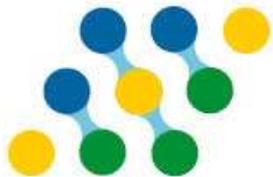


# **Public-Private Partnerships in Health Care Delivery in South Africa & Zambia: SUCSESSES & OPPORTUNITIES**



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## PPP Hospital Infrastructure

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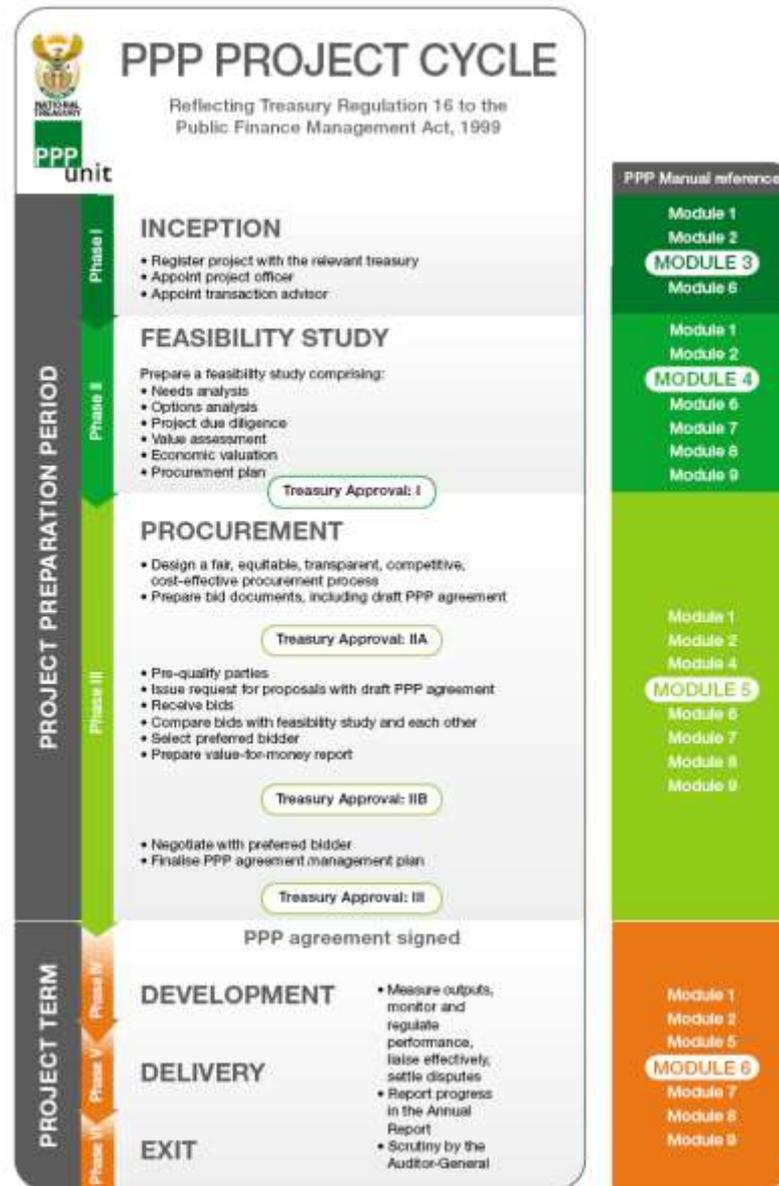
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# 1. What a PPP is

- A contract between government institution and private party
- Private party performs an institutional function and/or uses state property in terms of output specifications
- Substantial project risk (financial, technical, operational) transferred to the private party
- Private party benefits through: unitary payments from government budget and/or user fees or a combination

# Features of a PPP: Project Cycle



# Common Features of HealthCare PPPs: Roles and Responsibilities

The private sector is expected to undertake the following functions:

- Design
- Finance
- Construct
- Soft facilities management i.e cleaning, gardening,
- Hard facilities management i.e building maintenance, air conditioning etc.
- Information technology and medical equipment
- Medical waste management
- Hotel services i.e. linen, catering and food services
- Management and operations support

The public sector is expected to be responsible for the following:

- Clinical services
- Management
- Financing
- Contract management
- A feasibility study

## 2. Critical Success Factors of a PPP

- Political Support
- Adopted Strategies
- Aligned legal & Institutional framework
- Dedicated PPP Unit
- Training and Educational programs
- Learning tools, manuals and guide books
- Standard documentation
- PPP Market development
- Project Development Facility (PDF) funding
- Data collection
- Local participation and Empowerment

# 3. Existing Legal & Institutional Frameworks

## South Africa

- 1997, inter-departmental task team appointed
- 1999, Public Finance Management Act & Strategic Framework for PPPs
- 2000 the PPP Unit to established & first PPP regulations enacted
- 2004 the Public Private Partnership Manual and the Standardised PPP Provisions adopted providing technical and contractual guidance
- 2005 Municipal Systems Act & Municipal services and PPP Guidelines

## Zambia

- PPP Policy of 2008
- PPP Act No. 14 of 2009
- PPP Unit - conceptualises, designs, guides and implements PPP projects in collaboration with the Govt Depts.
- PPP Technical Committee chaired by the Secretary to the Treasury - technical guidance to the PPP Unit
- PPP Council, chaired by Minister of Finance - policy making body and the final approval authority
- Solicited vs unsolicited bids

## 4. Need for PPPs in Health Care

### South Africa

- Build tertiary and teaching hospitals for the last decade;
- Significant shortage of primary healthcare facilities;
- Many facilities in a state of decay;
- Significant challenges in delivering medical services;
  - attracting and retaining health professionals
  - Lack of infrastructure to deliver services hamper National Health Insurance plans
  - Rural services-shifting demographics of population

### Zambia

- High disease burden – rise in non-communicable diseases e.g cancer, cardiac, diabetes and renal diseases requiring specialist treatment & hi-tech medical equipment
- Poor state of infrastructure & medical equipment in public health institutions
- Loss of income to foreign health institutions as part of treatment of patients abroad (South Africa, India, UK, USA)

# 5. Successes: Current HealthCare PPPs

## South African Examples

- Inkosi Albert Luthuli (KZN)
- Renal Services (Limpopo)
- State Vaccine Institute (National)
- Humansdorp, Settlers & Port Alfred Hospitals (E. Cape)
- Hospital Revitalization Programme
  - King Edward VIII Hospital - KZN
  - Nelson Mandela Hospital – EC
  - George Mkhari Hospital – GP
  - Limpopo Academic Hospital

## Zambia

At Conceptual stage

- Development of the Tropical Disease Research Centre piece of land into a disease research centre, a specialized hospital and mixed use development (office and housing complex)

# Successes: Settlers Hospital Upgrades

Old waiting area

New waiting area



# Successes: Settlers Hospital Upgrades

Old Theatre



New Theatre



# Successes: Settlers Hospital Upgrades

Old Medical Ward



New Medical Ward



# Successes: Settlers Hospital Upgrades

## New Accident/Emergencies



# Successes: Settlers Hospital Upgrades

## Shared ICU



# Successes: Settlers Hospital Upgrades

## Shared X- Ray



## 6. Opportunities in HealthCare PPPs

Zambian Government has keen interest in the development of healthcare PPP projects. As an economic sector, the health sector offers numerous investment opportunities for PPP projects in:

- Telemedicine
- Establishment of Hi-Tech Hospitals for treatment of specialized cases
- Diagnostic centre's
- Drugs logistics supply chain and storage
- Hospital fleet management and repair
- Medical tourism
- Training of health personnel (medical school and nursing school)

## 7. Conclusion

- Zambia is one of the most attractive investment destinations in Africa:
  - Best pro-private sector policies and laws
  - Peaceful and stable political environment
  - Vast investment opportunities in all sectors of the economy
  - Robust investment climate
  - The best place to work and live
- Looking forward to healthcare PPP investments & success stories!!

## 8. References

- Government Technical Advisory Centre, National Treasury, Republic of South Africa
- Public Private Partnership Unit, Republic of Zambia
- Southern Africa Development Community Public Private Partnership Network
- Zambian National Development Agency
- Zambia National Health Strategic Plan 2017 2021

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