



# The false solution of health Public Private Partnerships (PPPs)

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# 1. Changing narratives and practices of development finance (pre and post Covid-19 pandemic)

- Over the last decade, we have witnessed a ‘private turn’ in development finance, with significant implications for the universalisation of health provision.
- A strong narrative on the basis of two claims: a/SDGs require massive investment; b/Public finance is not enough
  - There is a ‘financing gap’ that needs to be filled in with private finance, via ‘leveraging’ mechanism.
- Yet, a narrative (and practices) focused on using public funds to leverage private finance is a **political choice** that reflects the unwillingness of the intl community to scale up and strengthen public financing of development.
- March 2020: the Covid-19 pandemic; from February 2022 onwards: polycrisis
- Action from MDBs and the intl community has fall short, and has even reinforced previous problematic narratives and practices, including a reliance on private finance.
- The WBG has seized the crisis as an ‘opportunity’ to intensify its promotion of private finance for development, and notably for health, despite the limited evidence of its benefits.
- Fiscal headroom and debt capacity of developing countries is now even more constrained than before
  - This has become a renewed rationale for further promoting private sector solutions.



## 2. The World Bank Group (WBG) as a key 'health market-maker' through the promotion of PPPs

- Over the years, the WBG – followed by other MDBs and bilateral DFIs – has played multiple roles in support of an **agenda focused on increasing private sector participation in healthcare**, particularly through PPPs -> various forms of influence:
  - Finance – through budget support – to promote market-led sectorial reforms in the health sector and shape the national regulatory framework to attract private finance.
  - Financial support for specific healthcare PPPs, both in-country projects and global health PPPs, and to private equity funds that invest in the health sector.
  - Advisory services and 'knowledge' production – influencing global health policy with managerial economic ideas and promoting a 'what works' agenda, seeking to institutionalise its narrative around best practices.
  - IFC 'thought leadership' role – producing different outputs through which it highlights the relevance of private finance to deliver on healthcare objectives.
  - IFC's work 'upstream' – emphasising the relevance of 'creating markets,' supporting countries and companies to build bankable, i.e. profitable, projects and mobilise capital.
- The WBG has worked as a 'health market-maker' and **facilitator of financialisation of healthcare**, which has not changed after the Covid-19 pandemic. The promotion of PPPs is just one manifestation of a broader agenda.
- Example: Kenya. The promotion of increased private participation in healthcare matches private actors' interest in expanding their role in Kenyan healthcare, in some cases with the support of donor agencies (US and NL).

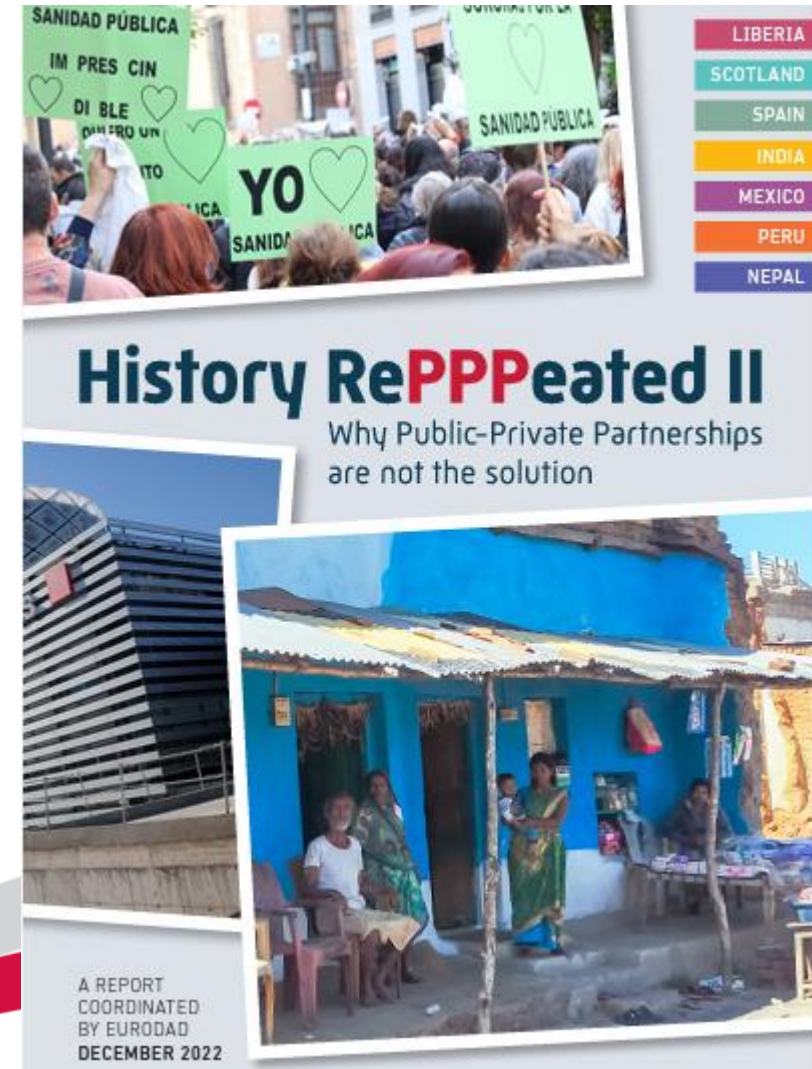


### 3. PPPs as a silver bullet for development – what are PPPs, why should we look at them?

- PPPs are being **promoted as a financing tool** to deliver infrastructure and social services, incl. healthcare, and increasingly climate change-related projects.
- The promotion relies on **the assumption that PPPs may help overcome some key challenges**, incl. insufficient funds, poor planning and project selection.
- What are PPPs?
  - PPPs are agreements in which private sector companies replace the state as the provider of traditional public services, incl. healthcare, and where the public and private sector agree (by signing a long-term contract) on how to distribute the risks associated with the project.
- **PPPs can be seen as a wedge** “in how the policy space around public service provision is being redefined, with important repercussions over and above their (relatively small) immediate financial significance” (Bayliss and Van Waeyenberge, 2018).
- Efforts to promote **PPPs point to clear attempts to increase the involvement of private finance in development**, and have resulted in concrete changes in how laws, policies and development and sectorial plans are designed.

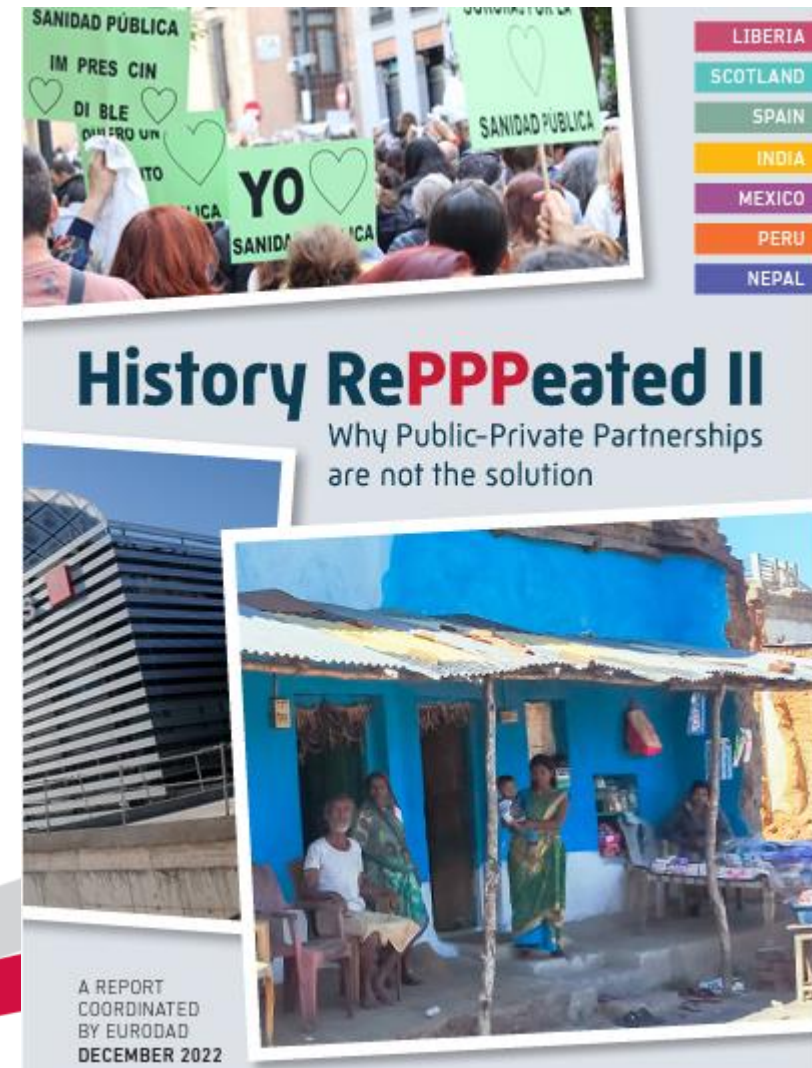
## 4. PPPs and their impacts on the right to healthcare (I)

- PPPs offer a secure, stable and long-term revenue stream (guaranteed by the public sector) for private healthcare providers, but also (and increasingly) for private equity funds that invest in Health like in any other sector to get profits, as the Health sector is promoted as a profitable sector.
- Yet, PPPs often entail a **high fiscal and human cost**. All too often PPPs come at a high cost for the public purse and an excessive level of risk for the public sector. This has resulted in a questionable diversion of public resources.
- PPPs in the health sector introduce commercial imperatives in the delivery of healthcare that can undermine the right to health. Women have often suffered the most.
- The reliance on health **PPPs risks undermining progress on Universal Health Coverage** altogether, as PPPs are likely to worsen people's access to essential health services, either directly through user fees or indirectly through less public resources to provide access to high quality and universal healthcare.



## 4. PPPs and their impacts on the right to healthcare (II)

- PPPs constitute **not only 'privatised' healthcare, but 'financialised' healthcare**, extending the reach of *financial* private actors.
- This translates into a reality where *financial* players are powerful enough to influence the types of healthcare available to people in need (Stein and Sridhar, 2018).
- Through processes of financialisation, healthcare becomes another sphere through which global finance can extend its value-capture with significant implications for inequalities (Bayliss 2022).





## 5. Concluding remarks

- The promotion of PPPs in healthcare contributes to increasing the exposure of national healthcare systems to globalised finance, with significant implications for health equity.
- It is critical to **strengthen public health systems** and remove financial barriers to accessing healthcare, including health user fees.
- Mobilising domestic resources would offer a genuine choice in financing healthcare, and public services more broadly.
  - Greater international concessional public finance is needed, plus systemic solutions – deliver on aid and climate finance commitments, and reform meaningfully the intl financial architecture.
- In the wake of multiple and interconnected crises, the promotion of PPPs is a false solution that needs to be challenged with a strong call for universal and high quality public services.
- **The Fourth UN Conference on Financing for Development offers a key opportunity to agree on a renewed global narrative on intl development** with Human Rights, justice and democracy at its core, centred on state responsibilities and on setting clear boundaries for the role of private health providers.





Thank you!

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