

Public-Private Partnerships in Health

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Editors

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Improving Infrastructure and Technology

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*To You, always a step ahead of me (?).
To You, a disruptive challenge for my mind and emotions.*

Veronica

To those who consult this book to better serve the general welfare.

It is the maxim of every prudent master of a family, never to attempt to make at home what it will cost him more to make than to buy...What is prudence in the conduct of every private family, can scarce be folly in that of a great kingdom.

Adam Smith, The Wealth Of Nations

Mark

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INTRODUCTION

Increasingly, health sector policymakers deliver their objectives via public-private partnerships (PPPs) in which private companies are contracted to carry out a range of activities, including the delivery of physical assets—infrastructure and technologies—and related clinical and non-clinical services. Although large-scale and routinised use of PPPs originated in advanced economies such as Australia, Canada, France, Italy and the UK, it has recently expanded to many countries in which experience with public-private engagement is far more limited. In the latter case, PPPs—which enjoy influential support from multilateral development agencies and the World Bank in particular—often form part of broader efforts to enhance the role of the private sector in the implementation of health system’s strengthening goals.

Due to the long-term character, financial complexity and risk-allocation mechanisms of the PPP model, it represents the most complex form of contracting transaction yet to have emerged in the health sector. As the model expands into new markets, and is also newly adopted by health agencies *within* countries where the model is already established, there is a recognition among scholars and practitioners alike that the competencies currently existing within the public sector are inadequate to the task of designing and implementing PPPs in which the general welfare of the population is safeguarded and advanced.

A considerable amount of effort has been exerted by international financial institutions and other supranational entities to address this capacity gap. The World Bank, most notably, has published numerous manuals, guidelines and literature reviews which address the high-level challenges

faced by policymakers. Now, the challenge is to draw on and supplement that knowledge in defining the lessons for those at the front line—the managers of public authorities and the business that are at the front line of project delivery, and to make those lessons relevant to address the specific challenges in the health sector.

Based on over ten years of focused work on PPPs in the sector (as researchers, instructors and consultants), this book synthesises and distils the knowledge and experience accumulated by the two authors, Veronica Vecchi and Mark Hellowell, alongside that provided by others, with the aim of providing a clear guide to all actors (policymakers, managers and private companies) in the PPP domain. The goal is to produce a reference guide in which core principles, rooted in theory, evidence and practice, are articulated in a way that makes them operationally relevant to all PPP stakeholders.

We would like to thank all those people that in the last ten years have helped us in drawing attention to crucial, but poorly understood, challenges in this domain, and design relevant methods for addressing them. In particular, we would like to thank colleagues belonging to the PPP network established by CBS, Sauder and Monash Universities.

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Mark would like to thank all those in national and global public policy communities who have helped keep his work accessible, relevant and, hopefully, impactful in driving forward progressive change in this domain.