



Lingbunga, Ghana. Photo Credit: KenTwist/GHSC-PSM

Engaging the Private Sector to Achieve Health Outcomes

Private sector engagement (PSE) is critical to achieving inclusive growth and ensuring sustainable health outcomes.

Private Sector Engagement Overview

Shrinking donor budgets, renewed calls for localization, and countries' desire to move away from donor dependence require new ways of approaching development. Meanwhile the private sector is not only a source of knowledge and resources but is also harnessing cutting edge innovations. This intersection of need and opportunity is one that many, donors included, are eager to leverage. The continuum of **private sector engagement in health** includes tailored capacity building, brokering public-private partnerships, facilitating an enabling environment, and ensuring sustainable financing. Chemonics' health portfolio has PSE activities that fall into each of these buckets. As a private company itself, Chemonics is uniquely positioned to speak to and engage different private sector entities. Our PSE work adheres to the following principles: 1. Engage early and often; 2. Incentivize and value PSE throughout planning and programming; 3. Expand use of USAID's approaches to unlock the potential of the private sector; 4. Build and act on what works.

The following initiatives and project examples illustrate more of our efforts and achievements in the PSE space.

Our Work Engaging the Private Sector to Achieve Health Outcomes

Investing in health and supply chain innovation: Chemonics is leading the industry by investing in strategic, catalytic initiatives that support the growth of local private companies. Chemonics is a sponsor for the [Investing in Innovation Africa \(i3\)](#) initiative which supports the impact of early and

BY THE NUMBERS



13

Market descriptions completed by the [FHM Engage project](#), analyzing the root causes of market failures and underlying factors that inhibit performance



1,440

Lab tests conducted in one year for patients in Bangladesh as a result of our partnership with a private diagnostic service provider and the [AUHC project](#)



31

Health supply chain professionals coached by private sector supply chain experts in Cote d'Ivoire through the [GHSC-PSM FTO STEP 2.0 program](#)

growth stage health companies across Africa. We are also committed to the pan-African [Transform Health Fund](#) through investment as a limited partner. This innovative blended-finance fund focuses on supporting locally led health supply chain, care delivery, and digital solutions in Africa as well as promoting women in leadership positions across its pipeline.

Understanding mixed markets and improving private sector participation in health: As lead implementer on the USAID flagship private sector project, [Frontier Health Markets \(FHM\) Engage](#) (2021-2026), Chemonics demonstrates how private sector participation in health markets leads to equitable provision of and access to high-quality healthcare, ultimately improving health outcomes. This pioneering project applies a market development approach to identify the root causes of why health markets are failing and how. Then sustainable solutions are co-designed with local market actors in the public and private sector to create a robust enabling environment for the private sector to play a key role in achieving public health goals. These sustainable, tailored solutions target specific challenges in priority health markets, such as family planning and maternal and child health, and are designed to unlock the potential of the private sector to contribute to improved health outcomes while delivering the lasting behavior change needed to not only improve health markets, but also evolve them. To work with the private sector effectively, it is critical to understand the private sector. During the first year of implementation, FHM Engage co-developed a coordinated approach to characterizing and diagnosing specific health markets with our consortium of partners and local market actors. In future years, FHM Engage will link the opportunities uncovered in those assessments with tailored solutions to improve the market environment for greater private sector participation and increase supply and demand of products, services, and information. So far, FHM Engage is working in Liberia, Nigeria, Madagascar, Tanzania, India, Sierra Leone, Nepal, Ghana, Kenya, and Zambia.

Strengthening capacity of local companies and governments to work together: The Chemonics-led [USAID global flagship health supply chain project, Global Health Supply Chain Program – Procurement and Supply Management](#) (GHSC-PSM, 2015-2023) works to ensure an uninterrupted supply of public health commodities that save lives worldwide.



In [Rwanda](#), GHSC-PSM recognized the private sector wasn't being supported to use an electronic logistics management information system (eLMIS). Chemonics started by training super users at two key health supply chain private organizations in Rwanda. Facilitating a strong partnership between the Rwandan government and these two private sector organizations on eLMIS optimal utilization has led to the harmonization of data, closed the gap on data visibility and accuracy, and contributed to the uninterrupted availability of health commodities across the country.



In [Ghana](#), Chemonics facilitated a public-private partnership by equipping public sector actors to oversee private third party logistics (3PL) contracts and explore the sustainable use of 3PLs. With the Ghana Health Service, we developed a capacity-building framework to prepare regional staff to oversee 3PL operations; we also conducted a cost-benefit evaluation to inform sustainability plans. Findings revealed 3PLs consistently resulted in better performance compared to facility pickup of commodities and delivery by regional medical stores, with stock-outs reduced by 40%.



GHSC-PSM is also working to increase the private sector's role and reach in direct commodity provision to alleviate the burden on the public sector and to support countries' transitions toward self-reliance. Chemonics expanded the network of capable wholesalers and distributors serving U.S. Government-supported countries. We built the capacity of new local wholesalers in [Haiti, Kenya, Mozambique, Zambia, and Zimbabwe](#) to meet the criteria for USAID-funded procurement, thereby strengthening the local private sector market for commodity provision and directly connecting the public and private sectors around shared objectives. In Mozambique and Zambia, we are shifting accountability for commodity availability to the private sector by transitioning tasks traditionally managed by the project to suppliers through expanded contractual terms inclusive of inventory management expectations.



Photo Credit: Tafadzwa Ufumeli/Chemonics | *Pharmacist inspects antiretroviral records in storage room in Zimbabwe.*

Strengthening national governments' PSE capabilities: In Senegal, the **Building Resilient Health Systems (BRHS) project** (2021-2026) supports the Ministry of Health and Social Action (MSAS) to build a high-performing, resilient health system and move Senegal decisively toward universal health coverage. Under this directive, BRHS is building the capacity of MSAS to improve PSE through integrating private sector data into DHIS2 and private sector personnel into the iHRIS database. BRHS has also streamlined the data collection tools to facilitate the transmission of data by private providers resulting in increased visibility for MSAS decision-makers. At the end of 2022, 1,794 private sector agents had already been enrolled. BRHS is also training MSAS decision-makers on public private partnerships (PPP) and analysis of private sector financial flows in order to enhance resource mobilization and integrate private sector contributions into health financing to address non-communicable diseases. Finally, BRHS facilitated the creation of a framework for permanent dialogue between the private sector and mutual health insurance companies. This framework is the foundation for integrating private providers into the implementation of the universal health coverage strategy.

Creating a sustainable healthcare social enterprise: In Bangladesh, the Chemonics-implemented **Advancing Universal Health Coverage (AUHC) project** (2017-2023) is supporting the transition of 134 clinics in the Surjer Hashi Network (formerly Smiling Sun)

into a unified, sustainable, gender-sensitive, pro-poor social enterprise. This is being achieved through innovative business models creating evidence-based health service packages for the poor, and expanding health service delivery options. AUHC has diligently and creatively engaged with many different private sector stakeholders, including a life insurance company to expand access to healthcare services for their clients, an eyeglasses company to provide vision testing services at select network clinics, a business conglomerate to explore building a network clinic specifically to serve its 40,000 workers, and a diagnostic services provider to extend the lab services offered to clinic patients. These partnerships have resulted in increased access to care for new segments of the population, expanded service offerings for patients, and ensured the highest quality of care is provided.

Mapping local service providers and building public sector capacity to engage the private sector: The **USAID Global Health Supply Chain - Technical Assistance Francophone Task Order** (GHSC-TA FTO, 2017-2023) works to improve the efficiency and sustainability of national health supply chains and boost collaboration among supply chain stakeholders. The project mapped 205 providers across 13 West and Central African countries, equipping the public sector with information to engage private sector procurement, distribution, and transportation services.



In **Togo**, the GHSC-TA FTO partners with a local private sector business for storage and distribution. This partnership facilitates last mile deliveries so that lifesaving medical and pharmaceutical commodities are available for those in need as well as facilitates accurate record-keeping and data management.



In **Burkina Faso**, following the coup d'état in January 2022 and subsequent restrictions on using USAID funds to support the Burkinabè government, the project pivoted to partnering with non-governmental (NGO) agents of the national supply chain. This support improved data visibility and the availability of family planning products for private NGOs, and denominational health centers.



In **Cote d'Ivoire**, the project is building the capacity for PSE in the next generation of supply chain leaders through the **Strategic Training Executive Program 2.0 (STEP 2.0)**. In addition to attending online learning and facilitator-led training, public sector supply chain managers are each paired with a private sector supply expert to coach them through real, job-related challenges.

Partnering with private service providers: The USAID global flagship health workforce program, **Human Resources for Health in 2030** (HRH2030) Program (2015-2021), improved the accessibility, availability,

acceptability, and quality of the health workforce to achieve health outcomes and advance universal health coverage in over 30 countries. Engaging the private sector was crucial to reaching HRH2030's outcomes. In **Malawi**, HRH2030 partnered with a private company to test and scale a mobile application (app) that provides mental health support to healthcare workers. This initiative proved to be especially important in the COVID-19 context. In **Sierra Leone**, HRH2030 partnered with private pharmacies to improve testing, treatment, and tracking of malaria to reduce the overall disease burden. And in **Jordan**, HRH2030 worked with the private sector to assess its capacity for implementing a sustainable health worker competency framework before institutionalizing it at a national level.

ABOUT CHEMONICS

Founded in 1975, Chemonics is one of the world's leading international development consulting firms. In 95 countries around the globe today, our network of 5,000 specialists pursue a higher standard in development, working with clients, partners, and communities to ask the right questions and deliver innovative solutions to the world's most intractable problems.



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