

# Collaborating with the private sector in GIZ health and social protection programmes in Asia

A stocktaking exercise and the issues it raises

SECTOR NETWORK  
HeSPAEE

Health and Social Protection  
Asia/Eastern europe

**Working Group ‘Cooperation with the private sector’**

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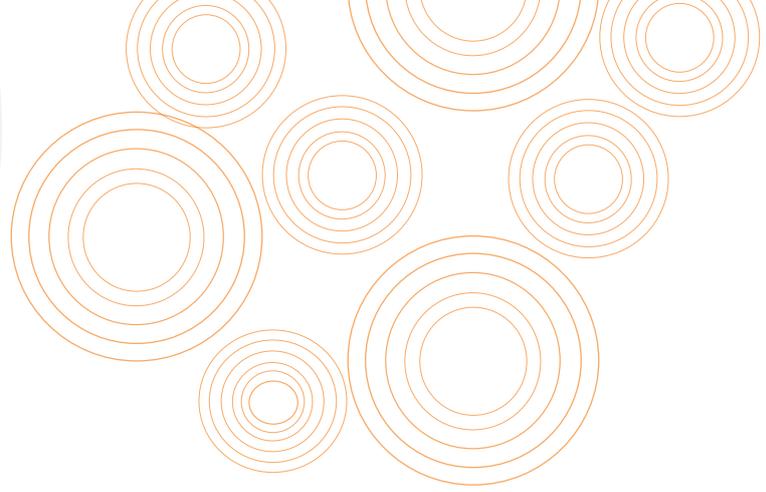
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## Abbreviations

BMWi	German Federal Ministry for Economic Affairs and Energy
BMZ	German Federal Ministry for Economic Cooperation and Development
CEO	Chief Executive Officer
COVID	Coronavirus disease
DEG	<i>Deutsche Investitions- und Entwicklungsgesellschaft mbH</i>
DPP	Development Partnerships with the Private Sector
GIZ	<i>Gesellschaft für Internationale Zusammenarbeit GmbH</i>
HIV	Human Immunodeficiency Virus
IT	Information Technology
LAC	Latin America and Caribbean
MENA	Middle East and North Africa
MHM	Menstrual Health and Hygiene Management
PDU	Pharmacy Dispensing Unit
PM-JAY	<i>Ayushman Bharat Pradhan Mantri Jan Arogya Yojana</i> (health insurance India)
PPP	Public Private Partnership
REP	Right ePharmacy (South Africa)
RSBY	<i>Rashtriya Swasthya Bima Yojana</i> (health insurance scheme in India)
SDG	Sustainable Development Goal
STA	Strategic Alliance
S2HSP	Support to the Health Sector Programme (GIZ Nepal)
UHC	Universal Health Coverage

## ABOUT THIS REPORT



At the regional conference 'Digitalisation and the Future of Health and Social Protection in Asia and Eastern Europe' organised by the *Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH* in Bishkek (Kyrgyzstan) in May 2019, GIZ health and social protection experts with an interest in collaborating with the private sector formed a working group 'Private Sector Cooperation'. This working group aims to enhance both quality and quantity of collaborations between GIZ health and social protection projects and private companies.

To get an overview of its members' experiences in this field, the working group commissioned a stocktaking exercise: At the start of 2020, the consultants Ruth Evans and Andrew Harris conducted and analysed 10 interviews with GIZ experts who had collaborated with private enterprises. Nine of them worked in projects in Asia and Eastern Europe and one in a project in South Africa (the idea was to include one example from the sector network Africa/LAC/MENA). All interviews explored the planning, the setting up and the implementation of the partnerships with the private sector. Matthias Bach, Danny Denolf and Lara Prins, the speakers of the working group, conceived and oversaw this stocktaking exercise.

Based on these findings, Anna von Roenne prepared the present report, which highlights opportunities and common challenges that GIZ's health and social protection experts encountered when collaborating with the private sector, with a focus on issues for further debate in the working group.

This report starts by outlining the reasons for involving the private sector in development work, including its particular relevance for health and social protection and for GIZ as an organisation at this point in time. Following an overview of the ways in which GIZ projects can collaborate with the private sector, the report identifies existing challenges, opportunities and issues for further discussion. A final chapter presents six examples of private sector collaboration from which the challenges, opportunities and outstanding issues were drawn.

# REASONS FOR COLLABORATING WITH THE PRIVATE SECTOR

## Reasons for collaboration with the private sector in development cooperation

There is broad international agreement that the Sustainable Development Goals (SDG) can only be achieved if actors across public and private sectors start to work together at scale, mobilising additional resources and complementing each others' capacities in order to achieve the required economic, social and environmental results.

GIZ as an organisation has long recognised that collaboration with the private sector is essential for effective development work. Foreign direct investments in low- and lower middle-income countries have long exceeded the official development assistance they receive; private sector know-how and investments are indispensable for the infrastructure developments required, e.g. in these countries' energy, water, transport and communication sectors; and with its inherent drive towards innovation and enhanced efficiency, the private sector can function as an engine of development.

While their specific aims may differ, the private sector and GIZ projects that support partner countries' development goals have important objectives in common:

**Sustainable economic growth:** Both have an interest in developing markets and value chains, in generating income for the population, in creating new jobs and positions and – in order to fill them – in setting up the required trainings and career paths.

**Sustainable use of natural resources:** Both have an interest in ensuring that natural resources are used sustainably in order to enable long-term access to raw materials under stable market conditions.

**Compliance with international standards:** Both have an interest in ensuring compliance with internationally accepted standards, e.g. the ILO core labour standards to maintain a satisfied and productive workforce.

In many ways, GIZ and private sector companies effectively complement each other. The private sector brings substantial investments and innovative technologies and links local economies to international value chains. GIZ is an interesting partner for the private sector because of the trust partner governments have in it; because of its in-depth knowledge not just of the sectors in which it operates but, more widely, of the partner country's political, social and cultural framework conditions; and last but not least because of its contacts, networks and project management competencies.

## Reasons for collaboration with the private sector in health and social protection

- **Countries' public and private healthcare sectors are interdependent**

According to McPake and Hanson (2016)<sup>1</sup>, the private sector has a large and expanding role in the health systems of low- and middle-income countries. They recommend that these countries' governments keep the objective of Universal Health Coverage (UHC) firmly in mind as they implement policies that contribute to the performance of the healthcare system as a whole, taking both its public- and private sector contributions into account. Similarly, Horton and Clarke (2016)<sup>2</sup> underline that public and private sectors in a health system cannot be seen as mutually exclusive entities. The performance of one is often intimately

<sup>1</sup> [http://dx.doi.org/10.1016/S0140-6736\(16\)00344-5](http://dx.doi.org/10.1016/S0140-6736(16)00344-5)

<sup>2</sup> [https://doi.org/10.1016/S0140-6736\(16\)30774-7](https://doi.org/10.1016/S0140-6736(16)30774-7)

linked to the performance of the other. Public and private sectors should therefore be viewed as intertwined elements of the health system as a whole and managed as such. GIZ advisors in health and social health protection programmes can advise and support their partners accordingly.

- **The private sector drives vaccine, drug and medical technology development**

Around the world, the COVID-19 pandemic has highlighted the dual need for strong and resilient health systems — a longstanding focus for GIZ in health — as well as for vaccines, drugs and innovative medical technologies, whose development and production are driven by private sector companies. Some of these companies, however, are hesitant to enter unknown markets and invest in countries whose health systems, decision-makers and political framework conditions are unfamiliar or do not have the capacity to use their technologies, equipment or medicines to best effect. In this situation, existing bilateral health programmes implemented by GIZ on behalf of BMZ can facilitate fruitful new partnerships between partner countries' government agencies and private sector companies. Such partnerships can help both to mitigate the immediate crisis of the pandemic and to serve the longer-term development goal of affordable quality healthcare for all (see [Evans, 2020](#)).

- **The UHC creates additional demand and opportunities for the private sector**

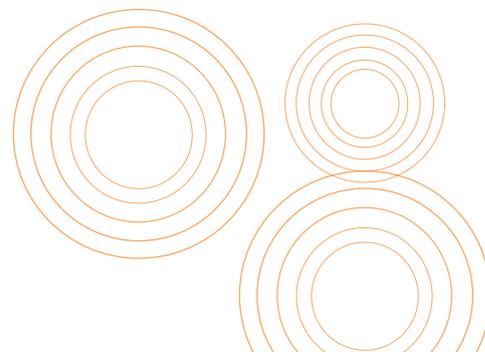
Governments' commitment to UHC creates significant additional demand and opportunities for private sector involvement in healthcare provision. UHC guarantees quality health services for the whole population, adapted to individuals' needs and at an affordable price. UHC covers not just basic primary healthcare, but also prevention and treatment of non-communicable diseases which are on the rise in countries around the world. To provide these services, health systems in low- and lower middle-income countries need innovative technologies that are robust and easy to use, as well as modern medicines – and the know-how to use both. To ensure full geographical coverage and to enhance efficiency, they need digital,

networked solutions, ranging from outbreak detection and management to telemedicine. To provide modern treatments such as dialysis at affordable prices, new operator models, e.g. including a fee for services, need to be introduced. Last but not least, effective health financing systems require public-private partnerships between government bodies as purchasers and private insurance companies, private healthcare providers and private specialist IT enterprises. All these aspects point to an increasing need to collaborate with the private sector.

- **GIZ needs to explore new markets, clients and partners for its work in health and social protection**

The German Federal Ministry for Economic Cooperation and Development (BMZ) has been and continues to be the main commissioner and funder of GIZ health and social protection projects. In BMZ's '2030 Strategy', however, German technical cooperation's longstanding goal of Health Systems Strengthening through bilateral health projects has been complemented by other priorities such as One Health, Global Health and health financing. It is not yet clear what role bilateral health and social protection programming will play in the future portfolio of German development cooperation funded by BMZ.

This means that GIZ needs to explore how to interest new clients and partners in its health and social protection expertise. Large private-sector companies, for example, have an expressed interest in these capacities and are already among GIZ's clients. One large German pharmaceutical company, for example, has commissioned GIZ to implement a health systems strengthening project in Ghana ([Evans, 2020](#)). The aim is to develop the medical and systemic capacities by sustainably improving treatment standards, capacities of health professionals as well as data management on cardiovascular diseases. Another cooperation format currently under consideration is a fund to which several large German pharmaceutical companies and BMZ would contribute. Out of this fund, projects that enable partner countries to manage specific diseases could be financed.

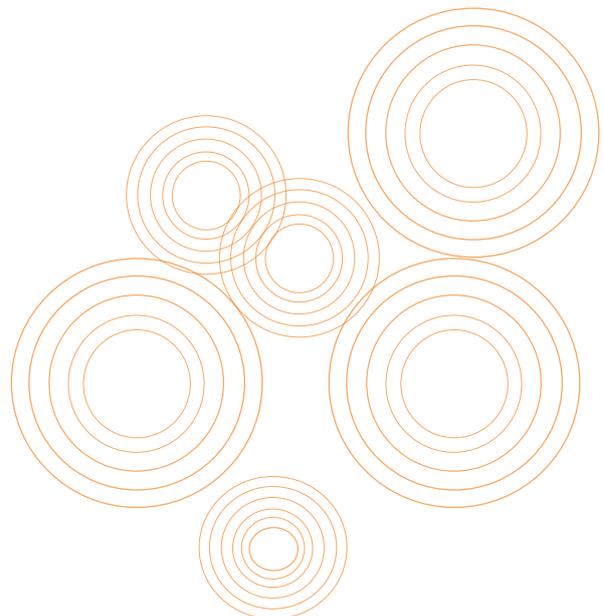


To keep its profile as competent and trusted partner for both the public and the private sector in health and social protection, GIZ needs to explore all these and further avenues and continuously learn from the opportunities and challenges they present.

## **GIZ wants to expand its activities in the initiation and preparation of PPPs**

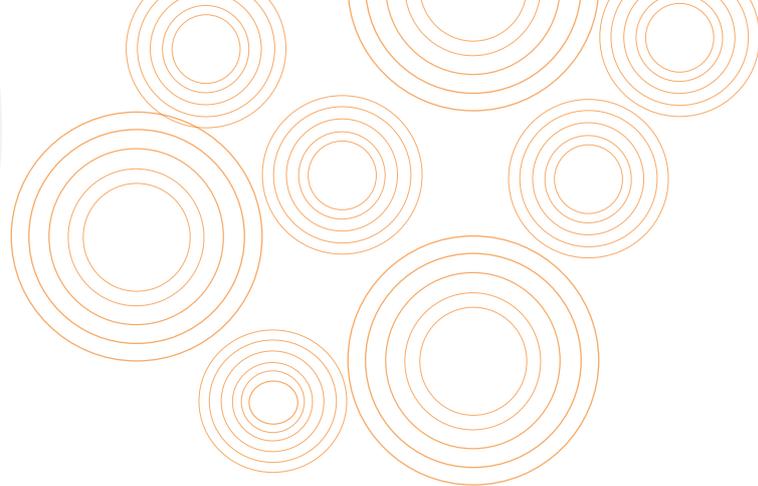
The Sustainable Development Agenda calls for the proactive involvement of the private sector in the reduction of global poverty, in collaboration with development agencies and development banks. To position GIZ accordingly, the sector programme 'Cooperation with the private sector' commissioned a study that examines GIZ's current and potential future activities in the preparation and initiation of public private partnerships (PPP) in partner countries.<sup>3</sup> The study points out that, according to a broadly used World Bank definition, a PPP is 'a mid-term or long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance'. In this sense, PPPs differ from the development partnerships with the private sector (DPP) under the 'develoPPP.de' programme through which BMZ supports German and European companies' development-oriented investments in its partner countries (see section 'Types of GIZ-private sector collaboration').

This report and the examples it features show that GIZ health and social protection experts are playing key roles and have gathered valuable experience in relation to both DPP and PPP. They are therefore well positioned to help realise their organisation's ambitions in this field.



<sup>3</sup> Public Private Partnerships in der Entwicklungszusammenarbeit. Studie im Auftrag des GIZ-Sektorvorhabens 'Zusammenarbeit mit der Wirtschaft'. XS Axis Consulting, Bad Homburg, 2020.

# TYPES OF GIZ-PRIVATE SECTOR COLLABORATION



There are several ways in which GIZ collaborates with the private sector or supports its partners in setting up and managing such collaborations. These differ in terms of the role GIZ plays in them, in their sources of funding and in their linkage (or not) to existing bilateral development cooperation projects. These are the most common forms of collaboration:

## Development partnerships with the private sector (DPP)

With its longstanding *develoPPP.de* programme BMZ seeks to involve private sector companies in its pursuit of development goals in partner countries. Aims of such development partnerships range from the introduction of new technologies and the setting up and provision of professional trainings to the linking of local production to global supply chains. The private company needs to provide a minimum of 50% of the partnership's funding, with BMZ covering the remainder, i.e. at most 50% of the overall budget. The maximum amount of BMZ's co-funding differs, depending on the size of the company and the intended development impact of the planned project. In all cases BMZ links its funding to accompanying advisory services for the recipient company: Depending on their needs, the company can choose between GIZ, with long-standing experience in technical implementation in low- and lower middle-income countries, and the *Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG)*, which specialises in finance and entrepreneurship in developing countries.

The *develoPPP.de* programme targets different kinds of companies for different objectives: Starting in 2020, it invites international companies to engage in large-scale investments that measurably support partner countries in attaining their SDG targets ('SDG Compact'). It also supports smaller companies and start-ups that are keen to promote new technologies and

innovative service models ('Venture'). In response to the SARS-CoV-2 pandemic, *develoPPP.de* provides funding and technical support to companies whose products and services support partner countries in responding to COVID-19.

Where development partnerships under *develoPPP.de* are implemented in several countries and/or with more than one private partner, they are called 'Strategic Alliances' (STA).

## Integrated development partnerships

While the idea for a development partnership often only emerges in the course of ongoing bilateral cooperation projects, some development partnerships are included in the concept of a bilateral cooperation project right from the start. In reality, BMZ and GIZ encourage project and programme planners to consider possible development partnerships as soon as they start conceiving a new project. Integrated development partnerships are undertaken with national or international companies. Here too, BMZ provides up to 50% of the required budget while the remainder is financed by the company. In contrast to other development partnerships, the *develoPPP.de* programme is not involved in their management.

## Co-financed technical cooperation projects

Where (one or more of) the objectives of a bilateral cooperation project coincide with those of a private enterprise, the private enterprise can co-finance the components of a project that are relevant for it, and GIZ expands them accordingly. For this, the GIZ project and the private company enter into a grant agreement.

## Service contracts

Large private companies can also commission GIZ directly to implement a development project for them. Such collaborations are defined in a service contract and concluded between GIZ International Services and the private company.

## Advisory services to public-private partnerships (PPP)

Governments around the world need to collaborate with private enterprises, not just to realise large-scale infrastructure projects in the energy, water and transport sectors, but also to deliver public services including healthcare and social protection. The setting up of such PPP demands careful brokering, planning and preparation. It requires both sectoral expertise (in health, for example regarding hospital construction and hospital management; in social protection, for example regarding the setting up and management of health insurance schemes) and specialist knowledge in the fields of financing, contract formulation and contract law. As trusted advisors to partner country governments, GIZ experts with experience in these areas are well placed to take on the role of an honest broker and to advise their partners on the design and management of PPP with private enterprises, which are often financed through regional or international development banks.

# CHALLENGES, OPPORTUNITIES AND ISSUES FOR FURTHER DISCUSSION

From the interviews conducted with working group members and from the six examples of GIZ-private sector collaboration presented in the next chapter, the following points have emerged as lessons learned and topics for further discussion:

## 1. Working group members regard collaboration with the private sector as useful, enriching and essential for effective development

All working group members who had an opportunity to collaborate with private companies in the context of their development work regarded this experience as useful and enriching. They noted that it opened new perspectives on their fields of work and how these can be approached. While they were able to share important development expertise with the companies, they in turn gained important insights into the economic realities and work practices of private sector companies. They underlined that it had been a 'win-win' mutual learning process.

Given the digital transformation and rapid modernisation of many areas of healthcare (e.g. health information systems, telemedicine or specialist training, see for instance cases 2 and 5) and social health protection (smart insurance cards, digital claim-processing, see case 3) and the resulting gains in efficiency, more collaboration with IT and medical technology companies appears essential rather than optional when it comes to supporting the development of partner countries' healthcare and social protection systems.

## 2. In development partnerships, roles and responsibilities need to be clearly defined and understood from the start

The working group members interviewed noted that it was indispensable to have clear contractual agreements regarding the companies' and GIZ's respective roles and responsibilities in the collaboration, including

an agreed plan of operation with targets and timelines against which everyone's contributions could be regularly checked. Some interviewees pointed out that it was particularly important to get a good understanding of the private partner companies' rationale and incentives for collaboration to avoid misunderstandings and generate optimum results.

## 3. Development partnerships require time, willingness to cooperate with *develoPPP.de* and an introduction to this kind of work

Some working group members admitted that they had underestimated the extra workload created by a development partnership and that they would consider this more carefully for future partnerships, particularly when more than one private partner plus several local partners were involved. Collaboration with their colleagues from the *develoPPP.de* programme was judged differently by different interviewees, with some finding it more and others less helpful and oriented towards their support needs. Given that *develoPPP.de* staff based in Germany cannot be familiar with the local context and specificities, GIZ advisors in partner countries need to be prepared to invest time in communication and coordination with *develoPPP.de* as one necessary element of this work. Where GIZ colleagues know 'their' *develoPPP.de* focal point and have worked on development partnerships before, the coordination appears to become more efficient and less cumbersome. Overall, working group members recommended a better introduction for GIZ staff to this kind of work, including orientation on whom GIZ staff of bilateral projects can turn to with questions or suggestions regarding possible future or ongoing development partnerships.

#### 4. Balancing companies' business interests with partner countries' development goals can be challenging but is possible

One working group member wondered if it was GIZ advisors' obligation to always discuss and negotiate a possible collaboration with several companies to ensure that their partners get the best possible terms of collaboration. Other working group members did not share this concern and explained that negotiating a project that was both in the companies' and in the partner country's interest was a task that was challenging but possible. They underlined that there was an element of competition because any interested company CAN apply for a DPP. Once a proposal has been submitted there is a careful selection and review process that ensures that project ideas make a long-term contribution to the country's development goals. They also pointed out that any new technologies introduced through DPP and the accompanying trainings are not allowed to be product-specific but have to provide an overview of all better-known products on the market. In addition, GIZ's online portal [Leverist.de](#) aims to make more companies aware of specific opportunities for development partnerships.

#### 5. Classic PPP are indispensable for realising Universal Health Coverage and GIZ can support governments in brokering them

While examples 1, 2 and 4 show the benefits of the DPP model for which GIZ is well-known, GIZ health and social protection advisors can also play an important role in supporting the 'classic' PPP model. Example 3 illustrates that GIZ health and social protection advisors are in demand as honest brokers between governments' newly set up social health protection programmes and the private sector insurance companies that are needed to implement these insurance schemes. Over the past decade, many GIZ health and social health protection programmes worldwide have been advising partner governments on issues related to this classic PPP-type relationship. At a time in which PPPs gain in importance – within GIZ and globally in the context of the SDGs – the experience and expertise of many GIZ social health protection advisors in this field should be positioned more prominently, including in GIZ-internal discussions.

#### 6. GIZ can mobilise private sector partners for important social transformation processes

Case 5 is an example that shows that – when the time is right, the cause worthy and public visibility assured – GIZ can mobilise private sector support for social transformation processes that are needed to overcome inequality and discrimination. In collaborating with the private sector, GIZ is well placed to shape these partnerships so that they do not just maximise economic but also broader social and development-oriented benefits.

# SIX EXAMPLES OF COLLABORATION WITH THE PRIVATE SECTOR

## 1. Introducing diagnosis and treatment of Type 1 diabetes to the Cambodian public health services

<b>Company</b>	Novo Nordisk, a Danish manufacturer and international market leader for pharmaceutical products needed for the diagnosis and treatment of diabetes
<b>Business case</b>	A new market is created for Novo Nordisk's diabetes products
<b>Development case</b>	Cambodian health workers can diagnose and treat Type 1 diabetes in children
<b>Partners in-country</b>	The Cambodian public health service
<b>GIZ structure</b>	A BMZ-commissioned bilateral health and social protection programme
<b>GIZ's role</b>	Getting the health ministry's support for the project; ensuring its fit with national health strategies and policies; implementing the project, i.e. setting up the diabetes treatment centres and organising the required trainings
<b>Collaboration type</b>	Development partnership under <i>develoPPP.de</i>
<b>Duration</b>	3 years, 2018-2020
<b>Budget</b>	400,000 EUR, 50% each from BMZ and Novo Nordisk. In addition, 300,000 EUR in insulin and equipment from Novo Nordisk

### The challenge

Nearly 6% of the 16 million Cambodians suffer from diabetes and 10% of them from Type 1. If diagnosed in childhood, people with Type 1 diabetes can live relatively normal lives. If undiagnosed, it can cause serious damage to vital organs and lead to premature death. Nonetheless, doctors and nurses in the Cambodian public health services lack the capacities, tests and medicines needed to diagnose and treat the disease. The goal of the project is to identify and treat 80-90 % of children with Type 1 diabetes in Cambodia. It is part of the global Novo Nordisk 'Changing diabetes in children' <sup>4</sup> programme.

### The approach

Under the terms of this development partnership, Novo Nordisk provides the necessary products for testing and treatment, while the bilateral health programme implemented by GIZ oversees the establishment of diabetes treatment centres, including the required training programmes, in public health facilities across the country. In the training programmes physicians and nurses learn to diagnose and treat Type 1 diabetes in children. To reach as many cases as possible, the public health services conduct communication campaigns in villages and schools, encouraging people to bring their children to health facilities for testing. If Type 1 diabetes is diagnosed, insulin is provided free of charge for the first three years. The success of the project will be determined by the number of children under treatment, the number of people trained and courses run, as well as the number of clinics set up and the amount of insulin distributed.

<sup>4</sup> <https://www.novonordisk.com/sustainable-business/commitment-to-access-and-affordability/programmes-and-partnerships/changing-diabetes-in-children.html>

## The process

The *develoPPP.de* programme supported the GIZ advisors in Cambodia to set up this development partnership. It took nearly a year to agree on the contracts.

The GIZ Country Office handles all financial and contractual matters for DPPs. The project staff felt that it was not difficult to obtain support for this project from the government because it is closely aligned with the agreed objectives of the bilateral cooperation. Recognising that free medicine alone does not solve many of the challenges families of children with Type 1 diabetes face, Novo Nordisk is working closely with GIZ and the Ministry of Health to develop sustainable, locally adapted solutions alongside insulin for the ongoing management of this chronic disease.

## Issues raised and lessons learned

GIZ staff in Cambodia felt somewhat uneasy about the question whether it was professionally correct to collaborate on the introduction of diabetes diagnosis and treatment with one specific company without clarifying first whether this might also be of interest to other companies. They argued, however, that the number of pharmaceutical companies producing the required products is small, which would be different if the disease in question was one for which many companies produce and sell the required products, such as for instance hypertension.

## 2. Enabling neonatologists in China to provide better care to preterm babies and newborns

<b>Companies</b>	<ol style="list-style-type: none"> <li>1. Fritz Stephan GmbH, a German medium-sized enterprise specialising in ventilators and related equipment, especially for preterm babies and newborns</li> <li>2. SIMCharacters, an Austrian start-up company producing a high-fidelity patient simulator for realistic trainings in neonatal and preterm care</li> <li>3. Goodwill Medical and Goodwill IT, distributors of medical devices in China, including Fritz Stephan products</li> </ol>
<b>Business case</b>	<ul style="list-style-type: none"> <li>• New markets are developed for companies' neonatal respiratory devices and simulation equipment</li> <li>• Networks with users and potential new customers are strengthened</li> </ul>
<b>Development case</b>	<ul style="list-style-type: none"> <li>• Neonatologists and other healthcare professionals in China can provide better care for newborn and preterm babies</li> <li>• Health outcomes for prematurely born children are improved</li> <li>• Effectiveness of healthcare spending is increased.</li> </ul>
<b>Partners in-country</b>	Children's Hospital of Fudan University, regional hospitals covering Northwest, Northeast, Southwest, Southeast and Central China, hospital and doctors' associations
<b>GIZ structure</b>	The project is part of a cluster of projects commissioned by the German Federal Ministry for Economic Affairs and Energy (BMWi) on product safety and technical barriers to trade, including in the healthcare sector (Sino-German Quality Infrastructure Project / Global Project Quality Infrastructure)
<b>GIZ's role</b>	Identifying and establishing strategic relationships with Chinese hospitals with training centres; linking hospitals and universities in China and Germany; implementing trainings of trainers; monitoring project implementation; raising public awareness in China of the importance of neonatal care
<b>Collaboration type</b>	Strategic alliance under <i>develoPPP.de</i>
<b>Duration</b>	5 years, 2017-2021
<b>Budget</b>	2,940,000 Euros, 45% from BMZ and 55% from the private companies

### The challenge

China has the world's second largest number of pre-term babies, i.e. babies born at less than 37 weeks of pregnancy. With the recent end of four decades of the 'One-Child Policy', preterm birth rates are expected to further increase in the coming years. Currently, the chances for survival of preterm babies depend heavily on whether they were born in urban or rural areas. Saving the life of a preterm baby requires specialised care by qualified healthcare professionals. However, the number of paediatricians in China is less than a third compared to most OECD countries, with severe shortages especially in less-developed regions in the West and in rural areas. While recent government campaigns provide funding to upgrade necessary equipment, most neonatal and paediatric staff lack the skills required to use it.

### The approach

The project leverages inputs from private sector partners to provide capacity development for neonatal

healthcare staff in China. Private partners contribute technical expertise and other resources to the implementation of project measures, matched by funding and organisational support from the Chinese public sector and GIZ on behalf of BMZ. A training curriculum is developed and taught by an experienced team of European neonatologists and medical trainers in cooperation with Chinese doctors. The focus is on respiratory care, as underdeveloped lungs are the biggest challenge in treating babies that were born prematurely. A central training centre is established at the Children's Hospital of Fudan University. Each year, cohorts of neonatologists from all over China attend a two-week '*Train-the-Trainers*' programme in Shanghai. Afterwards, they act as multipliers, implementing their own trainings in local hospitals. Further training centres are established at five regional pilot hospitals, covering the different regions of China. The project also works closely with universities and teaching hospitals to help educate young doctors in neonatal healthcare.

## The process

The idea of the project was jointly developed by the main partner, Fritz Stephan GmbH, and the GIZ EZ-Scout (development cooperation scout) at the German high-tech industry association SPECTARIS. GIZ staff managing the *develoPPP.de* programme at the GIZ head office in Germany brought the company into contact with GIZ colleagues in China who knew how to implement DPPs/STAs and had already worked with medical device companies in the BMWi-Commission Sino-German Quality Infrastructure Project (QI project). Fritz Stephan, their Chinese distributor Goodwill Medical Inc., GIZ staff of the *develoPPP.de* programme in Germany and the QI project at GIZ China jointly designed the project. Just over one year after the first exchange of ideas the actual project started.

Both Fritz Stephan GmbH and its Chinese distributor Goodwill Medical Inc. were keen to develop their markets and customer networks in China. They had noticed that even hospitals already equipped with modern ventilation devices often used them incorrectly, leading to problems and complaints. Demonstrating his company's commitment to the project, the CEO of Fritz Stephan GmbH has served as master trainer in many of the trainings, teaching participants the mechanical principles underlying ventilation technology. To ensure alignment with China's development objectives, the trainings have followed a generic approach, avoiding brand-specific instructions that could be seen as giving an unfair advantage to the participating companies.

Following a positive evaluation in 2018, the three-year project was initially extended for an extra year until 2020. Due to the impact of COVID-19, BMZ granted special permission to extend the project for another year until 2021.

## Issues raised and lessons learned

According to the GIZ staff involved, one of the biggest challenges for the project was finding suitable European master trainers, committed to participating in the project over an extended amount of time and willing to undertake multiple long trips to China over the year. Some of them also had difficulties adapting to the Chinese environment. Another challenge was language. While the trainings in Shanghai could be held in English, the trainings in the regions required consecutive interpretation into Chinese which was challenging for both the trainers and the participants.

With hindsight GIZ staff thinks that especially the first two years of the project were difficult to manage for just one full-timer and one 20% staff. Given the considerable number of partners with different roles and interests involved in the project, continuous communication amongst all involved, as well as regular, joint contributions to monitoring efforts, were indispensable for the ultimate success of the collaboration. Also, the project taught them how important it is for GIZ advisors working on such projects to fully understand how the private companies involved in the partnership operate and which interests drive their respective contributions.

### 3 - Facilitating the public private partnerships that drive the world’s largest social health insurance system in India

<b>Companies</b>	<ol style="list-style-type: none"> <li>1. Insurance companies</li> <li>2. Third party administrators</li> <li>3. IT companies</li> <li>4. Private hospitals</li> </ol>
<b>Business case</b>	Generating a regular income through a health insurance scheme reliably funded by the government of India and Indian States
<b>Development case</b>	Indians who are not formally employed and their families are covered by health insurance and have access to hospital treatment when they need it
<b>Partners in-country</b>	Initially Ministry of Labour and Employment. Now, the Ministry of Health and Family Welfare and the National Health Authority
<b>GIZ structure</b>	A bilateral social health protection programme
<b>GIZ’s role</b>	Advising Indian government partners on how to select and manage PPP with insurance companies, IT companies and private hospitals in the best interest of the national health insurance scheme
<b>Collaboration type</b>	Advisory services as part of successive bilateral programmes
<b>Duration</b>	Since 2007 and ongoing
<b>Budget</b>	Successive budgets of bilateral programmes with co-financing of the Bill & Melinda Gates Foundation

#### The challenge<sup>5</sup>

In 2007, India’s out-of-pocket share of total health expenditure stood at a staggering 70%, one of the highest rates in the world. Only five per cent of Indian households had at least one member covered by health insurance, with stark differences between income groups. Every year, catastrophic health expenses pushed up to eight per cent of India’s population into poverty. India’s widely admired steady and high economic growth rates did not translate into better healthcare for the majority of the population. To change this, in 2007, the government launched RSBY (*Rashtriya Swasthya Bima Yojana*), or ‘National Health Insurance Programme’, which aimed to provide social health protection to 65 million households which lived below the poverty line. At its peak, the scheme was operational in 25 out of 36 Indian states and union territories and covered 41 million households, or about 135 million individuals, corresponding to 63% of its coverage target. RSBY and the lessons learned in the course of its implementation paved the way for the launch of its successor, the national social health protection scheme, *Ayushman Bharat Pradhan Mantri Jan Arogya Yojana* (AB PM-JAY), in September 2018. PM-JAY aims to cover the ‘bottom 40%’ of India’s

population, i.e. approximately 500 million poor and vulnerable individuals, making it the world’s largest fully government-funded health protection scheme.

#### The approach

From 2007 onwards, successive BMZ-commissioned bilateral social health protection programmes have supported the implementation and continuous improvement of India’s national health insurance schemes, RSBY and then PM-JAY. Given the experience accumulated in years of designing and implementing all aspects of social health protection at the national and state levels, both government and private sector actors in India respect the GIZ social health protection advisors as ‘neutral facilitators’ who pursue the interest of the scheme, rather than siding with a particular actor. From the start, the GIZ advisors pursued a ‘business model approach’ based on the understanding that the efficiency of the health insurance schemes hinges on a ‘healthy conflict of interests’ between the three main players: the central and state governments as the funders; the insurance companies as the payers, managers and claims processors; and the hospitals as the service providers:

<sup>5</sup> The ‘Challenge’ and ‘Approach’ sections sections of this case are largely based on Gros, C., 2020, Trusted partners for Universal Health Coverage. German Health Practice Collection. GIZ, Bonn, [http://health.bmz.de/ghpc/case-studies/trusted-partners-universal-health-coverage/GHPC\\_UHC\\_INDIA\\_INDO\\_FINAL.pdf](http://health.bmz.de/ghpc/case-studies/trusted-partners-universal-health-coverage/GHPC_UHC_INDIA_INDO_FINAL.pdf)

- The government does not want to overpay for social health protection and therefore sets financial coverage limits and rules for insurance claims processing, as well as encouraging efficient use of resources among service providers.
- The insurance companies – interested in generating profit – need to work within the financial boundaries set by the government. As their margin depends on how many beneficiaries they enrol and how efficiently they process claims, they have an incentive to extend coverage to more people and to install reliable systems for detecting fraudulent insurance claims from hospitals.
- The health service providers, while being scrutinised to ensure correct claims management, can count on a reliable stream of revenue from treating RSBY and then PM-JAY beneficiaries; at the same time, their feedback on the adequacy of the reimbursement rates for each service package gives the government and the insurance companies an indication of whether their benefit package cost estimates were too high or too low.

Under PM-JAY the system has changed towards greater flexibility: The states and union territories can now choose between an insurance model (working with public/private insurance companies to purchase health services), a trust model (a state-owned agency purchasing services directly), and a mixed model (one part handled by insurance companies and another by a state agency). The GIZ programme has been supporting comparative research on the effectiveness and efficiency of the three models which is due to be published later this year.

## The process

Right from the outset there was considerable interest from the Indian private sector, i.e. from private hospitals, insurance and IT companies, in the business opportunities the new national insurance schemes offered to them. It took some time, however, to build their trust in the government's ability to manage the scheme and in the reliability of its payments. Initially, the companies also had doubts regarding the sustainability of the scheme, given that changes of government often result in the reversal of decisions taken and systems set up by predecessor governments. GIZ played an important role in this process, involving the private sector companies as actual partners rather than just service suppliers to the scheme. Instead of simply siding with the government in the contract negotiations, the GIZ advisors aimed at contractually defining the different players' roles in such a way that, by keeping each other in check, they would serve the best interest of the schemes' beneficiaries.

## Issues raised and lessons learned

As governments around the world aim to realise Universal Health Coverage, many of them seek and value technical advice on the setting up of health insurance schemes, including with the preparation, design and management of the public private partnerships required for their operation. Germany brings decades of experience in this field from its own health and social health protection system. The experience and expertise gained in the process of advising the Indian government is well documented (see footnote on p.16) and can be used for similar processes in other partner countries where comparable developments are underway, such as Pakistan, Cambodia, Nepal etc.

## 4 - Developing Nepalese midwives' capacities to manage neonatal emergencies

<b>Company</b>	Laerdal Medical, a Norwegian company specialising in simulation equipment and training for resuscitation, emergency care and trauma in obstetrics and paediatrics
<b>Business case</b>	Entering the Nepalese medical technology market
<b>Development case</b>	Reducing neonatal mortality
<b>Partners in-country</b>	Nepal's Ministry of Health; University of Kathmandu Medical School
<b>GIZ structure</b>	A bilateral health programme
<b>GIZ's role</b>	Getting the health ministry's support for the project; ensuring its fit with national health strategies and policies; getting the university's medical school and hospital on board for the implementation; organising and jointly conducting the trainings
<b>Collaboration type</b>	Development partnership under <i>develoPPP.de</i>
<b>Duration</b>	3 years, 2017 – 2020
<b>Budget</b>	400,000 EUR, 50% by BMZ and 50% by Laerdal

### The challenge<sup>5</sup>

Although Nepal has made considerable progress in reducing neonatal (19.9 per 1000 in 2019) and maternal mortality (186 per 100,000 in 2019) rates, the situation for pregnant and delivering women continues to be dire in many of its remoter regions. There is a severe shortage of midwives and nurses trained in providing perinatal emergency care when this is needed for delivering mothers and their babies.

The bilateral GIZ 'Support to the Health Sector Programme' (S2HSP) works with Nepal's Ministry of Health to improve maternal and newborn health through on-the-job training and mentoring for nurses and midwives. In this mentoring process, it soon became apparent that important gaps in health workers' skills and knowledge stemmed from gaps regarding emergency care for mothers and newborns in their pre-service training and could and should also be addressed at that level.

### The approach

In collaboration with the Medical School of the University of Kathmandu and its University Hospital Dhukilel, GIZ and Laerdal trained midwives, nurses and physicians in the practical steps involved in maternal and neonatal emergency care. For the practical parts of this training they used Laerdal's high and low fidelity simulation equipment, including life-size electronic manikins of pregnant women and newborn babies. The approach is explained in this video: <https://youtu.be/kd4kRB9AgrU>

### The process

A Nepali employee of Laerdal working in India approached GIZ in Nepal to see if the S2SHP programme would be interested in collaborating with them, which would allow Laerdal to enter the Nepalese market. The GIZ advisors working to improve maternal and neonatal healthcare recognised the potential value of the collaboration and jointly with Laerdal they approached the *develoPPP* programme. With *develoPPP* support, a partnership agreement was drawn up in the comparatively short time of four months.

Around 80 professionals involved in nurse and midwifery training in Nepal were then trained, including midwifery and nursing faculty trainers from academic institutions, obstetricians, and representatives from the Nepal Nursing Council, the Ministry of Health and Population, the National Health Training Centre and the Midwifery Society of Nepal.

GIZ supported the University of Kathmandu in developing a business plan and management structure so that it could roll out a standardised training in neonatal and maternal emergency care for nurses and midwives to other educational institutions to ensure that the training was sustainable in the long run.

## Issues raised and learning

Although several types of products for simulation training in neonatal and maternal emergency are available on the international market, GIZ agreed to work with Laerdal because its products were of high quality, the government had already expressed an interest in them and the company brought training materials and experience from similar trainings in neighbouring India.

From the beginning of the DPP, GIZ was careful to work closely with its counterparts in the Ministry of Health and discuss the advantages and potential pitfalls of a partnership with a private company.

Although the overall experience of the partnership with Laerdal was felt to have been extremely positive, GIZ and Laerdal staff working on the development partnership had underestimated the workload for the application, the monitoring and reporting. Both sides felt that the three-year timeframe for development partnerships is too short and should be extended to four or five years to let the partnership evolve to its full potential.

## 5 - Engaging one of Nepal’s largest companies in the fight for women’s and girls’ menstrual rights

<b>Company</b>	The Chaudhary Foundation - responsible for the corporate social responsibility programmes for the Chaudhary Group, one of Nepal’s largest private companies
<b>Business case</b>	The Chaudhary Group is seen to be a socially responsible enterprise in supporting women’s and girls’ menstrual rights
<b>Development case</b>	Women and girls in the Dhading and Nuwakot districts have access to affordable and environmentally friendly sanitary pads for their menstrual hygiene  A large private sector company supports Nepal’s movement for women’s and girls’ menstrual rights
<b>Partners in-country</b>	Two local women’s cooperatives
<b>GIZ structure</b>	A bilateral health programme
<b>GIZ’s role</b>	Convincing the Chaudhary Foundation of the value of supporting the women’s cooperatives and of the role the private sector has to play in ensuring women’s and girls’ menstrual rights
<b>Collaboration type</b>	Facilitating support through a private sector company’s corporate social responsibility programme
<b>Budget</b>	Chaudhary Foundation provided the training for free

### The challenge<sup>5</sup>

Every day millions of Nepali women and adolescent girls face significant challenges when they try to manage their menstruation hygienically, with dignity, security and confidence. According to cultural and religious beliefs in traditional communities, menstruating women and girls are ‘impure’ and need keep themselves separate from their families, schools and places of work – which can mean that they spend this time in inhospitable sheds or caves. In addition, many communities in Nepal still lack basic sanitary infrastructure.

One key problem with menstrual hygiene management in remote areas of Nepal is the lack of access to affordable sanitation products, including sanitary pads, and there has been growing awareness about the negative impact this can have on girls’ and women’s rights to health and education. As a result, Menstrual Health and Hygiene Management (MHM) are now at the forefront of many development initiatives across Nepal.

### The approach

After the earthquakes of 2015 when many families were displaced from their homes, the challenges facing women and girls in managing their menstrual hygiene became particularly apparent. Inspired by a similar initiative in India, the GIZ S2SH programme facilitated the procurement of two easy-to-operate

low-cost sanitary pad manufacturing machines and provided technical training to two women’s cooperatives for the production of inexpensive sanitary pads.

The aim was for women in isolated rural areas to obtain access to affordable sanitary pads while simultaneously providing them with a means of income and economic empowerment through a sustainable and scalable business model. By engaging women in the manufacturing and selling of sanitary pads, the initiative also helps to address the culture of restrictions, silence and taboos around menstruation.

A year after the two cooperatives started producing low-cost sanitary pads, it became apparent that it was not enough to simply provide equipment and basic training for the women in how to run the machines. If they were run a successful, sustainable business they would also need training in business planning and management.

### The process

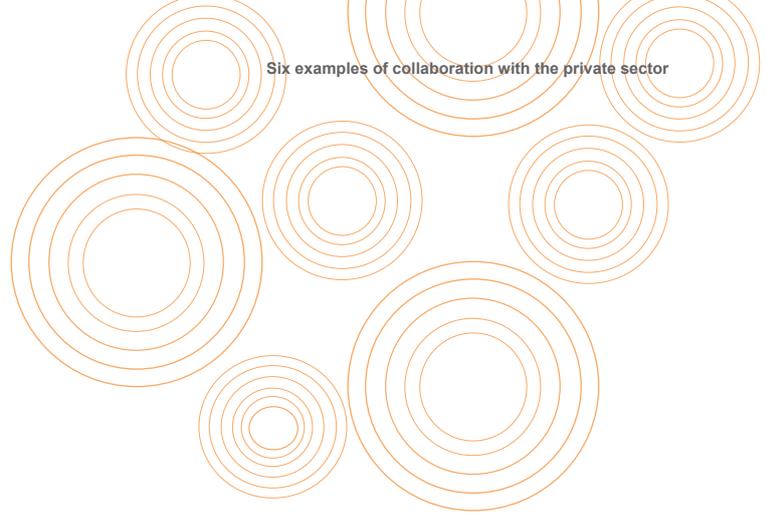
GIZ approached the Chaudhary Foundation, the Corporate Responsibility arm of one of Nepal’s largest companies, to request that they provide training to the women’s cooperatives on running and managing a small business. Given that the suggestion fit the criteria for its corporate social responsibility programme, the Foundation agreed to it. Since it had already

developed a training package for preparing business plans and managing small enterprises, the Foundation adapted this package and conducted the training for the two women's cooperatives.

### Issues raised and learning

Menstrual hygiene management is not just a health issue. In many countries it continues to be a social taboo and restricts the daily lives, including the continuous education and employment options, of countless women and girls. In more and more countries, including in Nepal, activists succeed in putting this issue on the political agenda. To bring about the societal changes needed to improve the situation for women and girls, broad alliances are needed and the private sector has a role to play in them.

In Nepal, the GIZ S2HS programme has supported the formation of a Menstrual Health Alliance which unites public and private organisations and individuals in their fight for Nepali women's and girls' menstrual rights. By engaging the Chaudhary Foundation in support to the two women's cooperatives, the Chaudhary Group became aware of the challenges facing Nepal's women and girls and of the need for affordable and ecologically sound menstrual hygiene products.



## 6 - 'Pharmacy of the future'- Mobile dispensing units for chronic medication drug distribution in South Africa

<b>Company</b>	Mach4, a leading German company for pharmacy automation and logistics solutions  Right ePharmacy (REP), a South African company specialising in digital pharmacy solutions
<b>Business case</b>	Entering the South African pharmacy automation market
<b>Development case</b>	Many South African citizens live with chronic diseases that require regular medication. Given that health facilities and pharmacies struggle to meet this demand, automated dispensers can alleviate the pressure on them and contribute to better health outcomes for the chronically ill
<b>Partners in-country</b>	Department of Health; Pharmacy Council
<b>GIZ structure</b>	Centre for Cooperation with the Private Sector, GIZ South Africa; Employment for Sustainable Development in Africa (E4D) programme
<b>GIZ's role</b>	Coordinating and monitoring the collaboration
<b>Collaboration type</b>	Strategic alliance under <i>develoPPP.de</i>
<b>Duration</b>	3 years, 2015 - 2018
<b>Budget</b>	1.37 million EUR

### The challenge<sup>5</sup>

There are 12 million chronically ill patients in regular need of medicine in South Africa, with almost eight million people requiring antiretroviral treatment for HIV. The healthcare system is simply overwhelmed with dispensing such high volumes of medication, and currently, only 2.5 million affected patients receive the required medication. In addition, many patients have to travel long distances to visit public healthcare facilities and have to wait many hours or even days to receive the necessary medication, so this has a direct impact on their ability to work and leads to loss of income both for individuals and the South African economy as a whole. There is also little expert advice on the correct intake of the drugs and their risks or side effects, so this has a negative effect on adherence. Poor health information systems mean that some patients register at more than one clinic and illegally sell surplus drugs, creating an additional financial burden for the health system.

### The approach

'Pharmacy of the future' aims to reliably distribute medicines to chronically ill patients suffering from HIV, diabetes, high blood pressure, high cholesterol and asthma, via automated Pharmacy Dispensing Units (PDUs).

To achieve this, GIZ South Africa partnered with two private companies: Mach4, a leading German company for pharmacy automation and logistics solutions, and the South African company Right ePharmacy (REP), which specialises in pharmacy solutions.

Mach4 designed and built 16 stand-alone PDUs customised for the South African market. It installed them at four selected sites in shopping malls in high-density areas in Gauteng province and trained South African technicians in PDU maintenance.

REP developed a digital cloud-based solution to link the PDU to an electronic dispensing register which prevents multiple dispensing of medication, and, via video link, to pharmacists who provide face-to-face consultation. To be able to collect their medication via PDU, patients need to get registered for this service. REP-trained agents who are based at referral clinics check whether patients are sufficiently stable to use this system. If this is the case, they are registered and from then onwards receive digital reminders when it is time to pick up their next dose of medication. The PDU/e-register/video consultation technology enables the health services to monitor and reinforce chronically ill patients' compliance with their drug regimen.

## The process

The GIZ Country Director had become aware of the problems caused by chronically ill patients not taking their medication and he had also understood that this was often due to the fact that patients could not access the drugs they needed in time. He thought that German technology might be able to address this problem by rendering the distribution of drugs more efficient.

Mach4 designed and adapted its pharmacy robots to South African conditions, taking into account that drugs are sold in small plastic bags rather than in small cartons. It installed 16 of them across Gauteng province and trained technicians in their maintenance. REP applied its pharmacy and health systems expertise to create an innovative cloud-based solution for operating the PDUs. GIZ facilitated and coordinated the partnership under the *develoPPP.de* programme, ensuring stakeholder engagement and conducting monitoring and impact assessment.

During the three-year project, the automated pharmacies dispensed 40,000 doses of medication. The number of patients who were advised on their medication by trained pharmacists increased by 75%. The fully transparent drug distribution process also led to a reduction in unaccounted-for losses of stock to less than 2%.

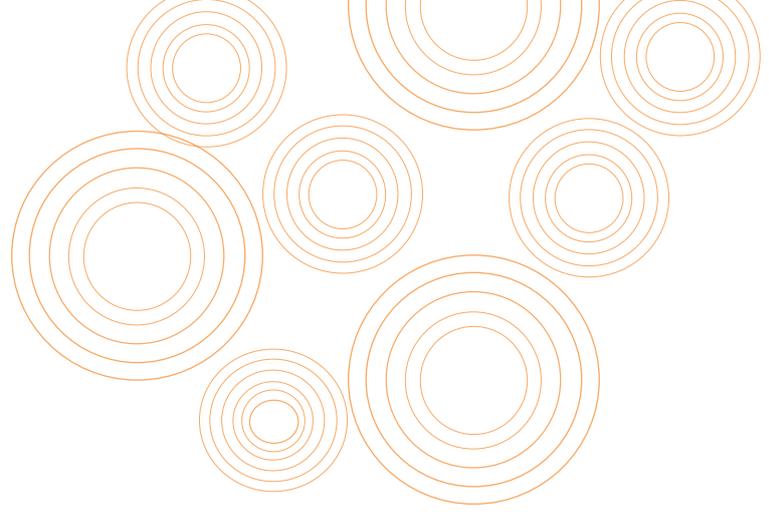
After the completion of this pilot project, the South African Department of Health included PDUs in its future plans. REP – in partnership with another local service provider – won the Department's tender for centralised medication dispensing and distribution.

## Issues raised and lessons learned

Government bureaucracies tend to slow down innovation processes: When faced with the PDU technology, South Africa's Pharmacy Council realised that it had no guidelines for remote dispensing and decided that it had to establish minimum industry standards before operations could begin. This led to considerable delays. Also, space for the PDU in shopping malls was quite expensive and the required highspeed internet connections were not always available.

In addition, European Union procurement rules changed during the course of the project, requiring three quotes for every tender. When the new rules took effect, GIZ had already sought out Mach4 as the only company able and willing to participate and invest in this project, so it could not tender the Mach4 technology to competitors. GIZ advisors involved in this project wondered how such tendering procedures can effectively be applied where innovation and intellectual property issues are involved.

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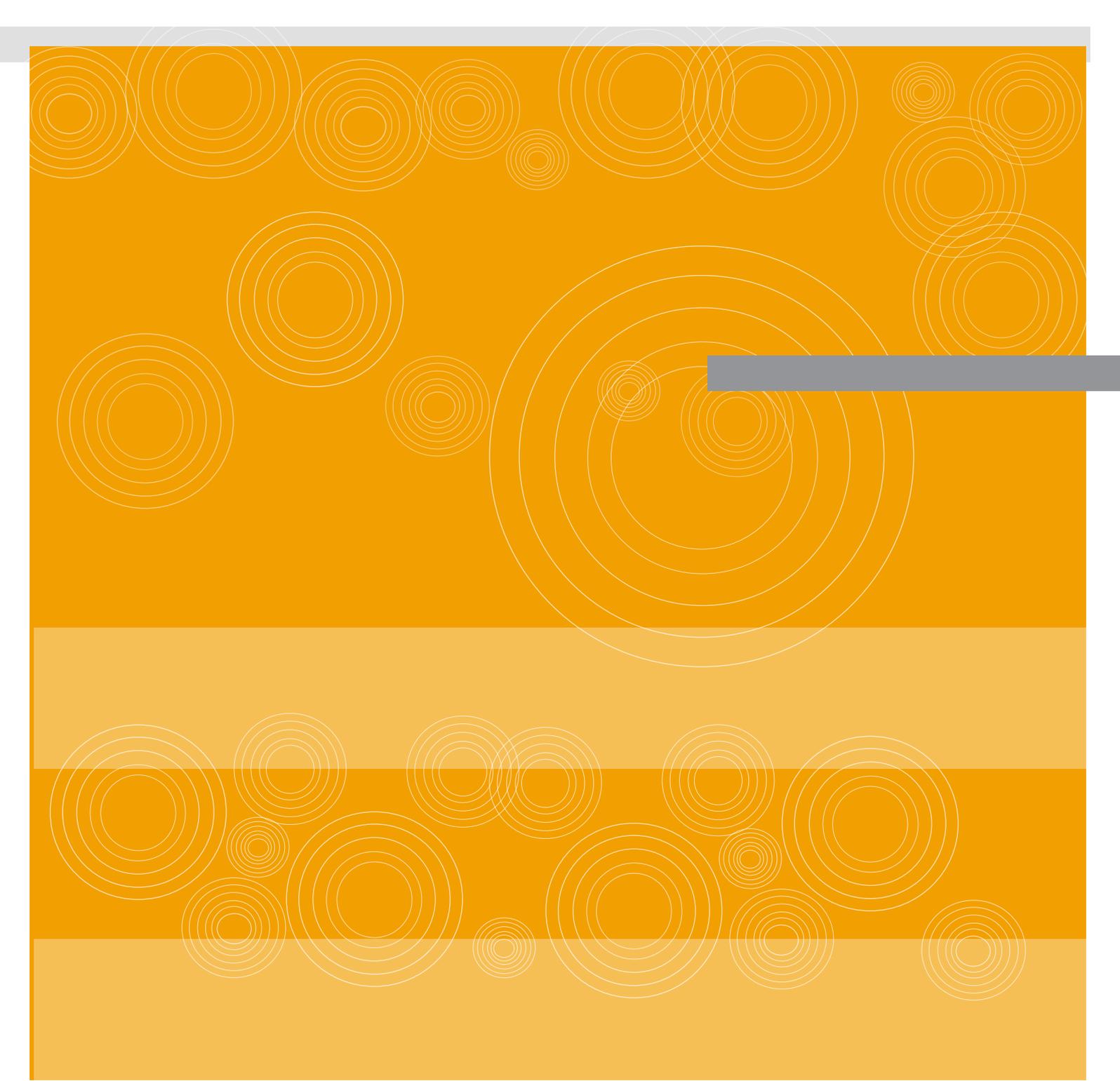
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