

The case for a 'greater' private sector role in family planning

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A doctor gives family planning counseling service to a client at factory infirmary in Cambodia. Photo by: [International Labor Organization](#) / CC BY-NC-ND

The past year can be considered a momentous period for global development. Several major crosscutting and comprehensive agreements — including the Sustainable Development Goals and the Paris climate agreement — will serve as blueprints for the world's development journey in the coming decades.

But despite the rallying cry for more effective programs and projects, and a high-profile third International Conference on Financing for Development in Addis Ababa, Ethiopia, in July 2015, the [amount of funds flowing from developed to least developed nations is falling](#) as governments shift their focus to assuage and offset costs associated with the prevailing refugee crisis.

"[Official development assistance] is going down. It's not even reflected in the statistics yet, because it's happening as we speak," Katja Iversen, CEO of New York-based advocacy initiative [Women Deliver](#), told Devex in an interview on the sidelines of the International Conference on Family Planning in Nusa Dua, Indonesia, in January. "Traditional funding is therefore being cut, and cut severely — I think we're now only seeing the tip of the iceberg."

This concern, meanwhile, has also given rise to a much bigger problem on exactly how the global development community can achieve the goals and targets set out in the SDGs: where will the money to finance programs in sectors including family planning and sexual and reproductive health and rights come from?

Iversen — who flew to the tropical heat of Indonesia from the snowcapped mountains of Davos, which hosted the World Economic Forum — explained that while it is a cliché to claim a need for more diversified funding sources for global development programs, sustainability of funding is a very real problem that the community must address.

"We will have to look at other funding streams and some of them will not go through [nongovernmental organizations] — they will go straight to the users and some layers might be cut out entirely," she said, adding that the private sector,

as evidenced with her conversations with corporate chiefs and power-brokers in Davos, will be a “key cog” in the global development wheel.

Although private sector engagement is not a new concept — with myriad programs and initiatives now routinely cofinanced or supported through corporate social responsibility activities — Iversen sees a much greater and more engaged role for the private sector in development programs, including family planning and sexual and reproductive health and rights projects. Other stakeholders such as governments and civil society should recognize that.

“We, as an NGO community, might have to get over the notion that making money is bad,” Iversen shared. “People have to behave and the private sector has to be held accountable, but we would not have a health sector without the private sector, because there would be no goods to distribute.”

And this is true on the ground. Countries such as the Philippines have private sector players in the pharmaceutical and medical industries — including hospitals and pharmacies — that provide affordable and quality products and services that, to some extent, government-run institutions are struggling to provide. Kellie Sloan, director of family planning at the [Bill & Melinda Gates Foundation](#), told Devex that one of the key roles the private sector has played is by “making services more affordable” — and more efficient.

Khawar Mann, managing director and head of health care at investment firm The Abraaj Group, echoed these sentiments. He told Devex that other development stakeholders should look at the private sector not as a “cash cow” to finance development programs, but rather as a reliable partner in growing the supply and value chains to deliver development programs on the ground.

“I would ask governments to look at what we do and become less of a provider and more of a payer and allow the private sector to run its hospitals, to build new ones and then they can audit us and accredit us,” he said. “I think government money will go a lot further if they did that.”

Easier said than done? A number of obstacles, perceptions and misconceptions about private sector involvement remain a sticking point.

Christopher Purdy, president and CEO of Washington, D.C.-based social marketing nonprofit [DKT International](#), told Devex that making the private sector a central figure in terms of family planning service delivery doesn't necessarily mean that the companies and private providers should be the only ones doing the legwork.

While the private sector has the ability — and logistical capacity — to provide much-needed products and services on the ground, he explained, not everyone is able to access a demand-driven commodity and pay for it at the same time — especially those at the base of the pyramid.

“If you're expecting 120 million new family planning users and expecting the government to pay for all of that, you're going to have a problem,” Purdy said. “With the private sector, customers are paying for their own services — that's going to be the long-term solution.”

“[But] I'm not suggesting that the private sector is going to solve all the problems. Of course, there's a really important role for NGOs and the public sector, even for free commodities,” he added.

Other organizations, such as [Population Services International](#), have notable positive anecdotes in trying to crack that elusive overlap between making profit and doing good with a wide social impact. First launched in Pakistan in 1995, PSI's social franchising initiative — aimed at improving public health services by getting business operators to franchise — is now operating in 30 countries across Asia, Africa and Latin America.

Rebecca Simmons, PSI reproductive health research adviser, told Devex that while the social franchising scheme works like a general business franchise, the objectives remain simple: to provide high-quality, consistent, affordable and sustainable solutions to family planning and SRHR issues in the most remote areas in the world.

"It is kind of like McDonald's actually. The idea is that when you go to a health service, you should have a brand identity that [people] trust, so if you go there, you know you could order a cheeseburger and it would look a certain way," she said. "With health services, it's sort of the same thing. The community will look at these franchises and say 'I know I can go there ... and get the same quality.'"

The program is admittedly far from finished — with various test programs underway in East Africa to try different franchising models, including capital infusion and demand-generating strategies. But Simmons is hopeful that the wider global development community can first catch up and then provide other innovative ways to engage the private sector in development programs.

As Iversen concluded, at the core of business is providing what people need in a sustainable and ethical manner, and people need high-quality and better care: "Doing business and doing good, and this old buzzword 'shared value,' is now all about value and supply chains: how can we deliver health for girls and women in the supply chain? How can we invest so that it benefits the individual, the bigger group and the business?"

Devex associate editor Richard Jones contributed reporting from [#ICFP2016](#).

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