



Opening Remarks

National Forum

The Private Health Sector in Ethiopia at a Crossroads

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March 26, 2014

Hilton Hotel

Addis Ababa, Ethiopia

I am very pleased to be here on the opening day of the Private Health Sector Forum. I would like to express my appreciation of the Ministry of Health for taking such concrete action toward enhancing the role of the private health sector in Ethiopia and supporting the organization of this event.

Over the last few years, Ethiopia has achieved considerable gains in the health sector. According to the latest health survey, infant mortality and under-five mortality, since 2008, have decreased by 39 and 47 percent respectively, propelling Ethiopia to achieve its Millennium Development Goal Four in 2013. This success is attributable to the determined leadership and commitment of the Ethiopian Government, and the partnership and support of all stakeholders.

Despite such gains, the health system still faces some serious challenges, including a shortage of qualified human resources and a lack of sustainable financing. These challenges are complex, and can only be solved through enhanced partnership between the public and private sectors.

As shown in the Health Sector Development Plan IV and other key policy frameworks, the Government of Ethiopia has already established a vision to encourage private sector investment in health.

Drawing on this supportive environment, there is evidence that the private sector's role in the delivery of health services in Ethiopia has increased during the last decade.

Based on the National Health Accounts report, it is estimated that the private health sector accounts for more than 40 percent of the curative and rehabilitative services in the country. The trend in this sector's growth in Ethiopia is consistent with what is happening in other sub-Saharan African countries. A Study by McKinsey and Associates in 2005 showed that of the total expenditure in sub-Saharan Africa, about 60 percent was privately financed. With Ethiopia's growing economy, the private sector's share in national health service delivery is expected to grow quickly.

Both private for-profit and private not-for-profit organizations can contribute to solutions for current weaknesses and challenges in Ethiopia's health system, such as gaps in resource allocation, human resources for health, infrastructure and equipment, and financial accessibility. By combining the resources and innovative power of business with the knowledge and experience of the development field, we can achieve our goal of providing greater health access to all Ethiopians.

It is important to acknowledge at the outset that many in the public health community oppose, in principle, the role of the private sector in health care. Indeed, there are legitimate concerns. The private sector here in Ethiopia, as elsewhere in Africa, is diverse, fragmented, and not well organized to produce concrete agendas. As a result, the quality of services can be inconsistent. Moreover, the lack of regulatory and accreditation frameworks and systems, combined with a largely uninformed patient population, can sometimes allow for an unscrupulous minority to prevail over responsible providers.

However, given the complexity of challenges in the health sector, marginalizing the private sector is not a solution. Therefore, with the intention of creating a safe, flourishing, and expanding health system, USAID, and other development partners, are working in tandem with Government to create a robust, but responsible private health sector in Ethiopia.

Our public health philosophy is to promote the creation of a vibrant private health sector to help improve access to health services, drive innovation, expand the culture of medical ethics, and improve accountability and value for money in health sector investment.

Currently, USAID's Private Health Sector Program, launched in 2009, operates in five regions and two administrative cities to provide technical support to more than 350 private facilities delivering HIV, TB, family planning, and malaria services. The program has been working closely with the Federal Ministry of Health and Regional Health Bureaus to effectively partner with private health providers to deliver public health services, while improving the quality and affordability of these services for Ethiopians.

In addition, our program is also engaged in capacity building activities to create strong facilities that engage the private sector, and these include:

- Support to professional associations,
- Assistance in the development of a Public-Private Partnership (PPP) framework, and
- Technical assistance to develop national service and licensing standards.

Recently, we have noted that private sector engagement is gaining greater momentum. Today's private sector forum is taking place under the leadership of the Ministry of Health, which signals a strong commitment from Government to promote a meaningful partnership with the private players in health.

USAID is encouraged with this development and will be keen to see more openness in the coming years as we work to create better health services for the Ethiopian people—which is the bottom line for us all.

Again I am delighted to be here representing the U.S. Government in this important exercise and I wish you all very productive discussions in the next couple of days.

Thank you.