

Public-Private Partnership, Marketization of Foreign Aid

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I. Introduction

Background

- 1990s: Global Public-Private Partnership (GPPP)
- With an objective of overcoming “failures” of the market and “ineffectiveness” of public health services
- 2000s: Continued discussion on aid effectiveness, PPP are more commonly found

I. Introduction

Research Questions

- What operation mechanism of GAVI reflects market mechanism?
- Is the market mechanism in public services (in this case, PPP) more effective than the public services provided only by the public sector?

I. Introduction

Justification

- Implications derived from the case of GAVI
- Market mechanism in public service and enhanced aid effectiveness
- Expected to shed light on the future projects and programs for better effectiveness of similar projects

II. Literature Review

i. Enhancement of Aid Effectiveness

- *Debate on Development and Aid Effectiveness*
- *Enhancement of Aid Effectiveness*

ii. Market Mechanism (PPP) in Health

- *Definitions of Public-Private Partnership*
- *Emergence of Public-Private Partnership in Health*
- *Advantages and Disadvantages of Public-Private Partnership*
- *Successful and Sustainable Public-Private Partnership*

II. Literature Review

iii. Theoretical Framework

Findings indicate how GAVI has adapted market mechanism into its operations and have been relatively more successful considering its paths.

Research Questions

- (1) What operation mechanism of GAVI reflects market mechanism?
- (2) Is the market mechanism more effective in comparison to public services?

III. Methodology and Research Design

- Case study
- Qualitative approach
- Historical context of development of GAVI
- Analysis on market mechanism of GAVI (Demand & Supply and Financing system)
- Effectiveness Comparison

IV. Findings

i. Historical Background on Development of GAVI

- *The Expanded Programmes on Immunization (EPI)*
- *The Children's Vaccine Initiative (CVI)*
- *The Global Alliance on Vaccine and Immunisation (GAVI)*

The Expanded Programmes on Immunization (EPI)

- A WHO project
- Initiated in 1974, established in 1977
- To ensure that all children benefit from life-saving vaccines
- Successfully increased immunization in developing countries
- BUT during the 1980s, results began to falter, dropping coverage

The Children's Vaccine Initiative (CVI)

- A PPP project involving all the major participants in the international health community
(scientists, national and international health bureaucrats, foreign aid donors, and the International Federation of Pharmaceutical Manufacturers Associations (IFPMA))
- To overcome the problems derived in EPI
- YET, CVI failed to make progress due to
 - 1) unresolved issues between public and private sector
 - 2) lack of sustainable funding

The Global Alliance on Vaccine and Immunisation (GAVI)

- A PPP project
- Launched in 2000
- To save children's lives and protect health by increasing access to immunization in developing countries
- Board: WHO, UNICEF, the World Bank, Bill & Melinda Gates Foundation, governments of donor governments and developing countries, research and technical health institutes, the vaccine industry of industrialized countries and developing countries, civil society organizations, and some independent individuals

The Global Alliance on Vaccine and Immunisation (GAVI)

- Funded by governments, corporations, foundations, and private individuals
- 76% from governments, 24% from private sector
- Support the least developed countries (LDCs)
(GNI per capita below or equal to 1,520 USD, according to the World Bank data available for the latest year)
- Contributing to a rise in the number of children immunized, reduction of the cost of a child's immunization

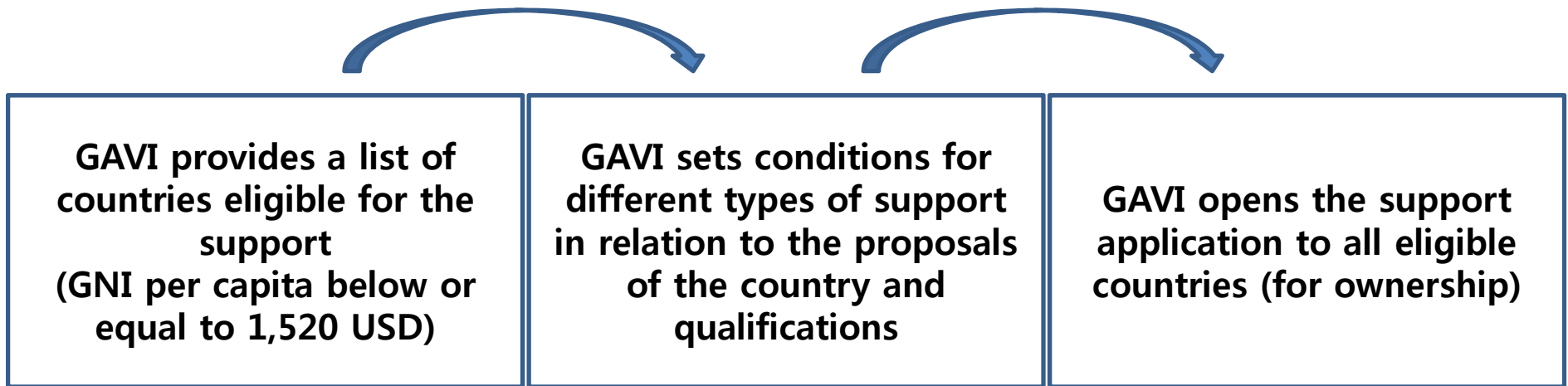
IV. Findings

ii. Market Mechanism in GAVI

- *Demand and Supply Match*
- *Financing through IFFIm*

Demand and Supply Match

- Economic model of supply and demand
- GAVI provides vaccines to developing countries based on the needs (not donor-oriented)



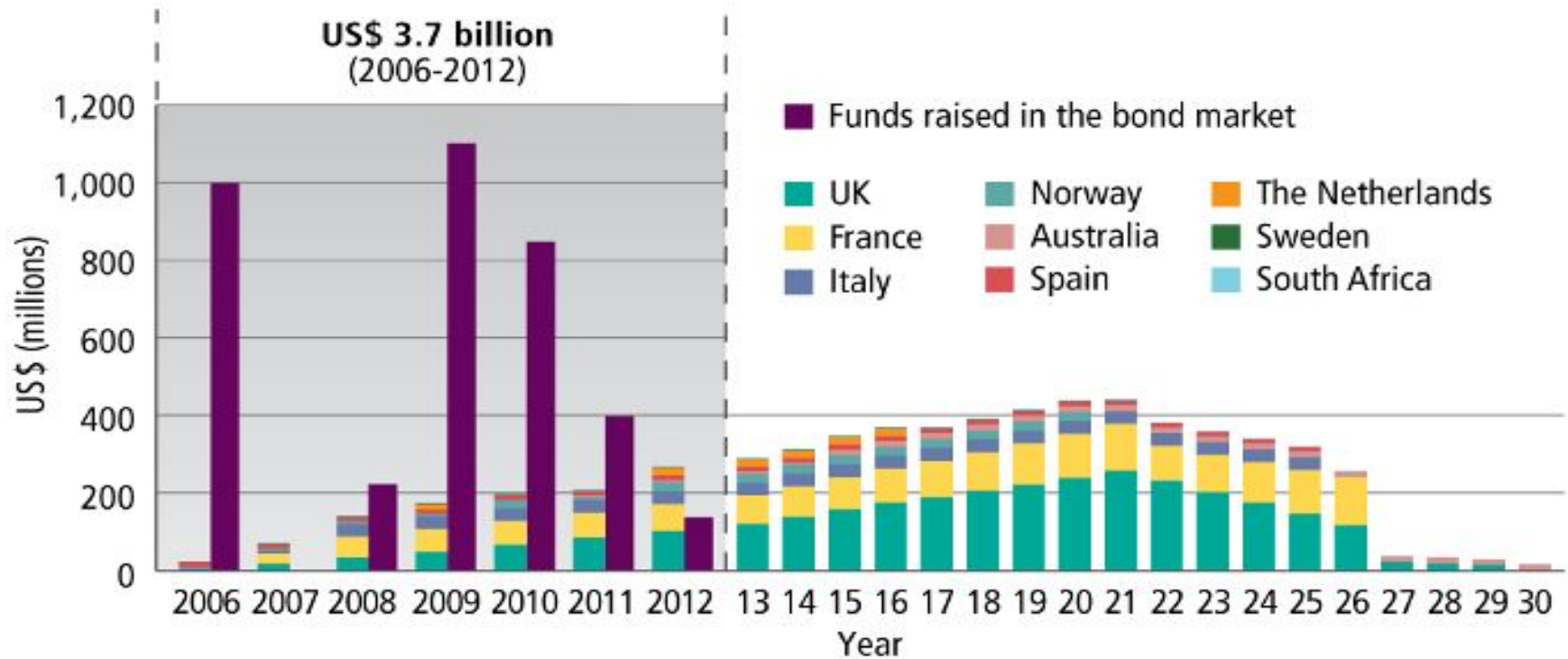
Financing through IFFIm

- The International Finance Facility for Immunisation (IFFIm)
- Unique and “sustainable” innovative finance



Financing through IFFIm

IFFIm issues bonds based on long-term donor pledges



Source: World Bank, July 2012

Financing through IFFIm

Country	Amount Committed	
	USD Equivalent	Currency of Pledge
United Kingdom	USD 2,980 mil. (over 23 years)	GBP 1,630 mil.
France	USD 1,719 mil. (over 20 years)	EUR 1,239.96 mil.
Italy	USD 635 mil. (over 20 years)	EUR 498.95 mil.
Norway	USD 264 mil. (over 15 years)	USD 27 mil. & NOK 1,500 mil.
Australia	USD 256 mil. (over 20 years)	AUD 250 mil.
Spain	USD 240 mil. (over 20 years)	EUR 189.50 mil.
The Netherlands	USD 114 mil. (over 8 years)	EUR 80 mil.
Sweden	USD 38 mil. (over 15 years)	SEK 276.15 mil.

IV. Findings

iii. Comparison among EPI, CVI, and GAVI

- *Successful and Sustainable PPP*
- *PPP Success Factors*
- *Vaccine Coverage*

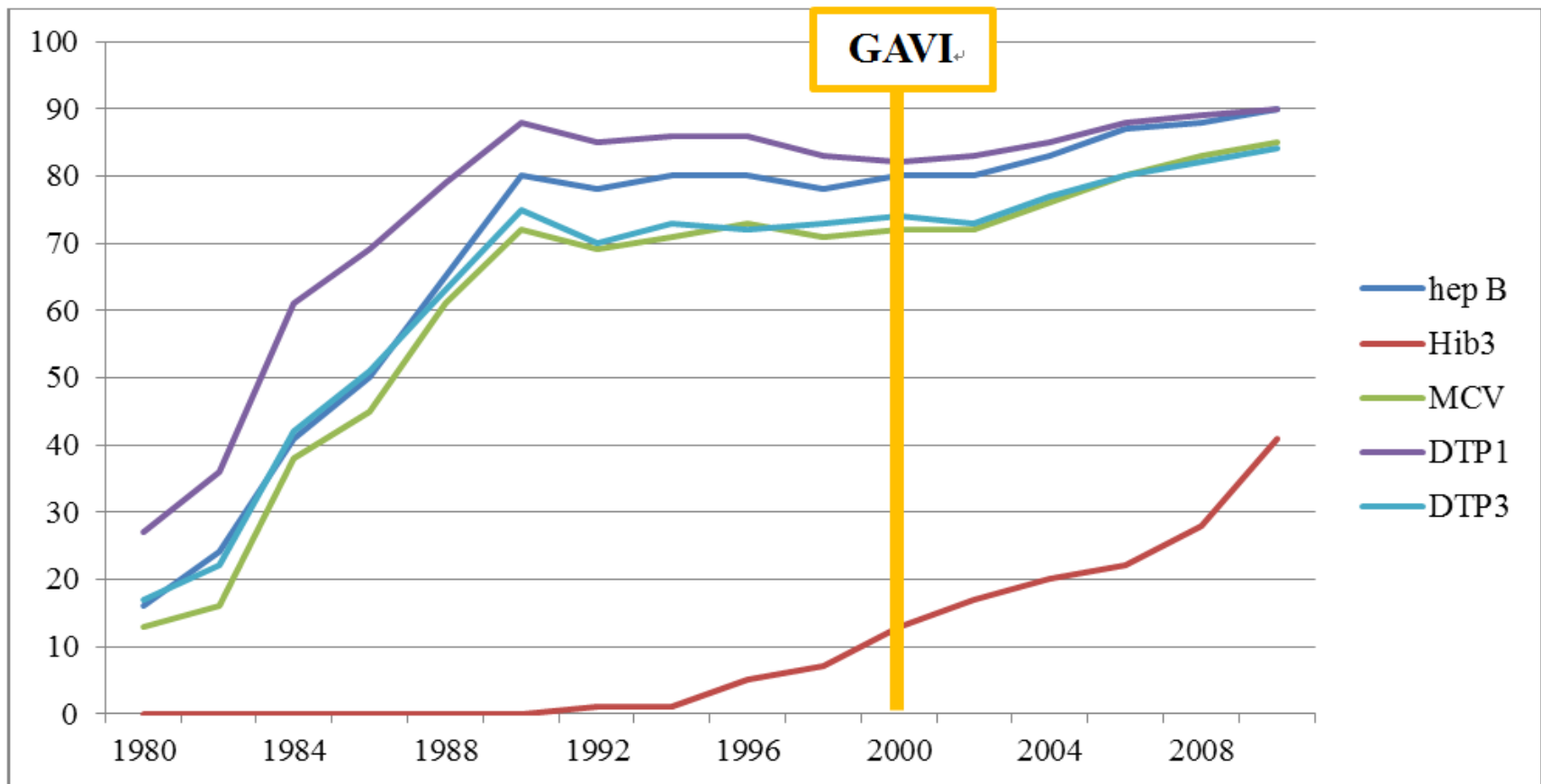
Successful and Sustainable PPP

	EPI	CVI	GAVI
(Strong) Partnership	Not applied	Weak	Strong
Publicly Accepted	Yes	Yes	Yes
Management Transferred	Not applied	No	Yes
Meritocracy	Yes	Yes	Yes

PPP Success Factors

	EPI	CVI	GAVI
Good Governance	Yes	Yes	Yes
Government Support	Yes	Yes	Yes
Economic Policy (Availability of Financial market)	No	No	Yes
Effective Risk Allocation	Not Applied	Not Applied	Yes
Social Support	Yes	Yes	Yes
Commitment	Yes	No	Yes
Mutual Benefit	Not Applied	Partially Yes	Yes

Vaccine Coverage



V. Conclusion

- Market mechanisms in operations
 - Greater effectiveness and success than public sector
 - Coverage increase in five major vaccines
- Public services in collaboration with private sector has a fine chance of turning out to be a success**

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Statistical Data (On-line)

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- WHO Statics http://www.who.int/immunization_monitoring/data/en/

Thank you! 😊