Governing Public Private Partnerships to advance UHC objectives: Experiences from Government- Private Not-for-Profit contractual relationships in Uganda

Aloysius Ssennyonjo, Justine Namakula and Freddie Ssengooba , Makerere University School of Public Health Uganda

Background: Government – Private not for Profit (PNFP) relations are vital to advance Universal Health coverage (UHC) in developing countries but face major capacity challenges such as “buy or make” decisions and capacity for relational governance systems to support mutual objectives. This study examines how Government-PNFP contractual relationships can be governed to advance UHC objectives.

Methods: This study was part of Multi-country studies commissioned by Alliance for Health Policy and Systems Research /WHO. The Case study about Uganda Catholic Medical Bureau-Government relationship to support health sector development/investment plans over time. Methods included; document review, secondary data extraction and 39 key informant interviews with actors at, district, facility and national level. The study utilized Principal-agency theory, New institutional economics and path dependence to explore evolutions and dynamics in the contractual relationships between government and PNFP over time.

Key findings: The relationship between government and PNFPs was built on pro-poor commitment of the PNFP sub-sector especially evidenced by PNFP presence in rural facilities. This led to privileged position of PNFPs in health governance structures and processes providing opportunities for PNFPs to contribute directly to policy development and implementation processes. The dilemma of performance specification and monitoring and the conflict between PNFP autonomy and co-option by Government are key issues in principal-agency relationship. Mistrust over subsidies and costs were prevalent: Government officials questioned why government should subsidize the PNFP sub-sector yet it continues to charge fees for their services, yet they receive government subsidies and substantial financial and material support from charitable organizations and external aid agencies. The basis for the actual cost of services in PNFP was not transparently determined. Weak financial management systems among PNFP facilities were considered a major challenge in the past but have now improved. The PNFPs made internal efforts to improve capacity including training the teams and streamline internal expectations of employees. The Ministry was also perceived to have weak capacity to meet its obligations in the partnership.

Conclusions: Government of Public Private Partnerships (PPPs) has political economy issues which can be complicated by information inadequacy. Trust and suspicions need to be managed by closer engagement of parties involved in the partnership. Clarification of expectations of partners as has been practiced under Results-based financing (RBF) schemes piloted across the country can enable improvement of the principal-agency relationship.