PPPs will evidently enhance the physical accessibility of health services to larger population segment. In addition, PPPs will provide opportunity to leverage private capital to improve the quality and performance of existing public facilities through renovation and upgrading medical amenities.

Financial barriers to health service utilization can be minimized by expanding resource base for health services and the creation of risk pooling that minimize catastrophic out of pocket expenditure. The country is in the process of implementing universal health insurance coverage through social and community based health insurance. But both social and community based insurance scheme will have highest impact if there is a public private partnership. PPP will provide opportunity to improve access to care through negotiated rate and subsidies from private sources.

Efficiency

As a market driven sector, the private health sector is positioned better to manage its resources and operations flexibly lending itself to better efficiency. Thus, outsourcing selected services to

the private sector with the right form of PPPH is expected to enhance efficiency gains in procurement of services and goods. Existing country experiences in outsourcing catering, security, and sanitary services in public facilities attest to the attainment of the desired efficiency gains.

Equity

The government of Ethiopia is well aware of equity concerns in access to health services and inequitable resource allocation to address major health problems. For instance, global attention focuses on HIV /TB and Malaria, while Neglected Tropical Diseases (NTD) and Non-communicable diseases (NCD), which are increasingly contributing to major disease burden, have been receiving less attention. Thus government seeks to collaborate with the private sector through a public private partnership in health in order to improve resource allocation as well as expand access to quality basic, secondary and tertiary healthcare for all citizens with great emphasis to mothers and children.

Sustainability

Given Ethiopia's high population growth and the good prospects for economic growth, health service consumption is expected to grow at high rate, and maintaining the current role of financing and actual delivery of services will be increasingly difficult for the public sector. It is anticipated that the public sector will shift its role towards policy making and regulations and the role of the private health sector service delivery and health care financing will grow. It is thus imperative to establish the framework for public private partnerships.

A well designed public private partnership will be able to address ownership and sustainability while scaling up high impact services.

Quality

PPP will help the public sector to have better access to new technologies and proven innovations in clinical care and service management. Opportunities created to expand the use of information technology (e-medicine) and mobile technologies in health (m-Health) through PPP is well documented.

Definition of terms

Public health Sector: those organizations in the health sector which are owned and managed by the government and financed by public resource

Private health Sector: Those Organizations and individuals working in health outside the direct control of state and government, and not benefiting from direct allocations of Government's Budget.

Private for profit health providers: providers in the private health sectors established with the intention of profit making.

Private not for profit health providers:, those private entities that are founded solely for providing social service and not merely to profiting from health business.

Partnership: relationship between two or more parties with clear terms and conditions to achieve mutually understood and agreed upon objectives following certain mechanisms.

Public Private Partnership in Health:the bringing together of actors in the health sector, based on mutually agreed roles, responsibilities, risk sharing modalities, and Principles. It describes a spectrum of possible relationships between the public and private actors for integrated planning, provision and monitoring of services.

Accreditation: The action of confirming health facilities and specific health services as having fulfilled required standards based on a set of criteria.

Contract: A legally binding agreement stating clearly the responsibilities of the parties to the contract, the range of services to be provided, the performance standards to be achieved, procedures for performance monitoring evaluation, terms of payment and penalties for non-performance.

Goal, objectives, values, and guiding principles of the PPPH

Goal

Contribute towards the overall wellbeing of the Ethiopian population by establishing collaborative endeavor that combines resources from both public and private health sectors.

General objective

Improve access to quality and affordable health services to the citizens of Ethiopia by allowing and enabling the private health sector to operate in a policy supported and legally protected partnership with the public health sector

Specific objectives

1. Establish clear framework that creates enabling environment for the partnership b/n the public and private health sectors
2. Improve sustainability of the partnership
3. Improve access, quality and equity of health services in rural and urban areas.
4. Improve availability and rational use of Pharmaceuticals, medical equipment, and supplies
5. Improve the allocation and utilization of public sector resources in health
6. Mobilize additional resources for strengthening the health sector
7. Strengthen the existing public health management and service delivery systems
8. Enhance community ownership of health care programs
9. Ensure optimal utilization of public investment and infrastructure
10. Promote healthcare education and skills development institutions

Values and Guiding principles

- a) People Centered health planning and implementation
- b) Abiding by the Code of professional ethics
- c) Remaining flexible

- d) Commitment
- e) Integrity
- f) Responsiveness
- g) Trust
- h) Quality, Establishing and nurturing the Public-Private Partnerships
- i) Being inclusive and gender sensitive
- j) Transparency and accountability
- k) Ensure shared responsibilities
- l) Safeguarding public interest and consumer right
- m) Sustaining collaboration among Partners

Scope of the partnership

The scope of the public private partnership in health includes collaboration between the public and the private health sectors at a national and regional level under the Ethiopian legal framework.

Policy Framework

The 1993 health policy of the government of Ethiopia continues to provide the general policy for health and the HSDPs since 1997 promote the participation of the private health sector and non-governmental organizations in health care. National drug policy, Investment policy, PASDEP, GTP, Health Care Financing Proclamation and several other operational documents were also in support of harnessing and engaging the private health sector in health service delivery. As a result of this enabling policy environment, a dynamic public private collaboration has emerged in the country without specific policy for PPPH.

The Ethiopian government, therefore, has decided to establish a specific policy frame work in the areas listed below to guide the implementation, institutionalization, and monitoring of PPPH; the details of which are further elaborated in the chapters to follow.

Specific PPPH policy areas:

- Sector specific policies for enhancing and implementing PPPH

- Regulations and operational guidelines for PPPH
- Robust, transparent and clear administrative mechanisms for PPPH
- A central PPPH coordination unit under the Ministry
- Resource mobilization for operationalizing the PPPH coordination unit and manage and nurture PPPH
- Knowledge-management by MOH and national universities to ensure institutional memory on PPPH
- Procurement Process for PPPHs
- Civil society empowerment on PPPH
- Capacity building and Technology Transfer for PPPH
- Pricing and tariffs in PPPHs
- PPPH coverage for marginalized populations

Models of PPPH for Ethiopia

PPPH may usually fall into one of several models listed below depending on role of private party, ownership of capital assets, allocation of risks, duration of contract, and requirement of private investment. In the Ethiopian context several partnerships in health already in place but some do not clearly belong to any of the models. The following are possible mechanisms by which the government can influence the private sector and formal models of partnership:

- Financing: health insurance, voucher system
- Legislative and regulatory support: participation in legislation, regulation under contract
- Formal partnerships: contracts, leasing, concessions, franchising, social marketing, divestitures.

The Government of Ethiopia has no specific preferences to any of these models. However, the choice should be substantiated with a clear argumentation justification pertaining to the inherent advantages of the chosen PPPH model for the area of engagement.

The table below depicts the different public–private collaborations that already exist in Ethiopia. It also highlights the purpose of collaboration, roles of the public and the private sector, the deliverables, type of agreement and model of partnership.

Table 1: Existing public-private collaborations in health in Ethiopia

Cooperation Area	Purpose collaboration	Role public	Role Private	Facility type	Agreement type	Model PPPH
TB/HIV/Malaria//RH /Immunization	Improving access , creating demand and capacity building	supply& Regulation, training and supportive supervision	service Delivery, Compliance to standards and reporting	Clinics, Health centers and Hospital	MOU	Social franchising
Curative services	Improving access	Provide supplies and facilities	Service Delivery	Hospitals	MOU	contracting in(Mobile Health Teams)
Hospital Services	Improving access	Infrastructure, finance	Service Provision	Hospital	Project Agreement	Concessions/Joint venture/outsourcing

Government Priority PPPH and Possible Models

After a brief review of existing potential for Public Private Partnership, bottle necks to enhancing quality and access to health services, including barriers to expanding access to tertiary level services, FMOH has outlined the following areas as priorities of interest and high impact PPPH areas.

Priority Areas which need immediate attention

- Tertiary level medical services to enable the country to attract medical tourism patients and at the same time to reduce outflow of patients in search of high end medical services abroad
- Pharmaceuticals and medical commodities
- Human Resource Development (HRD)
- Strengthening the availability and access to high impact public health services

Other potential areas of partnership to come on board in the future are financing in health, HMIS for the private sector, Lab-service accreditation, Medical equipment maintenance, Research and development and e-health.

Tertiary Level Medical Services

The Federal Ministry of Health is well aware of the rise in the incidence of Non Communicable Chronic diseases (NCDs) and accidents in the country and that there is need to expand access to tertiary level services. However, because of resource limitations (for high capital investment in infrastructure and diagnostic equipment and supplies), lack of highly skilled professionals, and lack of health care financing for accessing high end medical services, it has been very challenging to address the need for tertiary level services.

This need can be addressed through harnessing and engagement of the private sector to participate in the expansion of access to tertiary level medical services. As indicated in the chapters above there are different ways and models of harnessing and engaging the private sector in PPPH. Considering the Ethiopian context, and as depicted in Table 2 below, the following partnership plans categorized into short and long-term are proposed for partnering with the private sector in the indicated areas and models of partnership.

Table 2 : Priority Areas and Models of Partnership for Tertiary Service

Area of partnership	Plan	Model of partnership	Possible partner	Description of model
Tertiary Service	Short term	Concession	Diaspora, International investors,	The granting of a right to the private sector (concession-holder) to finance, build, renovate, manage or maintain a hospital for a specific period of time in exchange for a fee which may be paid directly by the government, by the end user of the infrastructure or by both.
		Commercial Franchising	Diaspora, International investors,	A well known Hospital (franchiser) grants the right to a franchisee to offer a hospital service under a system prescribed in substantial part by the franchiser. The franchisee is required to pay, directly or indirectly, a franchise fee.
		Contracting	Professional Associations, Private for non- profit organizations, Private for profit practitioners	Contracting with the private sector to deliver specific services. e.g. contracting out all non-clinical services, contracting in laboratory and diagnostic services, contracting private practitioners to use facilities in public hospitals(OPDs, OR, Inpatient), etc
		Legislative and regulatory support to private-private partnerships	Local private providers with International partner	Facilitate and support the linkage of a local private facility with foreign hospital to provide quality services.
	Long term	Leasing	Professional Associations, Private for non- profit organizations, Private for profit practitioners	Public sector infrastructure is on a long term lease to private players who operate the facility with specific buy back arrangements from the government during the lease period in the form of a percentage of beds or other subsidies on capital expenditure.
		Management concession	Local or International companies	The whole hospital could be given through a long term concession agreement to a private company but still retaining ownership of the hospital by the government.
		Joint venture	TBD	

Building the pharmaceutical sector through PPP

Foreign pharmaceutical companies are the major source of supply for prescription medicines in Ethiopia, which has made prescription medicines expensive and limited in type and supply. Stock outs and expiration of medicines are also common problems at health facilities.

High capital investment for infrastructure and manufacturing materials, absence of adequate number of highly skilled professionals, requirement to adhere to good manufacturing practice (GMP) and lack of supportive facilities such as bioequivalent and quality testing laboratory facilities and health care financing that can support high end medical services are some of the major constraints that can possibly be eased by involving both international and local partners operating in the pharmaceutical industry in public private partnerships as indicated in Table 3 below.

Table 3: Priority Areas and Models of Partnership for Pharmaceutical Services

Area of partnership	Plan	Model of partnership	Possible partner	Description of model
Pharmaceutical services	Short term	Concession	International/ Local Investors	Private sector will be encouraged to construct pharmaceutical industries. Government will encourage the private investor through tax exemption for the machineries, lease holding, price protection, bank loans, availing money for procurement etc
		Franchising	International/ Local Investors	Government will facilitate known international companies to franchise with local manufacturers
		Contracting	Local distributors for the private	Distribution of pharmaceutical commodities to the private sector will be encouraged with special arrangements on the prices of the drugs or other possible mechanisms.
		Legislative and regulatory support to private-private partnerships	Local private producers with International partners	Government will facilitate joint venture mechanisms between local producers themselves and foreign companies to produce local pharmaceutical needs
	Long term	Joint venture	TBD	

Human Resource Development (HRD)

Despite marked achievements in health infrastructure growth and extensive service expansion, the availability of adequate human resource for health both in mix and number of professionals remains a big challenge in delivering quality and standardized health services. The existing lack of human resource is asymmetric particularly affecting the availability of midwives, anesthesiologists, obstetric surgeons and other high end specialties. In response to this situation the government has made significant strides in increasing enrollment at medical schools and universities. With these realities on the ground, the possible public private partnerships to resolve the problems around human resource development are summarized in the Table 4 below.

Table 4: Priority Areas and Models of Partnership on HRD

Plan	Model of partnership	Possible partner	Description of model
Short term	Student attachment/rotation	Private hospitals	Students from public training schools will have attachment in private hospitals
	Faculty Exchange	Private schools(international)	Provide opportunities to teach or conduct research from each side
	Basic Training	Private facilities	Allowing private health providers to train their staff members at government training facilities for an exchange of service delivered by the private facility to the public sector.
	In-service trainings	Professional Associations, private for profit	Identify gaps and organize trainings for specific services to improve quality
	Licensing of health professionals	Professional Associations	Contracting professional associations to provide CME and licensure.
Long term	Legislative and regulatory support to private-private partnerships	Local private providers with International partner	Government will devise mechanisms to encourage partnerships between local private schools with international schools to improve quality of trainings

Strengthening the availability and access to high impact public health & other secondary care services

Existing services	Model of partnership	Possible partner	Description of model
Public health programs	Social Franchising	Private for profit providers	The use of a commercial franchising approach to replicate and share proven organizational models for greater social impact.
Secondary level care	Concession	Private for nonprofit providers	The granting of a right to the private sector to finance, build, renovate, manage or maintain a hospital for a specific period of time in exchange for a fee which may be paid directly by the government, by the end user of the infrastructure or by both
	Joint venture	Private for non profit providers	Government may share ownership with private for nonprofit organizations through mutually agreed up on arrangements.

Operationalizing and Institutionalization of Public Private Partnerships in Health

Governance & structure of the partnership

The overall stewardship for the PPPH falls under the jurisdiction of the government. However, the specific governance for PPPH will be aligned with the decentralized structure of the health care system of the country. The government of Ethiopia has endorsed this structure of governance in order to allow the engagement of the private health sector in PPPH at level and location where they are operating.

Federal Level

The FMOH will establish a PPPH unit/ case team under the Plan, Program and Resource Mobilization & Evaluation Directorate. This unit will lead, coordinate, monitor and mobilizes resources necessary for the implementation of PPPH. At the top of the governance structure for PPPH the FMOH will also nominate a **Policy Advisory Board on PPPH**. The detailed activities for both structures will be outlined in ANNEX----

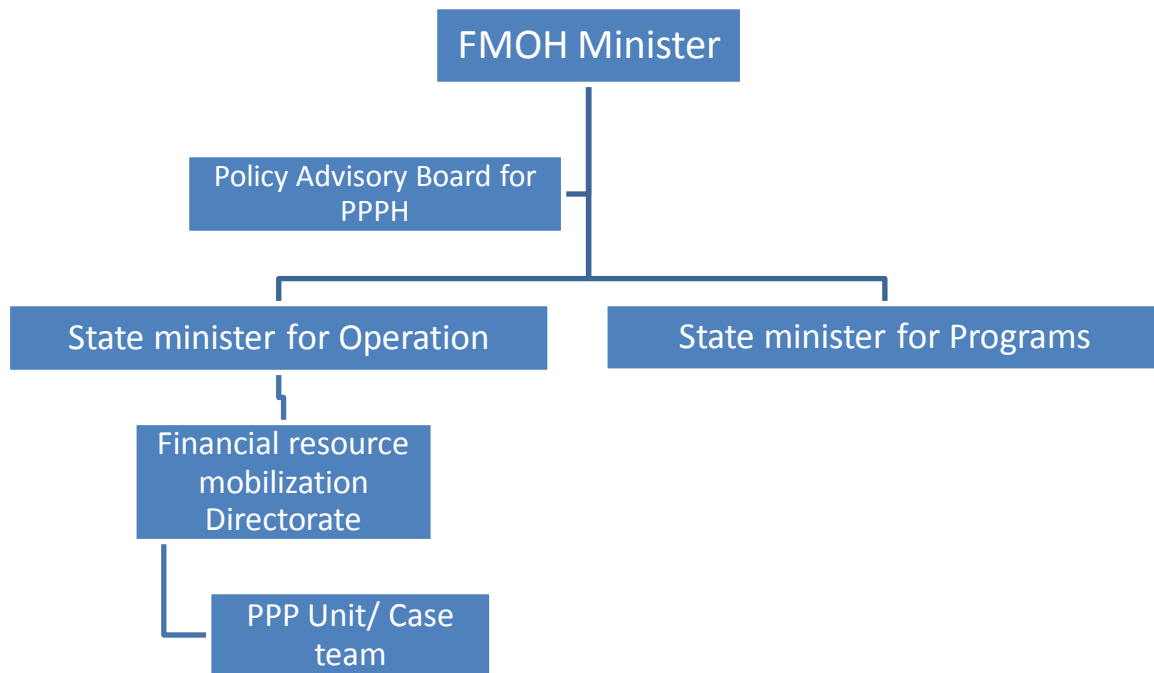


Figure 2: PPPH structure at Federal level

Regional Level PPPH unit

Regional PPPH units/ case teams will be established and positioned under Regional Health Bureaus and will lead, coordinate, monitor and mobilize resources for regional PPPH implementation. PPPH focal persons will be assigned at Zonal/Sub city health departments and Woreda/ Town Health Offices to facilitate the implementation of PPPH activities at their respective levels.

Where there are Regional Joint Steering Committees, the regional PPPH unit/ case team will have representation in it. Regional PPPH units/ case teams will be supported by regional TWGs for PPPH as and when necessary. Roles and responsibilities of the above mentioned structures are detailed in ANNEX-----

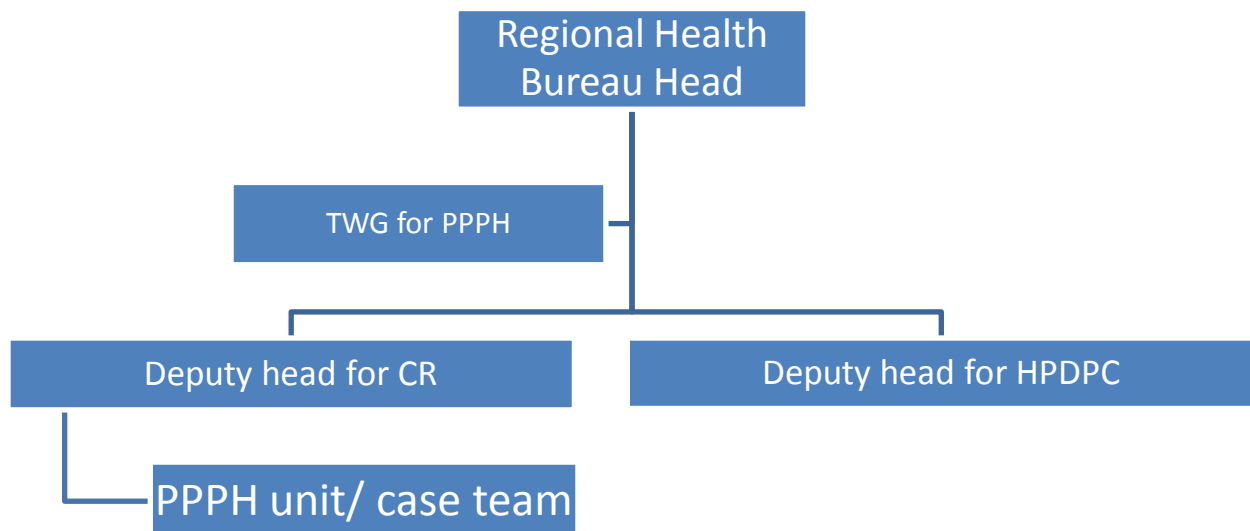


Figure 3: PPPH structure at RHB level

Implementation framework

When implementing PPPH, it is anticipated that partners will follow specific steps as outlined below and in the order written.

- Identification of the project
- Conducting pre-feasibility study
- Conducting feasibility study

- Approval of project
- Procurement of the project
- Implementation of the project
- Monitoring and evaluation of the project
- Termination / Renewal/ Amendment of the project agreement

The above steps are detailed in Annex_____

PPPH Application Process

Generally applications will be processed according to the existing procurement laws ~~in~~of the country. The following are the two ways in which applications for PPPH can be submitted.

I. Solicited applications for PPPH projects

Applications for establishing and engaging in PPPH can be filed by any person or institution individually or jointly with the desire, necessary resources and capabilities for investment in collaborative health activities destined to improve the health of the population.

- Applications will need to be submitted to the PPPH units at the respective level using the standard format prepared for the purpose.
- Applications will be assessed, ranked and approved according to pre-defined and publicly announced criteria pertaining to the specific area of PPPH for which the application have been submitted.
- The respective PPPH unit that received the application will in consultation with relevant units in the Ministry/RHB/THO/facilities assesses the proposed PPPH/ project and will communicate the result of the assessment to the applicant within ----- days and notify the general public.

II. Unsolicited applications for PPPH projects

PPPH projects developed and proposed by the private health sector will be processed according to SOPs and negotiations between the applicant and the government to whom the proposal have been submitted.

Monitoring and Evaluation

There will be monitoring and evaluation of the project by the joint team composed of the contracting parties (signatories) to ensure that the project is being implemented in accordance with the agreement. Termination/ amendment of the project shall be done based on the condition stated in the agreement.

When Public Private arrangement (project) carrying significant financial risks to either party is terminated prematurely, it will be handled according in the contractual agreements or the country's existing legal provisions.

Annex 1: Description of models

Model	Realities on the ground	Public good	Resource implication to Government	Operation	Ownership of Assets	Possibility of applications
Concession	<ul style="list-style-type: none"> • High outflow of patients • Diplomatic community • Lack of services in the region • Need of high initial cost for the Gov. • Government priority to avail the service to citizens • Encouraging opportunities for investment from government side 	<ul style="list-style-type: none"> • Improving access • Reduces cost of travel for patients in need of the service • Technical & management expertise • Operating efficiency 	<ul style="list-style-type: none"> • Relieves need of bulk investment by government for the high initial cost • Long term ownership of asset by public 	<ul style="list-style-type: none"> • Management risk totally taken care by private 	Private/Public	<ol style="list-style-type: none"> 1. Tertiary Hospital for medical tourism 2. Pharmaceutical Industry
Commercial Franchising	Same	Same	Very little	same	private	same
Joint venture	<ul style="list-style-type: none"> • High public interest • Government support 	same	Based on agreement	Joint	Public/private	Same
Social Franchising	<ul style="list-style-type: none"> • Client load in public facilities • Huge experience in country • Need to redefine incentives 	<ul style="list-style-type: none"> • Improving access • Option for patients/clients 	Based on agreement, relieves government from service delivery cost	Private	Private	Public health programs
Service contract	<ul style="list-style-type: none"> • Government interest • Availability of private sector • Established procurement system 	Improved access & quality of services	Based on agreement	Public	Public	Selected services in Hospitals: <ul style="list-style-type: none"> • Support services • Non-clinical • Clinical
Management contract	Shortage of HR for management functions	Improving quality of services	Very little	Private	Public	Hospitals