

PART III

Maternity Matters

Funding the future



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Executive Summary

The Sustainable Development Goal to ensure healthy lives and promote wellbeing for all ([SDG 3](#)) puts emphasis on reducing child and maternal mortality and achieving universal access to sexual and reproductive health care services. Like every other SDG, achieving SDG 3 will require the concerted effort of various stakeholders.

The private sector, in its diversity, [has proven itself](#) as a critical actor to advance universal health coverage with its resources, research and development capabilities, and distribution channels that enable them to reach last-mile communities. Private sector involvement in ensuring universal health coverage is mutually beneficial for both patients and private health care providers. By providing the expertise needed to develop vaccines and medicines at accessible price points, and the know-how to develop innovative solutions that increase access to quality health care, private sector contributions can increase both supply and demand for critical health care services and help to grow more responsive and resilient health markets that can sustainably serve billions.

Private sector involvement in the reproductive, maternal, newborn, child, and adolescent health (RMNCAH) space has also gained traction in recent years. Major philanthropic organizations, such as the Bill & Melinda Gates Foundation, are not only funding national governments and development funding agencies, they are also investing in local private health care providers in order to achieve family planning and maternal and newborn health goals.

In an effort to measure and better understand the impact of private sector engagement in RMNCAH, Devex and MSD for Mothers launched [Maternity Matters: Funding the Future](#), an initiative that explores how donor funding is leveraging private sector engagement to find RMNCAH solutions. The initiative aims to encourage RMNCAH funders to measure and share their investments in, and best practices for, private sector engagement in standardized ways. The reports focus on 3 key modalities of private sector engagement:

- 1 Private sector financial instruments – private capital to close the \$33 billion financing gap in RMNCAH.**
- 2 Private sector expertise and capabilities – leveraging business and scientific expertise to close the innovation gap.**
- 3 Local private sector development – activities supporting local private health providers to close the supply gap.**

The first two reports highlighted efforts and initiatives by the Global Fund, the BMGF, GCA and the NORAD. In this last report, Devex conducted in-depth research into four major development funders – the World Bank, the European Union (EU), the United Kingdom Foreign, Commonwealth & Development Office (FCDO), and Sweden – to highlight key policies and programs involving partnerships between donors and private sector actors. Specifically, this report focuses on [three types of private sector engagement](#), namely through financial instruments, business and scientific expertise, and local private sector development.

The World Bank (p.6-9)

With 189 member countries and presence in over 130 locations, the World Bank is one of the foremost providers of funding and expertise in global health. According to sources from the World Bank, in 2020, \$7.3 billion in funding was approved for health projects. The World Bank Group mainly engages the private sector through the International Finance Corporation (IFC), which currently holds a \$2 billion portfolio of investments in health care companies across emerging markets. The World Bank's Global Financing Facility (GFF), meanwhile, utilizes grants to bolster domestic resources for the scale up of access to affordable, quality care for women, children and adolescents, while also encouraging partnerships for knowledge exchange with private health care providers. In 2020, the GFF approved \$46 million in grants, linked to \$330 million in World Bank financing to help countries specifically prioritize investments in RMNCAH and nutrition while creating partnerships with the private sector to leverage its business expertise and innovation.

European Commission – Department for International Partnerships (p.10-12)

The EU has made substantial contributions to global health including 2.6 billion euros from 2014-2020 to support various global health initiatives and a 550 million euro contribution to the Global Fund for 2020-2022. The European Commission, EU's global development arm, recently launched the [African Health Diagnostics Platform](#), a 105 million euro health financing platform that supports partnerships between public health institutions and private laboratory and diagnostic companies to increase access to cost-effective, quality testing services for low-income populations in sub-Saharan Africa. The commission also supports the development of local private health care providers. Recently, the EU partnered with the Liberian Ministry of Health to address the health workforce gap by providing in-depth training to midwives, nurses, and community birth attendants in private health care facilities.

U.K. Foreign, Commonwealth & Development Office (p.13-15)

While uncertainties remain about the future of its aid policies, the U.K. has historically been a staunch supporter of global health with contributions reaching 1.75 billion pounds during the course of its 2020 fiscal year. Notable contributions in sexual and reproductive health include a 356 million pound allocation to boost access to reproductive health supplies and a 600 million pound commitment toward improving maternal, newborn and child health. Under its international development arm, the Foreign, Commonwealth & Development Office (previously the Department for International Development), the U.K. has engaged the private sector through financial instruments such as volume guarantees to provide incentives for the private sector to supply quality reproductive health commodities at lower costs. The U.K. has also played a prominent role in convening global actors, including the private sector, to drive policymaking and form key partnerships in RMNCAH by hosting the 2012 and 2017 Family Planning Summits in London.

Swedfund (p.16-17)

Global health is among the top priorities of the Swedish government with allocations reaching nearly [\\$340 million](#) or over 5% of the country's foreign aid budget in 2020. Sweden channels global health financing through Sida, the Swedish aid agency, to support programs that help women and girls access RMNCAH services and commodities. Sida also supports programs around HIV/AIDS, comprehensive sexuality education, gender-based violence, and menstrual hygiene. Sweden's development finance institution, Swedfund, provides investments in the form of equity funds and loans to small- and medium-sized businesses to enable the health care providers to service more segments of the local population. In Kenya, Swedfund's investment in Jacaranda Maternity helped the private health service provider expand their operations and deliver high-quality maternity services at affordable costs. Through these initiatives, these four donors are exploring new and innovative ways to advance RMNCAH with the help of the private sector, while maximizing their resources to reach more segments of the population.



Introduction

Every day, over 800 women and nearly 15,000 children under the age of 5 die from preventable causes. With under a decade left to achieve the SDGs, the estimated \$33 billion annual financing gap for RMNCAH, coupled with the additional strain on health systems caused by the COVID-19 pandemic, undermine efforts toward achieving SDG health targets. With global foreign direct investments dropping by an estimated 40% in 2020, the role of the private sector in bridging the financial gap becomes all the more critical. However, collaboration with the private sector brings more than monetary support – its technical expertise, business development capabilities, and ability to innovate are all equally important. The private sector also brings a diverse set of actors, from large pharmaceutical companies who have the ability to develop and produce low-cost, life-saving medicines and reproductive health commodities, to smaller, local hospitals and drug stores that provide critical health services at the community level.

SDG 3 includes a universal call to action to reduce child and maternal mortality, as well as ensure universal access to sexual and reproductive health care services. It requires collaboration between the private and public sectors to ensure no one is left behind, but effective collaboration requires more than just the willingness to cooperate. Addressing complex issues in RMNCAH requires effective planning and use of resources to achieve greater impact.

By increasing the availability and transparency of data, the donor community can track private sector engagement in RMNCAH and determine where the major gaps are. This will allow decision makers to effectively map out health strategies and allocate resources that could save lives. Greater reporting on private sector engagement will also catalyze new opportunities for stakeholders as they learn about private sector engagement best practices, funding models and scalable innovations.

In 2018, Devex, with support from MSD for Mothers¹, conducted the first overview of the opportunities and challenges around donor-driven private sector engagement in RMNCAH. The underlying conclusion was that consistent, standardized numbers on RMNCAH investments leveraging private sector expertise and contributions do not exist.

To address this, Devex and MSD for Mothers launched Maternity Matters: Funding the Future, an initiative that explores how donor funding leverages private sector engagement to find RMNCAH solutions. The initiative aims at encouraging RMNCAH funders to measure and share best practices on private sector engagement and investments in standardized ways.

¹ MSD for Mothers is MSD's global initiative to help create a world where no woman has to die while giving life. MSD for Mothers is an initiative of Merck & Co. Inc., Kenilworth, New Jersey, U.S.

As part of this initiative, Devex is releasing donor briefs that provide snapshots of donor-private sector engagement on RMNCAH gathered from in-depth interviews from over a dozen donor officials and global health experts as well as through extensive research of donor policies and development finance databases. In [Report 1](#), we explored three categories of private sector engagement in RMNCAH with the first donor brief focusing on the Global Fund to Fight AIDS, Tuberculosis and Malaria. We continued this effort in [Report 2](#) of this series, where we explored the different types of private sector engagement in RMNCAH in our donor briefs for the Bill & Melinda Gates Foundation, Global Affairs Canada, and the Netherlands Ministry of Foreign Affairs. This report is the third and final installment of this series.

Revisiting Private Sector Engagement

As defined by the Organization for Economic Co-operation and Development (OECD), private sector engagement is an activity that aims to engage the private sector for development results, involving the active participation of the private sector. The definition is deliberately broad in order to capture all modalities for engaging the private sector in development cooperation from informal collaborations to more formalized partnerships. Of the definitions of private sector engagement described in the OECD report, this effort – [Maternity Matters: Funding the Future](#) – focuses on three of these categories within the context of private sector engagement for RMNCAH service delivery:

1 Private Sector Financial Instruments: Private capital to close the \$33B financing gap in RMNCAH

Definition: Private Sector Financial Instruments are all financial instruments that are used to engage the private sector in development co-operation including grants, reimbursable grants, debt instruments, equity, guarantees and other unfunded liabilities.

2 Private Sector Engagement: Business, technical and scientific expertise being leveraged to close the innovation gap

Definition: Modalities for Private Sector Engagement include innovation, knowledge and information sharing, policy dialogue, technical co-operation, and capacity development.

3 Local Private Sector Development: Activities supporting local private health providers to close the supply gap

Definition: Activities carried out by governments and development organizations with the objective of promoting an enabling environment for the private sector in partner countries. Activities include the creation of an adequate policy environment, addressing market imperfections (e.g., value chain development) and interventions at the organizational level (e.g., capacity building, access to finance and markets).

We feature these approaches below with examples from four donors.

The World Bank

In 2020, the World Bank approved \$7.3 billion in health projects, of which \$4.2 billion were emergency health projects to fight COVID-19. With 189 member countries and presence in over 130 locations, the World Bank remains one of the largest sources of funding and knowledge in global health and is a major actor in RMNCAH.

Ensuring that every woman and child has access to health care is core to the World Bank's agenda to build prosperous economies and end poverty. In 2015, the World Bank and its partners launched the [Global Financing Facility \(GFF\)](#), a multi-stakeholder partnership that supports country-led efforts to improve the health and well-being of women, children, and adolescents. Leveraging the private sector to achieve [universal health coverage](#) (UHC) is also

central to the World Bank's goals of ending extreme poverty and increasing shared prosperity. [According to the World Bank](#), governments in many developing countries often do not have the capacity to meet the demands of the population on their own, and private health care providers often play a critical role in bridging this gap. As a result, the World Bank supports access to financing and provides technical advice to support private health care providers.

Among all the institutions comprising the World Bank, its private sector financing arm, the [International Finance Corporation \(IFC\)](#), focuses primarily on encouraging the growth of the private sector in developing countries. Below are some illustrative examples of how the World Bank engages the private sector through the IFC and the GFF.



“The reality is: it’s hard to find systems that really work for the poorest. Almost by definition, they’re cut off, often, from the marketplace and from their governments, from their health care systems, and so that means bridging that gap.”
– David Malpass, President, World Bank

Private Sector Financial Instruments in Practice

The GFF is a multi-stakeholder global partnership that supports low- and lower-middle-income countries to accelerate progress in RMNCAH and nutrition while strengthening finance and health systems for universal health coverage. In 2020, the GFF approved \$46 million in grants, linked to \$330 million in World Bank financing to help countries specifically prioritize investments in RMNCAH and nutrition according to sources from the World Bank. This financing allows for the scale-up of access to affordable, quality care for women, children, and adolescents as well as partnerships with the private sector that leverage its business expertise and innovation.

The GFF works with the private sector in three main ways: mobilize private capital for health through innovative financing that de-risks investments; scale up transformative innovations to change the way health care is delivered and accessed; and complement country efforts with global private sector expertise and capacity to improve access and quality of essential health and nutrition services.

To help provide capital for small and medium health enterprises, the GFF partnered with the IFC on blended finance to support the [Africa Medical Equipment Facility](#), which aims to establish risk-sharing facilities to help small businesses access up to \$300 million in loans and leases. This will allow smaller private health service providers gain access to finance for upgrading their medical equipment to respond to the COVID-19 pandemic. As part of this partnership, the GFF is providing \$6 million in first loss capital

to make loans more affordable, and technical assistance for improving quality of care. Through this platform, the GFF is improving access and quality of care for women and children who rely on small and medium health care facilities that cater to low-income populations in Kenya.

“Many investors can be discouraged by political and financial risks affecting viability of their investments, especially in fragile country settings,” said Sneha Kanneganti, GFF’s Private Sector Lead. “To expand private investment in health, we just need to find the right structures that can provide investors the incentives they need in terms of a manageable level of risk to deliver improved health care for underserved populations.”

The GFF mobilized capital across sectors, including the private sector, to support other innovative financing instruments, including development impact bonds and capital market issuances. For example, the [GFF-World Bank Treasury collaboration using Sustainable Development Bond issuances](#) has mobilized \$2 billion from investors in support of women’s and children’s health. In addition, the GFF collaborated with the government of Cameroon, Grand Challenges Canada (GCC), Nutrition International, the World Bank and others on a bond implemented with upfront financing by GCC that seeks to save the lives of infants in Cameroon by expanding the use of skin-to-skin contact after birth. Since its launch in 2019, the bond has resulted in significantly improved health for low-birth-weight newborns in Cameroon.

Local Private Sector Development in Practice

The IFC supports private health care providers through direct investments, mobilizing capital and providing both businesses and their governments with advice and industry expertise. Currently, the IFC holds **\$2 billion** in investments in health care companies across emerging markets, many of which are local private health service providers in the RMNCAH space.

In Kenya, where millions rely on informal pharmacies for medicine, the IFC provided a **\$4.5 million** loan to Goodlife Pharmacy in 2015. The pharmacy retail chain focuses on providing safe, high-quality and affordable medicine to all Kenyans with particular focus on enabling lower-income customers to access essential health commodities. For Goodlife Pharmacy, the loan from the IFC — given on terms not readily available in the local market — was vital for expansion, allowing the pharmacy to grow from four locations to approximately 20.

The IFC believes that the pharmacy chain demonstrates a scalable model that could bring international standards to the region while introducing lower prices for consumers and significantly improving the quality of available health products. In 2018, the IFC provided an additional \$3 million loan to Goodlife Pharmacy to help the company expand to 100 stores in Kenya and Uganda, as well as develop larger stores in shopping malls. The additional loan also enabled the pharmacy to experiment with new services such as telemedicine and invest in training and development, better IT systems, and management team strengthening. Goodlife Pharmacy expects to reach 100 stores in 2021, expanding its reach to over 5.5 million people.

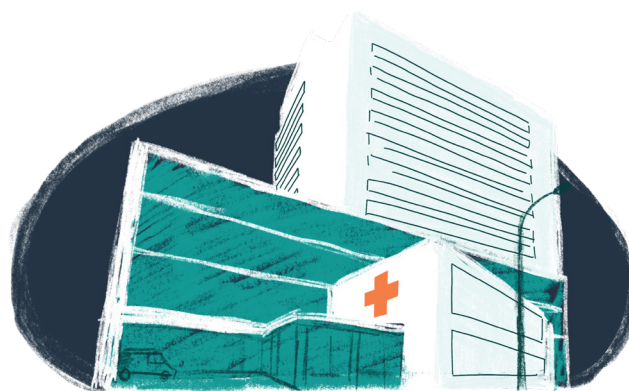
“Yet we don’t just provide money, we are also very strong in providing capacity-building and advice for these businesses,” said Dr. Bernard Olayo, senior health specialist at the IFC. He has been part of the Health in Africa (HIA) Initiative, a partnership between the IFC and the Bill & Melinda Gates Foundation, which aims to catalyze sustained improvements among the poor in Africa by increasing access to quality private sector health-related goods and services, as well as to provide financial protection against the cost of illness.

“Our aim was to mainstream the role of the private sector in the delivery of essential health services as part of development,” he said.

To address existing gaps between the public and private sector, the IFC also facilitates interactions that spur meaningful partnerships between groups that would otherwise work independently. “We helped organize the private sector into associations and federations that could meaningfully engage with the government. On the government side, we also helped to set up public-private partnership policies in Tanzania, Ghana, Ethiopia, and Uganda that helped their governments articulate how they wanted to work with the private sector, and which areas they wanted to pursue. Now, most of these Ministries of Health have a focal person for public-private partnerships or someone senior who focuses on the private sector,” said Dr. Olayo. “As a result of this engagement, we have annual health care federation meetings that bring together Ministers of Health and key players in the private sector that spend a few days talking to each other. I’m sure this year they will discuss how to deal with COVID-19,” he added.

Another key area which the HIA initiative focused on was regulation. “Most of the laws around registration, licensing and accreditation were written 100 years ago when the private sector in Africa was largely nonexistent,” said Dr. Olayo. “We worked with the government and the private sector to review a lot of these laws and make them conform with current demands. Many of them had strong restrictions on what the private sector could do,” he added. In Ghana, **256** private sector health providers received capacity building and supervision, leading to an uptick in successful licensing and accreditation rates.

Through regulatory and policy interventions, and by providing access to financing with affordable rates, the IFC supports local private health providers to close the supply gap in RMNCAH commodities and services for those who need them the most.



Future outlook

The World Bank has had a solid track record in supporting RMNCAH programs, reporting investments for nearly 50 RMNCAH projects exceeding **\$2.6 billion** between fiscal years 2018-2020. Current discussions around the next International Development Association replenishment, which will support 74 countries during fiscal years 2022-2025, show greater commitment toward RMNCAH, with the **introduction of Human Capital** as a key focus area. Under this focus area, the World Bank will tackle disruptions in health services caused by the COVID-19 pandemic, including life-saving immunizations for children and access to essential primary health care, noting that these issues **directly correlate** with under-5 and maternal mortality, as well as unwanted pregnancies.

The GFF, an International Development Association recipient with the mandate to end preventable maternal, child and adolescent deaths by 2030, will likely benefit from the World Bank's increased focus on Human Capital. In its **2021-2025 Strategy**, GFF has renewed its commitment to work with the private sector in delivering key RMNCAH results. The strategy also highlights greater collaboration with the IFC to promote investments in private health providers exhibiting strong commitment toward reaching underserved women, children and adolescents in their communities.

“Our aim was to mainstream the role of the private sector in the delivery of essential health services as part of development.”

– Dr. Bernard Olayo,

Senior Health Specialist at the IFC





European Commission – Department for International Partnerships

The European Union (EU) is one of the key actors in global health. Its varied institutions from the European Commission to the European Investment Bank (EIB) play a catalytic role in supporting the health of women, children and young people across the world. In 2019, the European Commission spent **718 million euros** on external health programs, with 74% directed to basic health care for women, children and young people around the world. The European Commission also provided **17 million euros** in support of population policies, programs and reproductive health.

Over the past few years, the European Commission has channeled much of its health support through multilateral agencies and global initiatives. For instance, half of EU external funding for health (**2.6 billion euros** between 2014 and 2020) went to global initiatives such as the Global Fund; Gavi, the Vaccine Alliance; the Universal Health Coverage Partnership of the World Health Organization; and the United Nations Population Fund (UNFPA). In 2019, the European Commission also pledged **550 million euros** to the Global Fund for 2020-2022.

Private Sector Business and Scientific Expertise in Practice

While working broadly with multilateral agencies, the European Commission has found innovative ways of working with the private sector on a range of health issues.

Leveraging private sector laboratory and diagnostic expertise is critical for strengthening public health systems, particularly in a pandemic context. In 2020, the European Commission launched a collaboration between the EIB and the Bill & Melinda Gates Foundation, the **European Health Platform**, originally called the **African Health Diagnostics Platform**, to address this issue.

The European Health Platform encourages partnerships between government institutions and private sector laboratory and diagnostic companies by financing projects that seek to enhance laboratory diagnostics capabilities in government-owned facilities and community health care centers to reduce costs for

underserved populations. With a total guarantee of **438 million euros from the EU**, the platform offers partial guarantees on public sector payments to private laboratory companies, EIB loans to private laboratories and diagnostics companies, EIB sovereign loans on concessional terms, and technical assistance in the form of grants. Businesses can submit a proposal through the one-stop-shop **External Investment Plan (EIP) website**, which creates opportunities to partner with financing institutions.

The European Health Platform also aims to contribute to better diagnosis and treatment for a broad range of health issues to increase the quality of care for low-income populations in sub-Saharan Africa. By mobilizing investments that build synergies between governments and private health care providers, people with lower incomes stand to benefit from affordable diagnostic services for primary, maternal and childcare.



Local Private Sector Development in Practice

The EU is fully committed to supporting RMNCAH and adheres to the [International Conference on Population and Development \(ICPD\) Program of Action Agenda](#), which affirms sexual and reproductive health as a fundamental human right. The EU also supports the [Beijing Platform for Action](#), which promotes women's empowerment in a number of key issues including health. As part of its private sector engagement strategy, the EU takes steps to support local private health providers to bridge the gap for RMNCAH services in target populations.

In Liberia, [4 to 5 mothers](#) and [8 to 10 newborns](#) die every day, mostly in the period before and after the baby's birth. Many of these deaths are due to health care workforce shortages, with the country having close to [300 doctors](#) and under [20 obstetricians](#) to serve a population of almost [5 million](#). Nurses, midwives, and community birth attendants are in need of specialized training in order to safely provide crucial health care services that could save countless lives.

To address this gap, the EU, in partnership with the Liberian Ministry of Health, the World Health Organization Liberia, UNFPA Liberia and NGO Maternal and Child Health Advocacy International

(MCAI) have joined efforts on a landmark Universal Health Coverage Partnership to provide in-depth training to midwives, nurses and community birth attendants.

The project enables local health care providers to undertake extensive training and become qualified obstetric clinicians after three years and qualified neonatal clinicians after two years. After the training, these clinicians can perform advanced obstetric care, including abdominal surgery and advanced neonatal care, in an independent and safe manner.

Nurses and midwives play critical roles in providing health care services for communities and families, particularly in rural or hard to reach areas. Investing in a highly trained and well-paid health care workforce, especially for the nurses, midwives and community birth assistants, is critical for saving the lives of mothers and newborns and ensuring that communities have access to quality health care from the outset.

The Universal Health Coverage Partnership, with [102 million euros](#) allocated for 2019-2022, was originally signed in June 2019.

Future outlook

Like other donors, the EU is looking to utilize private sector financial instruments to close the [\\$33 billion annual financing gap](#) in RMNCAH services. Financing instruments commonly used in the investment world can help attract more resources, especially private capital, to support health outcomes.

This is an area of growing experimentation, with financial institutions, private investors, and global corporations collaborating with government aid agencies and private foundations to test new models and provide incentives to increase funding and knowledge exchange for life-saving programs. Equities and guarantees are some examples of commonly utilized funding instruments.

Recent years have seen a greater push from the EU to engage the private sector in addressing global health issues. In 2017, the EU introduced

the [External Investment Plan \(EIP\)](#) – a mechanism that uses public finances as guarantees to attract investment from businesses and private investors in countries near the EU and in Africa. Earlier this year, the EU also announced plans to [de-risk private investments](#) in health by using its development budget to create incentives for the private sector.

This private sector-centered approach will likely be reflected in the EU's RMNCAH strategy. The European Commission has historically supported partnerships with the private sector focusing RMNCAH including the [GFF](#) and [Family Planning 2020](#), and will likely continue to heighten private sector engagement for RMNCAH issues in the coming years.





U.K. Foreign, Commonwealth & Development Office

The United Kingdom is one of the largest donors in global health, spending **1.75 billion pounds** in its 2020 fiscal year. Amid a pandemic and post-merger between the U.K.'s Department for International Development (DFID) and the Foreign, Commonwealth & Development Office (FCDO), global health has unsurprisingly emerged as the top spending sector for U.K. aid. From 2013-2020, the U.K. government invested **356 million pounds** to finance a reproductive health supplies program, which provided family planning for **15 million** couples annually.

In 2019, DFID committed **600 million pounds** for 2020-2025 to cover reproductive health supplies for millions of women and girls in the world's poorest countries. The substantial contribution aims to improve maternal, newborn and child health, to contribute to UHC, and to support those affected by humanitarian crises, such as in Syria, Yemen and Bangladesh. It will also enable access to life-saving medicines in hospitals, which can help prevent death during childbirth.

Historically, DFID has also worked with the private sector to support the health of women, children and adolescents. The department partnered with pharmaceutical companies, leveraging financial instruments to support the availability and procurement of new and underutilized contraceptive commodities. DFID also played a significant role in global initiatives such as the **GFF**, which works with the private sector to support RMNCAH outcomes. The department's program, Harnessing Non-State Actors for Better Health for the Poor (**HANSHEP**), meanwhile, contributed toward enhancing the private sector's contribution to equitable health delivery. These projects and initiatives have since been subsumed under the portfolio of the new U.K. aid entity – the Foreign, Commonwealth & Development Office (FCDO).



Private Sector Financial Instruments in Practice

The U.K. government has been a longstanding advocate, supporter and procurer of contraceptive supplies for women. At the policy level, its leadership in convening the 2012 London Family Planning Summit and the 2017 Family Planning Summit has guaranteed that access to family planning is high on the global agenda. Together, these global initiatives have resulted in numerous commitments and partnerships between a variety of government and private sector partners to provide women with access to safe and affordable family planning commodities.

Prior to 2013, contraceptive implants were in high demand among women, but availability was limited in low- and middle-income countries (LMICs). Yet, despite the non-invasive and convenient design of the implants, the relatively high prices discouraged greater uptake. In turn, this low uptake kept prices high and limited the incentives for other manufacturers to join the market.

To break this “market trap,” the FCDO, then called DFID, collaborated with the Bill & Melinda Gates Foundation, the Children’s Investment Fund Foundation (CIFF), the Norwegian Agency for Development Cooperation (NORAD), and the Swedish International Development Cooperation Agency (Sida) to engage implant suppliers to implement a Volume Guarantee pricing agreement.

This guaranteed the suppliers minimum market sales over a six-year period, allowing them to increase their production capacity while also agreeing to reduce the market price of the implants by over 50%. The same donors subsequently worked with governments and partners to scale up access to contraceptive implants in LMICs including through support for commodity procurement, product training and demand generation. To date, this partnership has helped to more than triple the uptake of implants in developing countries, generated over \$500 million in procurement savings for donors and governments, and helped to prevent over 41 million unintended pregnancies.

It has also been pivotal in supporting longer term market sustainability for quality-assured, affordable implants in LMICs.

But financial hurdles aren’t the only challenges that donors and the private sector have to overcome. “We have to adapt to meet the very unique market challenges that we see on maternal health commodities and often it’s not necessarily an issue on price,” said Emma Foster, Senior Program Manager at DFID. “Sometimes it is but often it is not. It often has more to do with fragmented procurement, regulatory issues, weak data visibility and quality assurance, which is a major issue,” she said.

“We have to adapt to meet the very unique market challenges that we see on maternal health commodities and often it’s not necessarily an issue on price. Sometimes it is but often it is not. It often has more to do with fragmented procurement, regulatory issues, weak data visibility and quality assurance, which is a major issue.”

– Emma Foster, Senior Program Manager at DFID

Local Private Sector Development in Practice

Apart from the U.K.'s work on the procurement of contraceptive commodities, the U.K. government has also supported local private health providers through its [HANSHEP](#) initiative. Under the program, non-state health service providers were engaged through various initiatives that sought to improve health service delivery to the poor.

This included [the African Health Markets for Equity \(AHME\)](#), which worked to enable poor communities in Kenya and Ghana to access local, high-quality primary health services through the private sector. AHME was instrumental in assisting small-to medium-sized private health providers to deliver a broad range of primary care services through social franchising, linking franchised private providers with government health insurance schemes that focus on the poor.

The [HANSHEP Health Enterprise Fund](#), meanwhile, assisted in the development of innovative and replicable solutions that address critical health priorities in sub-Saharan Africa. The fund offered grants ranging from \$100,000 to \$200,000 to health enterprises in Kenya and Ethiopia that have

developed low-cost health care delivery approaches to combat maternal and child mortality, increase access to family planning, and access to HIV/AIDS testing.

To support governments working with their local private sector counterparts, HANSHEP also developed the [Health PPP Advisory Facility](#), which supported governments to develop and implement public-private partnerships for providing health care services for the poor. Over the course of its implementation, the facility collected evidence on the adaptation and implementation of health PPPs in low-income countries and disseminated this evidence together with success stories and lessons learned among health and finance policy makers in LMICs. The facility also provided technical assistance to senior government officials in LMICs so that they can independently evaluate and pursue health PPP modalities. The facility and its partnerships have been credited with [1.5 million](#) patients having access to new or materially improved health services, up to [\\$250 million](#) in increased private investment in public health systems, and [40 senior](#) government officials trained to assess and implement PPP transactions.

Future outlook

In November 2020, U.K. Chancellor Rishi Sunak [announced](#) that the government would no longer be spending 0.7% of gross national income on aid — a target that was enshrined in law in 2015.

According to researchers from the Center for Global Development, this funding gap, left in bilateral health funding by the U.K. government, is unlikely to be replaced by other sources of funding.

Moreover, in countries where U.K. bilateral health spending is high, such as Zimbabwe, Sierra Leone, and Nigeria, the [researchers said](#) it would be “very hard” for ambassadors — who now control aid decisions — to manage budget cuts of 50% to 70% “without significantly impacting on these programs.”

“Absolute funding for health, from donors and domestic sources, is likely to fall in most countries, leaving few options to fill the gap caused by the FCDO's cuts,” added the researchers, referring to the U.K.'s Foreign, Commonwealth & Development Office.



Global health is a priority for Sweden, accounting for nearly **\$340 million or over 5%** of the country's foreign aid budget in 2020. As the world's first self-proclaimed feminist government, Sweden centers its health aid on the promotion of gender equality and RMNCAH. Swedfund – Sweden's development finance institution – works with the private sector by investing in health care companies in some of the poorest countries to combat poverty and support the health of women, children and adolescents especially in underserved communities across the

world. Swedfund leverages a variety of financial instruments such as equity, funds, and loans to invest in businesses including female-owned businesses.

Swedfund believes that the private sector and private finance play a **crucial role** in achieving the SDGs. It will require a joint effort between public and private actors, given that traditional sources of financing are insufficient to meet the demand – development financing must go from billions to trillions to ensure that no one is left behind.

Private Sector Financial Instruments in Practice

Swedfund has invested in a variety of private health care companies, including local private health service providers. For instance, together with the Johnson & Johnson Foundation and the Africa Healthcare Fund, Swedfund invested in **Jacaranda Maternity** to support expansion efforts throughout Kenya.

Jacaranda Maternity is an accredited provider of maternity and gynecological procedures which offers safe and affordable options for maternity and pediatric care, including consultations for reproductive health and family planning. Jacaranda was the first facility in East Africa to receive a **5/5 quality rating** from SafeCare – a formal initiative between PharmAccess, the Joint Commission International (JCI), and the Council for Health Service Accreditation of Southern Africa (COHSASA).

In 2012, Jacaranda Maternity opened its first clinic in Nairobi and today is expanding with a vision to become the region's leading provider of safe and affordable maternal care within ten years. The private

health provider also incorporates sexual and reproductive health and rights (SRHR) into its current strategy, with a strong focus on improving availability and counselling of postpartum family planning for its clients.

“Jacaranda is a recent investment within RMNCAH. Swedfund has made a number of investments in companies that provide health care services that include mother and child care,” Swedfund told Devex. “Our mission across all our health care investments is to increase access to quality health care services and enhance affordability for the beneficiaries. We support our investee companies to provide good quality services and improve efficiency in their operations, which leads to affordable health care services.”

In working with many of these health care companies, Swedfund has built some key learnings and best practices that help build a solid foundation for successful partnerships.

“Working with companies and investors that share our vision is critical to ensure alignment on strategy and objectives. We proactively support our investee companies in sustainability and other operational matters to ensure risks are reduced or eliminated and companies have adequate capital, human resource and systems to deliver quality health care at a reasonable price,” Swedfund told Devex.

Health service delivery remains a complex challenge for donors and partners alike, and the COVID-19 pandemic has shown that health care providers need to adapt quickly in order to provide critical services to the population. For Swedfund, strong management, coupled with

operational support for their frontline service providers, has been the key to avoiding disruptions in health service provision in the past year.

“Health care delivery is complex; it requires many inputs and involves many stakeholders. Finding strong management teams to operate our companies to ensure proper corporate governance is important. Worker wellbeing and safety is extremely important. During the COVID-19 pandemic, we promptly supported our investee companies at the frontline to ensure that workers remained safe, that operations were not affected, and that the companies were able to provide critical medical services even during the pandemic,” Swedfund told Devex.

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– Swedfund

Future outlook

Recent investments in global health have given Swedfund a robust footprint across both Africa and Asia. These investments are likely to continue in the long-term, with a [strong commitment](#) from the Swedish financing institution to leverage the private sector as it plays an increasingly important role in global health.

Apart from Jacaranda Maternity, Swedfund has committed [\\$15 million](#) to support Hospital Holdings Investment BV (HHI), a health care investment platform set up to build, acquire and integrate targeted health care service businesses in East and Southern Africa. The project will boost access to quality health care services to help improve lives and achieve universal health coverage across the region.

HHI aims to fill a critical gap in the health care sector by providing secondary and out-of-hospital care for middle- to lower-middle-income patients in East and

Southern Africa. It aims to offer accessible, affordable and quality health care by increasing the number of hospitals and clinics it operates.

HHI is [expected to grow](#) services in East and Southern Africa from one hospital and 35 clinics to five hospitals and 52 clinics, serving up to 1.8 million patients annually over the next five years. This will be achieved both by building new facilities and acquiring existing health care assets.

Swedfund also invested \$15 million in the Quadria Capital Fund II, a health-sector fund investing in developing companies in health care, pharmaceuticals, diagnostics and medical technology. The fund is regionally focused on countries in South and South-East Asia.

CONCLUSION

The COVID-19 pandemic has put a strain on health systems around the world and continues to compromise RMNCAH outcomes among the most vulnerable populations. Prior to the pandemic, the global community was already off-track to meet the 2030 goal for universal health ([SDG 3](#)), and the continuing health crisis threatens to [roll back recent gains](#) in key RMNCAH areas such as declining mortality rates for infants and mothers, and HIV/AIDs. Women are [disproportionately affected](#), as economic opportunities dwindle and crucial, life-saving health services become less accessible.

With the \$33 billion financial gap for RMNCAH, and the risk of further financing shortfalls due to the reallocation of priorities to address the pandemic, securing funds to support RMNCAH has become incalculably more urgent. As the series [Maternity Matters: Funding the Future](#) demonstrates, the private sector is already playing a huge role in financing RMNCAH initiatives through various innovative funding models. The private sector has similarly established itself as a critical actor in delivering RMNCAH services to the populations that need it the most by lending their technical expertise in business, health and supply chains, alongside cutting-edge research and development capabilities. These have all contributed toward creating health systems that are [more efficient](#) and inclusive.

But as the demand for health services continues to increase, more work needs to be done. Both the development community and their partners in the private sector must work on strengthening already existing synergies to keep pace with the needs of an ever-growing global population. Data-driven planning will be critical to achieve meaningful impact and sustained results. Only by consistently mapping out the private sector's engagement in RMNCAH can gaps and areas for improvement be identified and addressed.

Through this series, Devex and MSD for Mothers have set out to contribute toward a more informed push toward universal health coverage. Only by taking stock of private sector engagement in RMNCAH can the global development community effectively collaborate with the private sector. By applying key learnings and aligning efforts, the global development community and the private sector can collaborate more effectively to achieve better health outcomes for the communities they serve.

