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Why Work with the Private Health Sector?

Marguerite Farrell
Private Sector Health Team
Leader
Health Officer
GH/PRH/SDI
USAID





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Presentation outline



- Why should USAID work with the private sector?



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USAID's rationale for working with the private sector

- USAID has a long history of promoting private sector involvement in the provision of FP services
- Early on, USAID concluded there were many benefits in partnering with the private sector to extend FP services
 - Private health sector brings resources to FP programs thereby stretching donor funds
 - Increases likelihood of sustainable FP services
 - Private sector attracts middle and high income consumers so public sector can focus on poor and underserved groups



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USAID has a long history of working with the private health sector

- Beginning in the 1980s, USAID has consistently funded global projects focused on the private health sector
 - SOMARC I, II, III
 - Technical Information on Population and the Private Sector (TIPPS)
 - Family Planning Enterprise Project (ENTERPRISE)
 - PROFIT
 - AIDSMARK
 - Commercial Market Strategies Project (CMS)
 - Private Sector Partnerships-*One* (PSP-*One*)
- The SHOPS Project is the most recent project in a long legacy of work with the private health sector



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USAID projects have pioneered many approaches to work with the private sector

- Through global and bi-lateral projects, USAID has developed a broad array of private sector initiatives
 - Different generations of social marketing models
 - Social franchise models
 - Public-private partnerships
 - Pharmaceutical partnerships
 - Health financing
 - Social corporate responsibility
 - Work based programs
 - Base of the pyramid
- These projects and models have formed the foundation of the USAID's global leadership in private health sector initiatives



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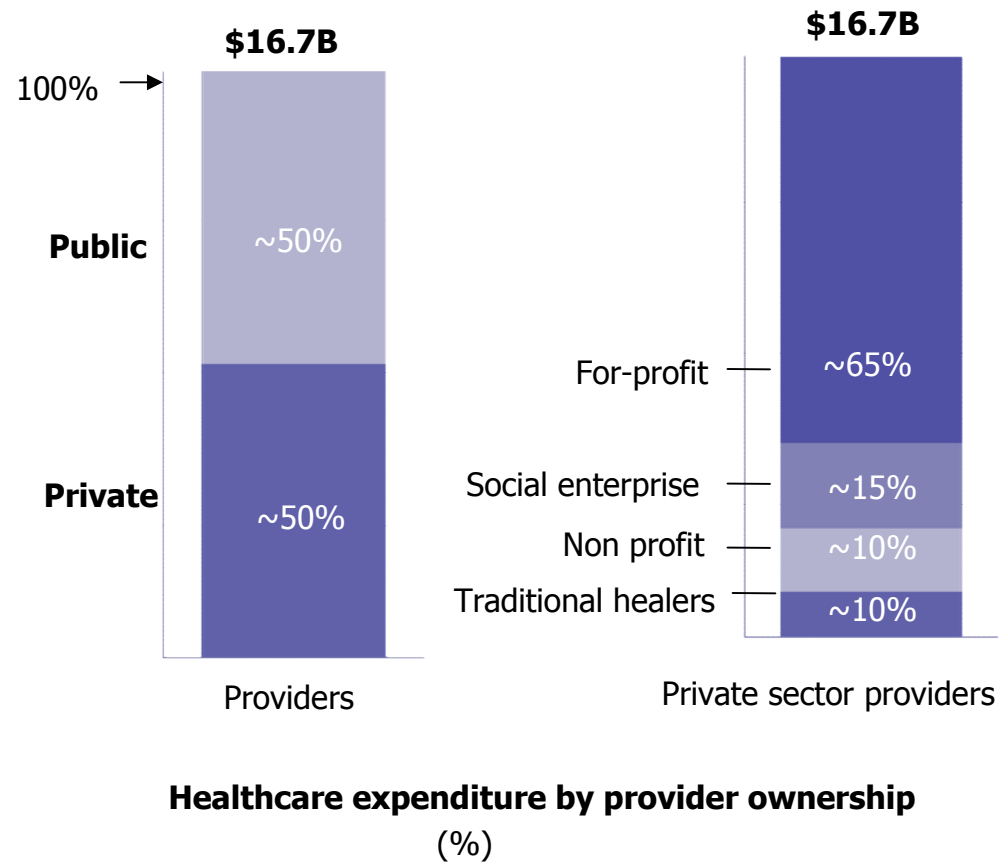
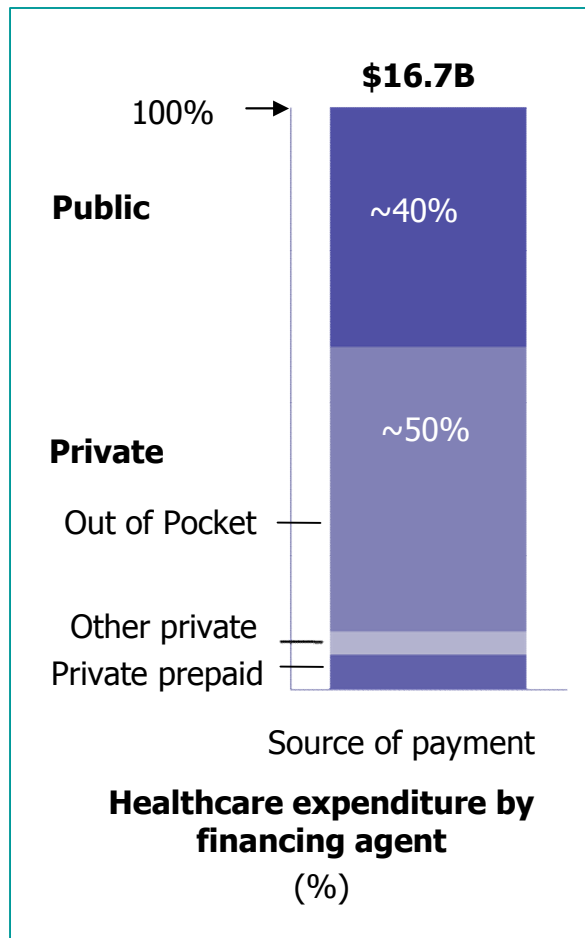
USAID's rationale for a broader approach to working with the private sector

- Growing evidence that many health consumers in developing countries – including the poor – spend their own resources in the private sector



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Private Sector Expenditures in Africa



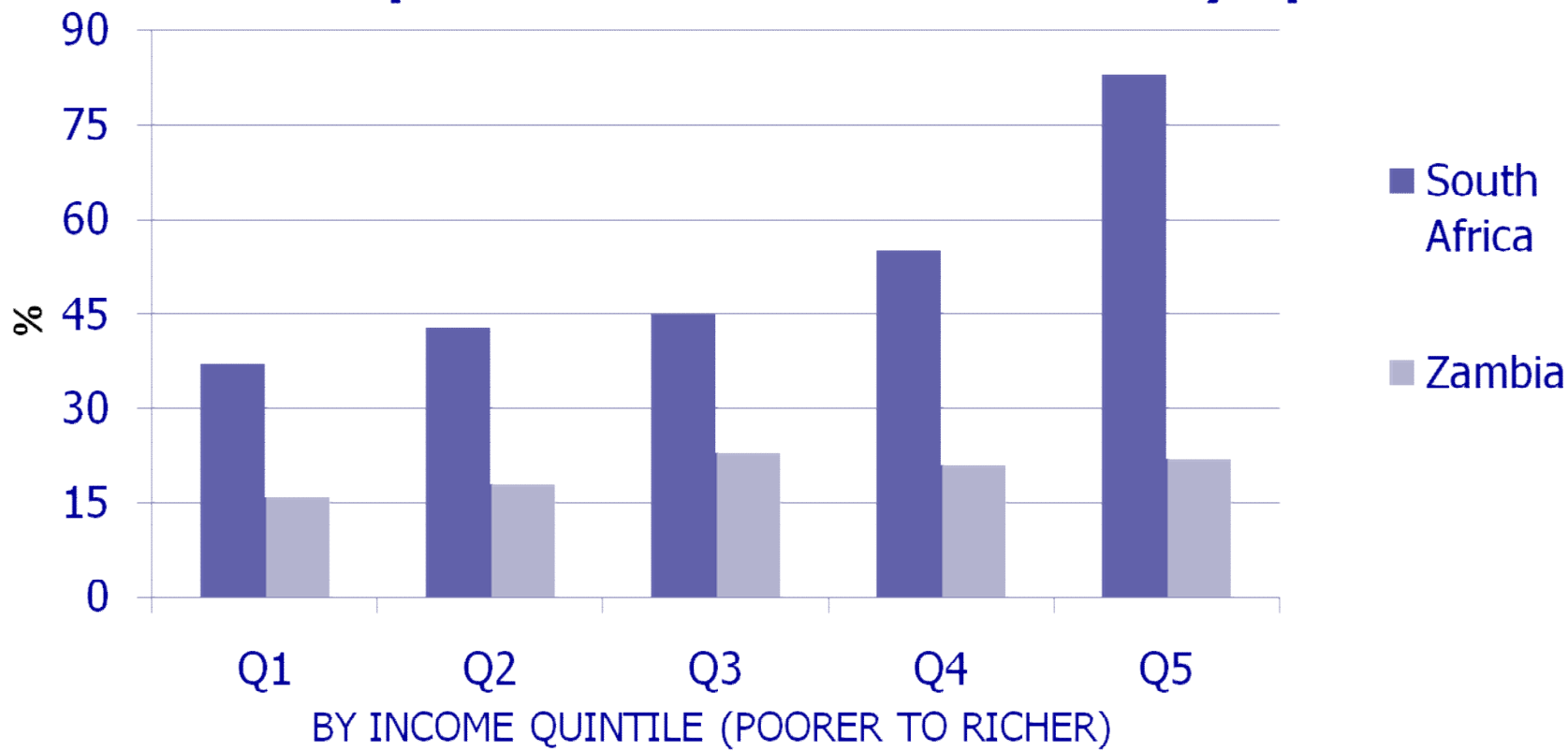
IFC Report, 2007



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The poor also use the private sector for healthcare

Use of private services for different symptoms



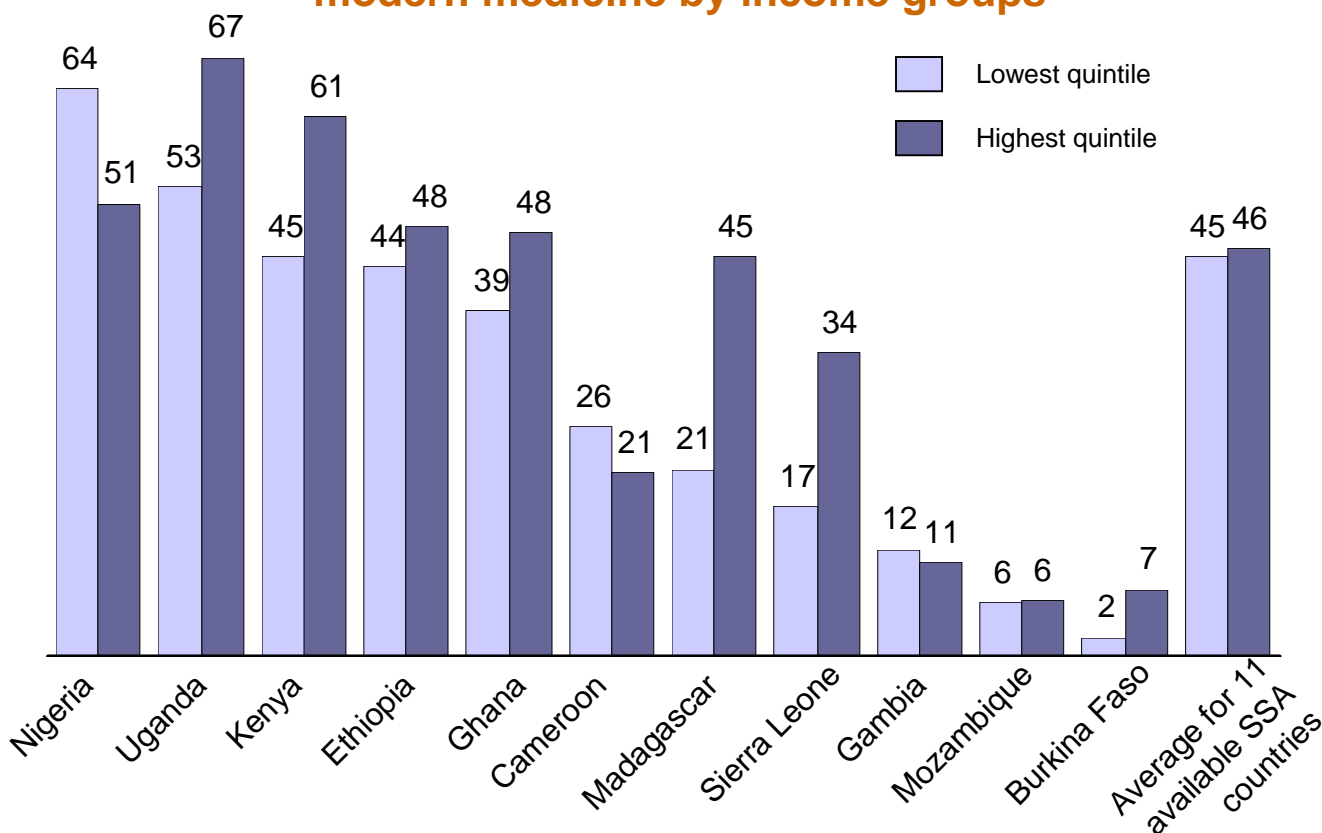
Marek T. et al., 2005



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The poor also use private health services

Percent of population receiving care from private for-profit providers of modern medicine by income groups

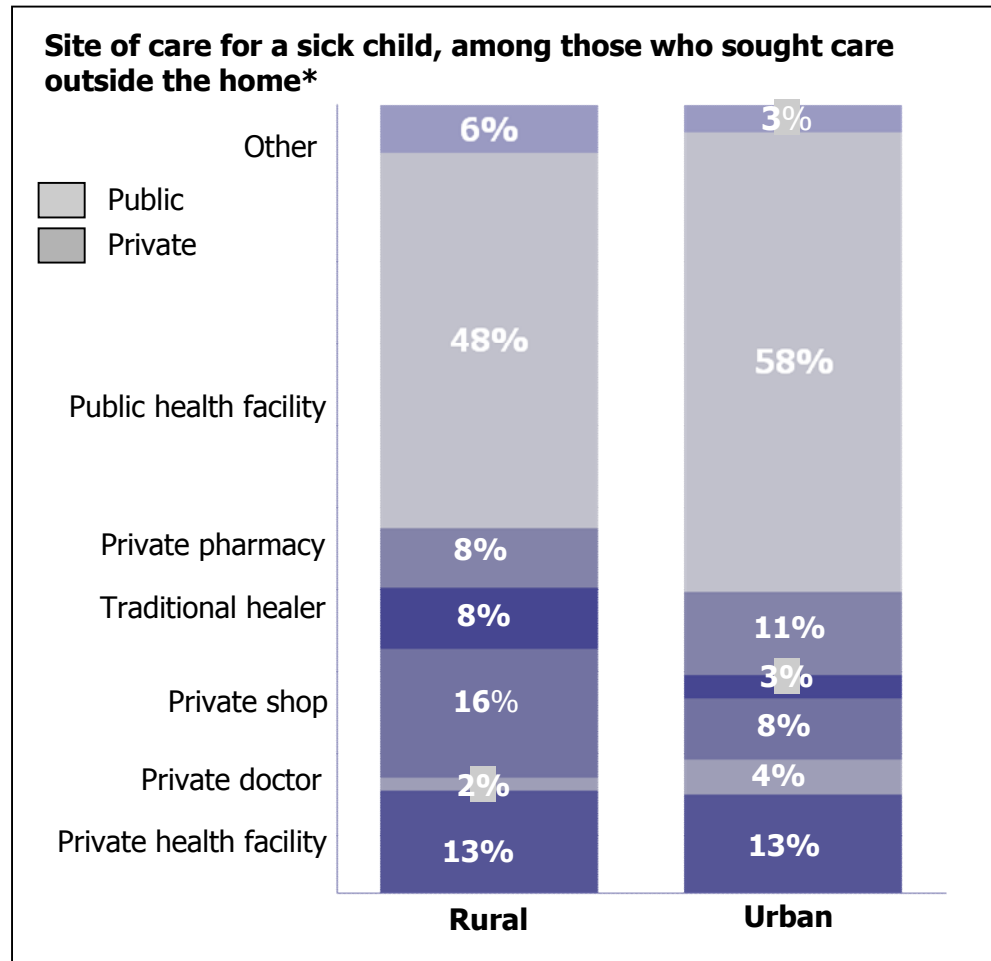
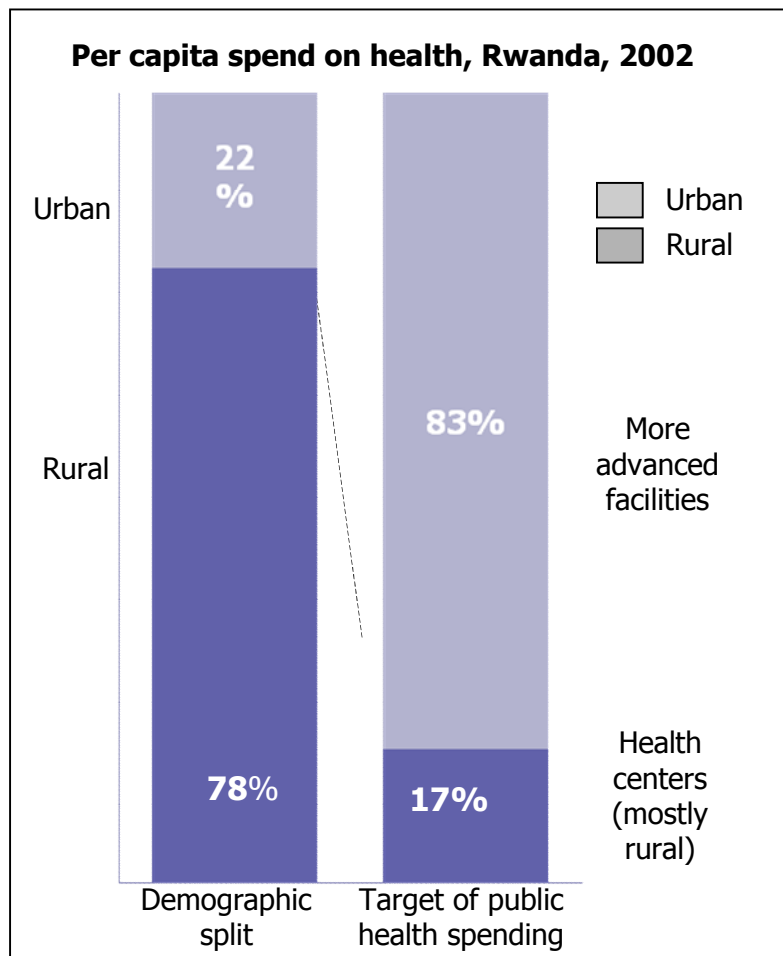


* Most recent survey year available between 1995-2006
Source: WB Africa Development Indications 2006, team analysis



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Rural populations also rely heavily on private sector services



Source: Marek, T. et al, 2005; World Economic Forum; team analysis 2007



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Public and Private Sector contribution to CPR

