

# **Governance of Public-Private Partnerships in Healthcare Financing: A Case of Premier Service Medical Aid Society and Zimbabwe National Army Healthcare Financing Partnership in Zimbabwe**

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## **Abstract**

This study reviews the global trends in embracing public-private partnerships (PPPs) in healthcare financing and governance strategies other nations are employing to strengthen stakeholder relationships for sustainable healthcare delivery. Its main objectives were to examine considerations in healthcare financing through PPP, to determine the key drivers of PPP in healthcare financing that triggered PSMAS/ZNA partnership, to examine the adequacy of governance in PSMAS/ZNA partnership, and propose recommendations for effective governance in the PSMAS/ZNA partnership in healthcare financing. A mixed-method approach was adopted as it was considered appropriate for determining governance effectiveness in partnerships. Twenty-seven purposively selected respondents in semi-structured interviews and two focus group discussions with ten participants each; participated. After reaching a saturation point with no more new ideas coming from interviewees, the interviews were closed on reaching forty-seven participants. This is in line with Mason (2010) who argued that qualitative sample size is determined by the number of new themes and ideas emerging from additional participants, once there are no more ideas that are new and the interviewees are repeating themselves, the interview will then be discontinued. Eighty-seven questionnaire respondents were sampled using Bartlett, Kotlik, and Higgins (2001) formula and the response rate was 100%. The questionnaires were closed-ended while the interview guide was open-ended. The main finding of the study was that the governance of PSMAS/ZNA PPP was effective, despite of some minority respondents who were indifferent to this assertion. The study recommends the embracing of monitoring and evaluation systems that strengthen the PPP governance to a hybrid model that ensures accountability and transparency in tendering as well as the administration of PPPs. It is also recommended that improvements on issues raised by some minority respondents on healthcare service delivery deficits; covering accessibility, drug cost, and availability be addressed.

**Keywords:** PPP Governance, Value for money, PPP Hybrid Model

## **1. Introduction**

Extant literature argues that PPPs have been characterised by governance failures and this study examined

factors that explain what constitute adequate PPP governance in healthcare financing. Globally, the health sector is continuously undergoing change and structural reforms, resulting from rising demands for care of chronically ill, ageing populations, co-morbidities, fast advancing technology, as well as changes in inter-professional delivery models (Centres for Disease Control [CDC], 2012). CDC observed that these changes and reforms, combined with the current lack of economic growth and poor governance in some countries indicate that the existing structures of health systems and their traditional ways of functioning are no longer viable and cannot meet current and future health demands. According to the Institute for Global Health Services (2018), some hospitals around the world are in a state of disrepair; with facilities and services poorly managed.

Research by the Global Health Group (2018) indicate that some world governments have engaged the private sector to deliver services through healthcare PPPs to achieve one or more of six functions namely: (1) financing or co-financing of the project, design of the project including (2) design of the infrastructure and care delivery model, (3) construction or renovation of facilities included in the project, (4) maintenance of hard infrastructure, (5) supply of applicable equipment such as Information Technology and (6) management/delivery of non-clinical services, delivery and management of specified clinical support services.

The World Bank (2018) posits that the majority of facility-based PPPs bundle these functions into three models: (1) Infrastructure-based model- to build or refurbish public healthcare infrastructure, (2) Discrete clinical services model- to add or expand service delivery capacity and, (3) Integrated PPP model- that provides a comprehensive package of infrastructure and service delivery. A study by Barlow, Roehrich and Wright (2013) established that significant investments in healthcare infrastructure would be needed not only in countries that are new members of the European Union (EU) with poor health infrastructure but also in countries with more modern facilities who are now under pressure to change to most recent healthcare models for service excellence.

It is against this background that the Premier Service Medical Aid Society (PSMAS) and the Zimbabwe National Army (ZNA) explored the PPP pathway, which is at the centre of this research.

PSMAS is a healthcare funder established in 1930 by the Public Service Association (PSA), a labour organisation comprised of civil servants from government ministries, which represents government workers on their conditions of service. It is a registered society in terms of Statutory Instrument 330/2000 which regulates the conduct of Medical Aid Societies in Zimbabwe. The society is a membership-driven and Not-For-Profit corporate body with perpetual succession, capable of suing and being sued in its own corporate name. Its membership is drawn from the civil servants, private sector, independent organisations, like churches, universities and individuals. The main objective of PSMAS is to provide financial assistance, wholly or in part, in accordance with its constitution, to a member or the estate of a deceased member for the payment of expenses incurred in respect of medical, dental treatments, drugs and medical appliances provided to the member or any of his/her beneficiaries.

After realisation of high prevalence of non-communicable diseases (NCDs) amongst its members, which include the uniformed forces, and the need for claims costs reduction, the PSMAS established Premier Lifestyle Wellness programme to complement the National Health Strategy (2021-2030) in reducing the high incidence of non-communicable diseases (NCDs) among its membership and to save money from claims.

The high demand for cancer screening from PSMAS members in general and uniformed forces, in particular, created an opportunity for the Premier Lifestyle Wellness programme to carry out cancer

screening exercise, rehabilitation and resourcing of its healthcare facilities in army stations throughout the country. The PPP model agreed to by the parties, involved the construction or renovation of healthcare facilities as well as delivery and management of specified clinical support services.

Hence, this study explored the best practices of good governance that guarantee sustainable healthcare delivery through public private partnerships financing.

## **2. Reviewed Literature**

### **2.1 Definitions, Concept and Forms of PPPs**

A public private partnership (PPP) concept refers to co-operative arrangement between the public sector and private organizations for the implementation of government scheme or programme (Weihi, 2005). For Weihi, it is an exceptional public private cooperation framework model, which has its own structure, contractual relations, clearly defined implementation and expected benefits. A PPP according to World Bank (2012) is a legal binding contract involving public and private sectors for the provision of assets and services that allocates responsibilities and business risks among the various partners.

Jamali (2004), view PPP concept as a model of public procurement based on long term relationship where the private sector invests its own funds, experience and initiative while implementing such programme or project to provide public services, to improve services, or to create the social and financial capital needed for the provision of public services. Jamali (2004) argued that PPP could also be viewed as a contractual arrangement whereby the resources, risks and rewards of both the public sector and private organizations are combined to provide greater efficiency, better access to capital and improved compliance with a range of government regulations relating to the environment and workplace. Admittedly, Peterson (2010) notes that the concept of PPP clarifies possible relationships established among public private sectors for the main purpose of executing infrastructural projects and other services.

Extant literature reveals that the use of private innovation and finance in public infrastructure is not a new concept but rather an old tradition experiencing a new revival (Xavier, 2004). This author argues that the beginnings of a partnership between private and public sectors can be traced as far back as the Roman Empire two thousand years ago in Europe. The World Bank Tool Kit (2009) gave a chronicle account of the PPPs evolution pointing out that a network of postal stations was developed to accompany the vast expansion of the highway system under the Roman legions. These postal stations', according to the World Bank, which were actually small communities with large stables, warehouses, workshops, hotels and military barracks, main purpose was of executing infrastructural projects and other services.

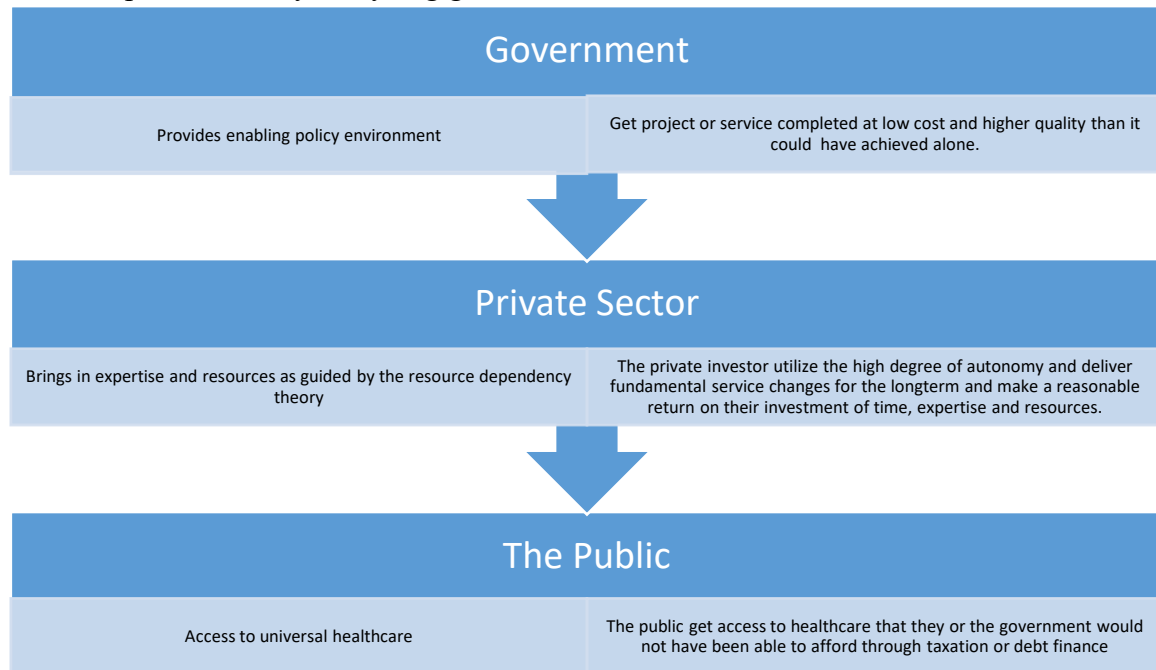
According to OECD (2018) there are quite a number of PPP models and these are, Build Operate and Transfer (BOT), Build and Transfer (BT), Build Own Operate and Transfer (BOOT), Built Lease and Transfer (BLT), Lease develop Operate (LDO) Build Transfer and Operate (BTO), Rehabilitate Operate and Transfer. (ROT).

### **2.2 Theoretical Framework for Analysing Governance of PPPs**

A number of governance theories are applicable in explaining the proper governance of PPPs. While the following theories: Ethics theories, resource dependency theory, stakeholder theory, agency theory (King Report, 2009) are relevant, the arguments raised in the present study were guided and informed by resource dependency theory (Hillman, Canella & Paetzold, 2000), business ethics theory (Crane & Matten, 2000) and the PPPs triple win theory by KPMG (2018) in analysing and interpreting scholarly ideas that informed the study.

## 2.2.1 Triple Win Theory

The main theory informing the study is the triple win theory by (KPMG, 2018). This theory fits well in this study of PPP arrangements for it attempts to bring fairness and equitable sharing of costs and benefits, which is fundamental in joint venture related partnerships. For this theory to achieve its objective of equity (King, 2016) both parties to the partnership must play their party, mobilise resources for the sustainable delivery of service guided by the resource dependency theory anchored on business ethics theory. Figure 2.1 shows the triple win theory analysing governance of PPPs.



**Figure: 2.1 Triple Win Theory**  
**Source: KPMG (2018)**

The concept of triple win thinking is about balancing the needs of three key parties (KPMG, 2018). The triple win theory has more to offer to both parties in the partnership. KPMG outlines the benefits associated with sustainable partnership arrangements that value every player in the contract as key. For governments and citizens, KPMG saw PPPs as offering one way of containing the seemingly “bottomless pit” of universal health care’s potential costs, by capping commitments into the long term and leveraging ultra-lean models of care provision. Global Health Institute (2018) observed that for the private sector, universal health care focused PPPs, offer the opportunity for large-scale projects in healthcare markets experiencing levels of growth not seen in the West for generations. In this respect, the ultimate goal is a triple win for the three parties getting: (a) For governments; maximum benefit from limited public capital, (b) For patients and the public; higher quality health services at the same or less cost, and (c) For private players, a sustainable return on their investment and expertise.

In this study, it is the needs of PSMAS, ZNA and members that was under review. The PSMAS needs are to maintain its membership base and get subscriptions which in turn will be invested into members’ health needs (PSMAS Constitution, 2020-revised). The ZNA’s needs is to have funding for construction or rehabilitation of infrastructural development, expertise and member service as stipulated in the Memorandum Of Understanding (MOU) (2018) project document. For the members and their dependents,

quality healthcare delivery including access to and availability of medicine and drugs at low cost is what they need.

### **2.3 Conceptual Framework for Analysing PPP Governance**

Governance is a broad concept with varying definitions and interpretations and the study adopted the OECD (2014) conceptualization which views governance as the way society or groups within it organize to make decisions. In other words it is how traditions, institutions and processes determine the exercise of power, how citizens are given a voice, and how decisions take into account the public interest (World Bank, 2014). For Lynn, Heinrich and Hill (2001), governance is the means for achieving direction, control and coordination of wholly or partially autonomous individuals or organisational units on behalf of interests to which they jointly contribute.

Kaufman, Kraay and Mastruzzi (2010) define governance as the tradition and institutions by which authority in a country is exercised. The authors outlined three instances that fall under this definition. First, they view governance as the process by which governments are selected, monitored and replaced. Second, governance is the capacity of the government to effectively formulate and implement sound policies. Third, governance refers to the respect of citizens and the state for the institutions that govern the economic and social interactions among them.

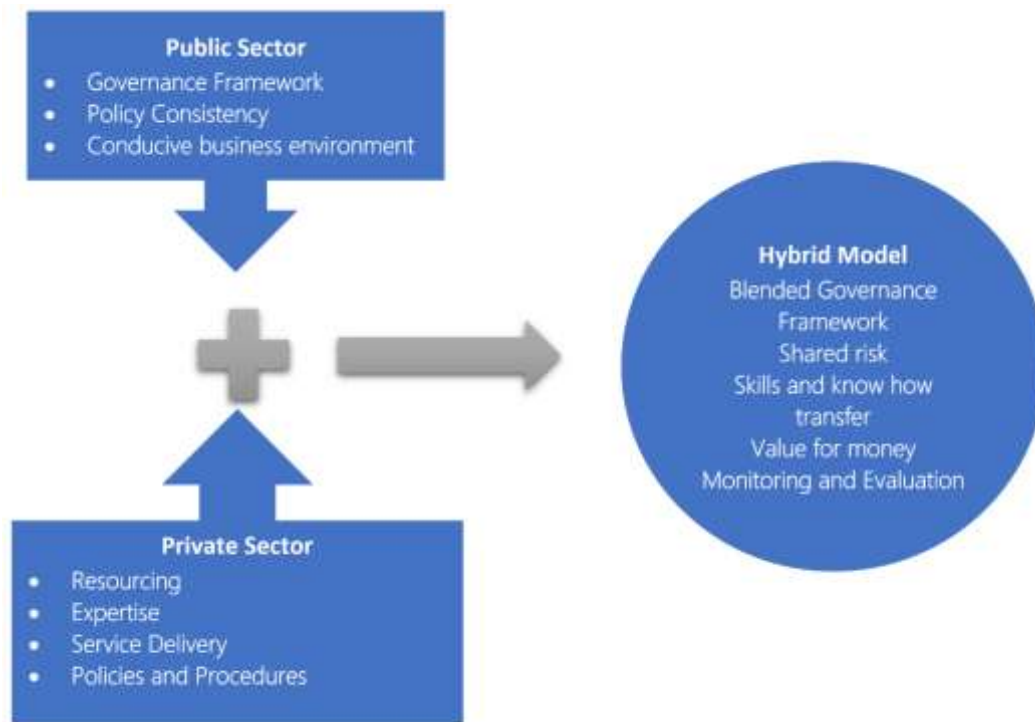
Governance includes the creation, implementation and evaluation of activities backed by the shared goals of citizens and organisations, which may or may not have formal authority or policing powers (Roseneu, 1992). Byman (2018) defines good governance as an effective way of formulating and implementing state policies, including law and order and programmes designed to encourage popular welfare. As such good governance at its core includes the exercise of the rule of law, popular participation, and government accountability involving both the state and civil society. The good governance concept is built around effectiveness and efficiency, accountability and transparency, equity, rule of law, and the voice of legitimacy, performance, fairness, and direction (Keping, 2018).

The relevance of good governance becomes clear for PPPs which are being favoured as a model or mechanism for infrastructural development. In other words the institutional environment considerably influences PPP processes and project outcomes (Matos, Dewulf and Mahalingam, 2012). Institutional processes must be considerate of principles of private investments into the government-led projects. The relationship between good governance and PPPs are susceptible of influence in the hierarchical model of governance hence the hybridization model of this study seeks to treat each partner in the PPP arrangement as equal partner for sustainable and inclusive growth and continuity of PPPs.

The conceptual framework (Sitwala Imenda, 2014) represents a network of interlinked concepts that together provide a comprehensive understanding of the 'hybrid model' of healthcare financing under a PPP. At a conceptual level, the study 'evaluated' governance and its impact on PPPs. Ruiter and Matji (2016) argue that the process of bringing in two or more entities into a 'partnership', which translates into 'real-time' investment through blended governance should translate into reduced per capita healthcare costs, and quality service delivery – a process the study refers to as 'hybridization'. Funding, resourcing, expertise, value for money and risk transfer are considered dependent variables while governance is the independent variable without which the PPP will face collapse (Ruiter & Matji, 2016).

Figure 2.2 below shows the conceptual framework for analysing governance in healthcare financing under a PPP hybrid model.





**Figure 2. 1: The Hybrid Model (For Healthcare Financing)**

**Source: By Author, (2023)**

### 2.3.1 Parameters of the Hybrid Model

The hybrid model states that the state must focus on the regulation of the private sector and make policies conducive to the sustenance and growth of the PPP. There is shared project, financial and contractual risk between the PSMAS and ZNA (PSMAS/ZNA Memorandum of Understanding (2018) refers). Transfer of skills and knowledge can easily be enforced; roles and responsibilities are clearly defined and an independent governing body put in place to manage the project lifecycle (Ruiters & Matji, 2016). Tapping from their experience in South Africa's Infrastructural development PPPs, these authors argued that service delivery, cost effectiveness and revenue flows are prioritised, because these might have a negative effect on the business.

### 2.6 Adequacy of PPP Governance in healthcare financing

PPP governance includes steps taken by national governments to ensure that they act according to and implement the standard practices and principles at each stage that they agreed to (OECD, 2014). These practices address social, economic, environmental, and financial assessment and guide partners to ensure transparency and fairness in procurement process as well as satisfactory dispute resolution and managing change during the implementation process with value for money in mind (OECD, 2014). The OECD argued that the rationale for entering a PPP and procuring large infrastructure projects, is value for money, risk transfer, expertise and quality service delivery. The OECD (2014) defines value for money as the optimization of whole-life costs and quality needed to meet the users requirements, while taking into account potential risk factors and resources available. At the centre of sustainable and effective PPP in healthcare financing is governance (OECD, 2014). This study examined the adequacy of PPP governance on three main stages namely: preparation, procurement and management in the PPP value chain governance.

### 3. Methodology

The study used a mixed methods design, which is an intellectual and practical synthesis, based on qualitative and quantitative research. This research design addressed the main research question of this study, “How effective is the governance framework in PSMAS healthcare financing PPP with the ZNA?” The researcher chose this design for its being pragmatic and emerging popular strategy that combines both qualitative and quantitative data collection for rigour and triangulation (Johnson, Onwuegbuzie, & Turner, 2007). This is the most suitable and relevant research strategy for a case study like this that ensures both validity and generalisation of the research results.

A case study makes an intensive investigation on the complex factors that contribute to the individuality of a social unit. Meyer (2001) and Yin (2009) assert that case study consists of detailed investigation of one or more organizations or groups within organizations, with a view to providing an analysis of the context and process involved in the phenomenon under study.

#### 3.1 Population, sample and sampling techniques

The study population consisted 205 Harare -based PSMAS members in the army screened and diagnosed with Non-Communicable Diseases, and managers/officers from PSMAS and ZNA who were responsible for the administration of the project, as shown in Table 3.1 below.

**Table 3. 1: Study population and sample**

Description	Population	Sample
Army staff - for quantitative data (questionnaire)	150	87
Army medic/officers and PSMAS managers - for qualitative data (Interviews and FDGs respondents)	55	27 – Interviews
		20 - for 2 FDGs (10 per group)
<b>Total</b>	<b>205</b>	<b>134</b>

For quantitative data, simple random sampling was employed to select a sample. Using the sample size determination table, developed by Bartlett, Kotrlik, and Higgins (2001), it is determined that the appropriate sample size for a population of 150 people, with a confidence interval of .50 for categorical data, is 87.

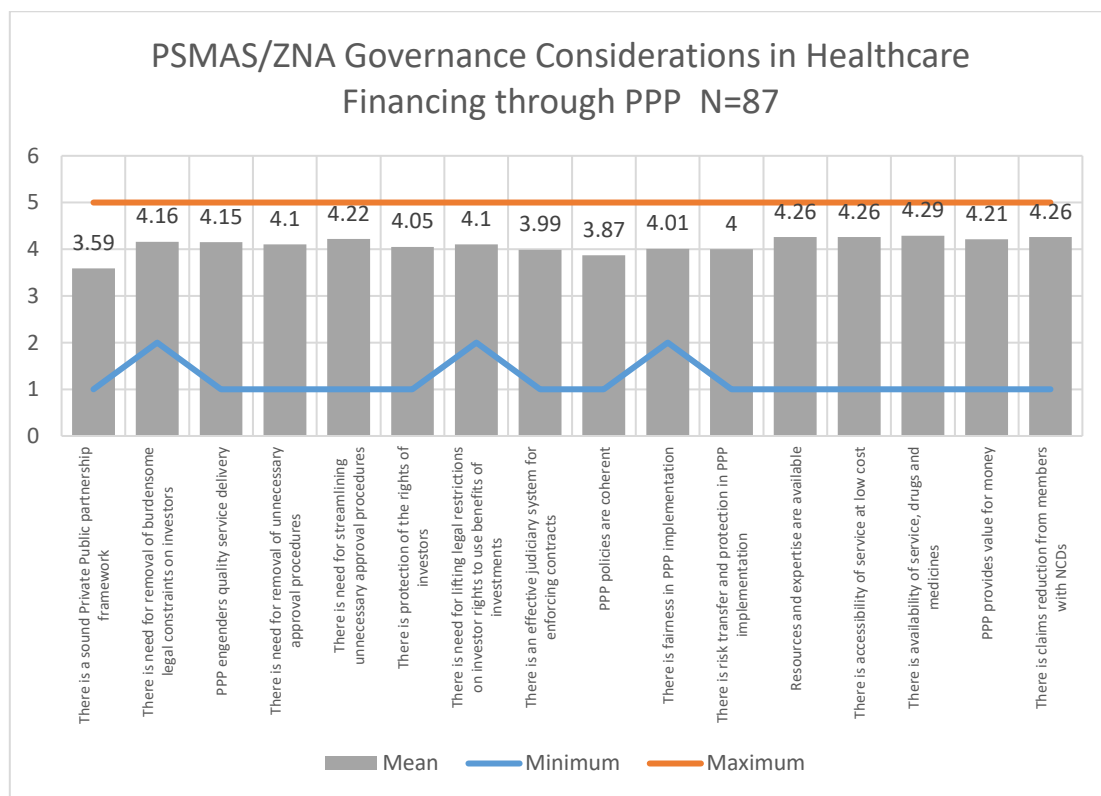
Although, for qualitative data, the study targeted 55 interviews and FDGs respondents who possessed the attributes required to answer the research questions, the sample size for qualitative approach was guided by the saturation principle according to Mason (2010). This author asserts that data saturation is reached when there is enough information to replicate the study when the ability to obtain additional new information has been attained, and when further coding is no longer feasible.

### 4. Results

#### 4.1 PSMAS/ZNA main governance considerations for the PPP.

The study sought, inter alia, to examine and discuss the PSMAS/ZNA main governance considerations made in healthcare financing through public private partnerships. A set of variables pertaining to the considerations were examined using statements based on a five-point Likert-type scale, which the sample respondents were required to use in responding to the statements. In respect of each statement, a mean score was computed using the Statistical Package for Social Sciences (SPSS), as shown in Figure 4.4.

With regard to the statement on the existence of a sound PPP framework, the mean score was 3.59 as shown in Figure 4.4. This statistic indicates that there was a general agreement that a PPP framework existed. The rest of the statements had means ranging from 3.87 to 4.29, indicating that the respondents were generally in agreement with the statements. Given the impactful mean scores it can, thus, be concluded that the governance considerations made by PSMAS and ZNA in financing healthcare through a PPP included all those presented in Figure 4.4. These include protection of the rights of investors, the need for lifting legal restrictions on investor rights to use benefits of investments, an effective judiciary system for enforcing contracts, coherent PPP policies, fairness in PPP implementation, risk transfer and protection in PPP implementation, availability of resources and expertise, accessibility of service at low cost, availability of service, drugs and medicines, provision of value for money by PPPs, and claims reduction from service providers for members with NCDs.



**Figure 4. 1: PSMAS/ZNA Governance Considerations in Healthcare Financing through PPP**

From qualitative data collected, this question generated 13 themes focusing on strengthening the governance of the public private partnership that guarantees sustainable healthcare provision. Some of the themes emerged more than fifteen times from a sample size of 47 respondents. Responses from interviewees using semi-structured interviews on this section are project staff, FDG and had this to say:

*“the main considerations for governance of the partnership in healthcare financing between PSMAS and ZNA are fairness in the implementation of the partnership, need for resources and expertise, accountability and good corporate governance”.*

It was reported that:

*“there must be a sound PPP framework consented by both parties to the partnership and good corporate governance for the PPP to be sustainable without which the arrangement will not yield*



*positive results”.*

The interviewees generally expressed the view that:

*“...there was a need for provision of additional capital to resuscitate the collapsing army healthcare facilities, provide alternative management and implementation skills as well as optimal use of resources...uuhm... I see this as key and urgent considerations for the public-private partnership to be sustainable and serve members and our families at large” (Int 14).*

Focus Group Discussion 2; members were of the view that the PPP must be carefully matched to the individual project or healthcare facility characteristics and need for recognising the relative strength and weaknesses of each type of healthcare structure and the aims and objectives of each party to the partnership. One member of the FDG 2 has this to say:

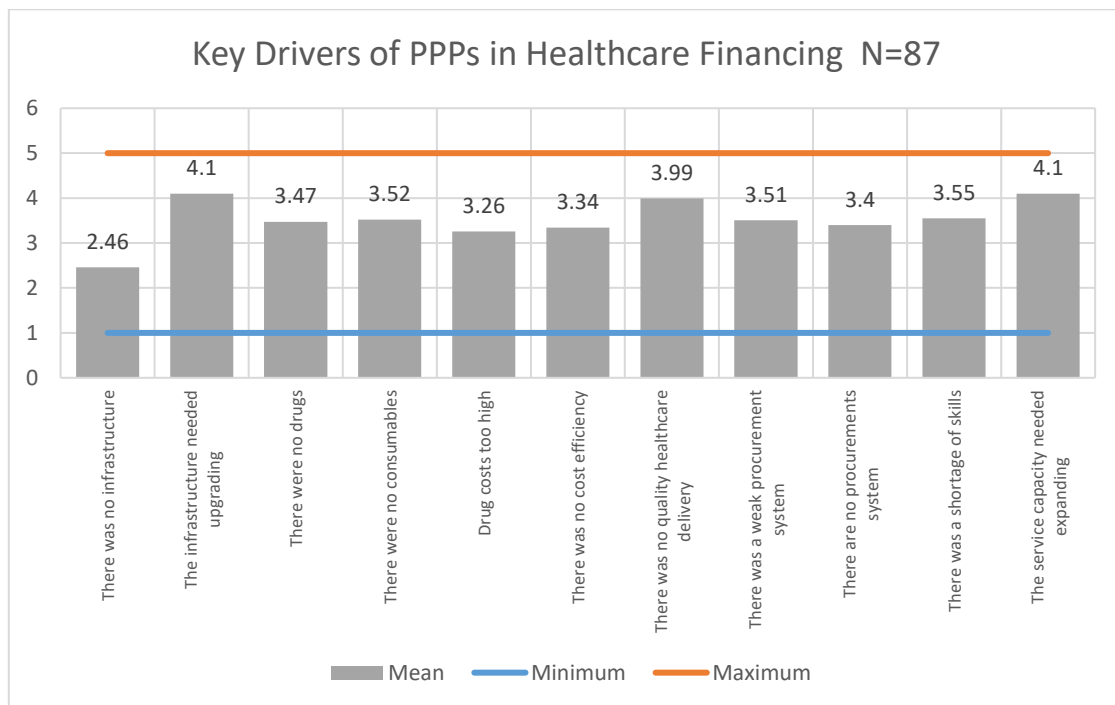
*“of particular importance is the role of the public sector (army) which may transform itself from a service provider to an overseer of service contracts in order to guaranteeing benefit from the public private partnership....uuuh..they have tried but things have gone the other way”.*

Focus Group Discussion 1; members were of the view that the public private partnership must consider and address key issues like removal of burdensome legal constraints on investors, removal of burdensome approval procedures that serve to frustrate the other party to the contract and engender quality service delivery through good governance. One discussant said:

*“In addition to that, lifting legal restrictions on investors’ rights to profit transfer, providing an effective judiciary system in the enforcement of contracts and equitable transfer of risks are key ingredients for an attractive partnership that should motive performance and deliver value”.*

#### **4.2 Key drivers of PPP in PSMAS/ZNA healthcare financing partnership**

One of the objectives of the study was to determine the key drivers of PPPs in healthcare financing that triggered the PSMAS and ZNA partnership. A set of 12 statements was used to determine the key drivers of the PSMAS-ZNA partnership in healthcare financing. The sampled respondents were required to respond to the statements by indicating whether they agreed or disagreed with the statements using a Likert-type five-point scale. As shown in Figure 4.5, a mean of 2.46 indicated that the respondents generally disagreed with the assertion that there was no infrastructure, indicating that lack of infrastructure was not one of the drivers of the partnership. The government has since independence in 1980 been massively investing in healthcare infrastructure development. It is, therefore, not surprising that the respondents indicated that lack of infrastructure was not one of the drivers of the partnership. However, the respondents strongly indicated that infrastructure needed upgrading, also suggesting that infrastructure upgrading, with a mean score of 4.10 on a five-point scale, was one of the key drivers of the partnership. Drug shortages, consumable shortages and high costs of drugs, with respective mean scores of 3.47, 3.52 and 3.26 precipitated the partnership, though rather moderately as evidenced by mean scores, which tended to boarder on neutrality. Lack of quality healthcare delivery and the need to expand service capacity, with respective means of 3.99 and 4.10, were key drivers of the partnership. Similarly, a weak procurement system and skills shortage, with respective mean scores of 3.55 and 3.51 were considerable drivers of the partnership.



**Figure 4. 2: Key Drivers of PPPs in Healthcare Financing**

According to interview and FDGs respondents, the situation at army healthcare facilities called for public private partnership intervention/arrangement. Some interviewees expressed their observations on the state of army healthcare facilities under public private partnership consideration with PSMAS. One interview has this to say:

*“the situation was worse as the healthcare facilities were not functional, no beds for maternity, no essential consumables and almost all key ppp drivers influenced the partnership”. On cash constraints, one interviewee has this to say: “there was no drugs and essential consumables to talk about as the army was in serious liquidity challenges”.*

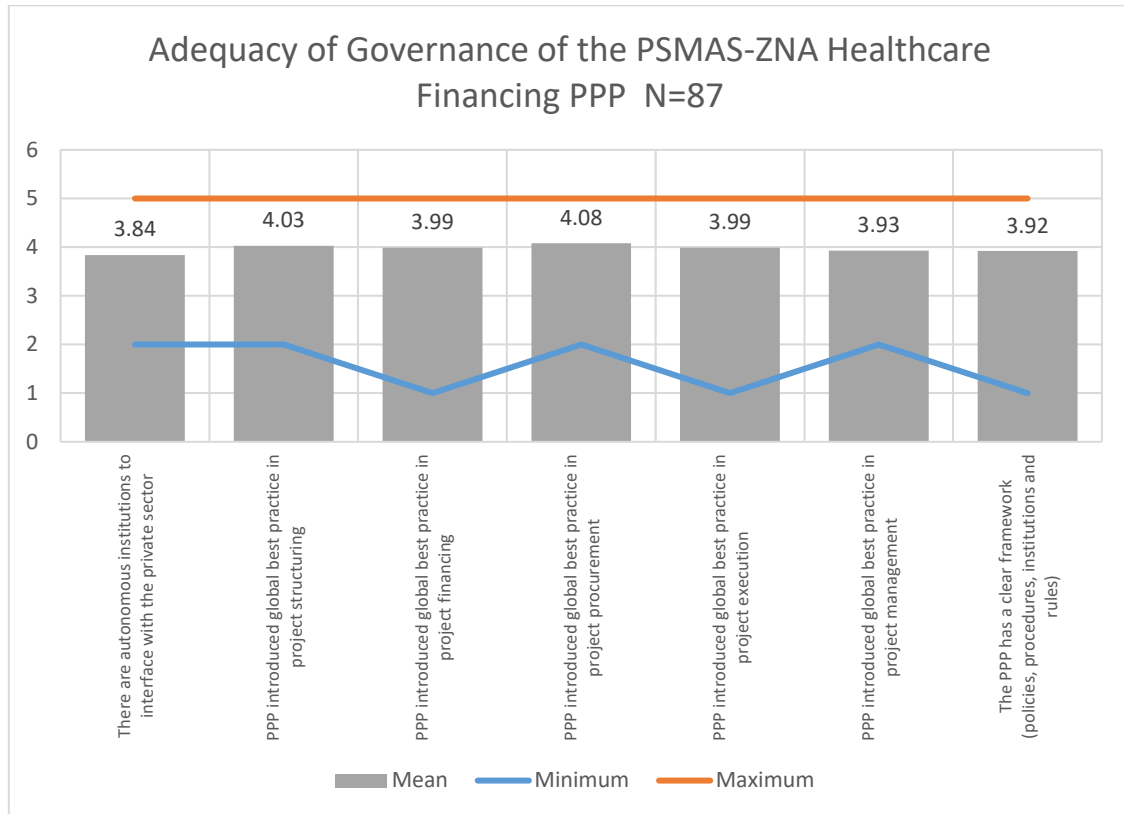
Another interviewee remarked:

*“there was poor governance of the healthcare facilities by the army, it was “roting” and vandalised ...aah... the situation was extremely bad...there were no maternity beds, the infrastructure needed upgrading, management skills are available at lesser extent though, but there was need to restructure the whole managerial systems and inject new innovation as the facilities suffered from lack of cost efficiency and sustainable leadership before the partnership with PSMAS”.*

### 4.3 Adequacy of Governance of the PSMAS-ZNA Healthcare Financing PPP

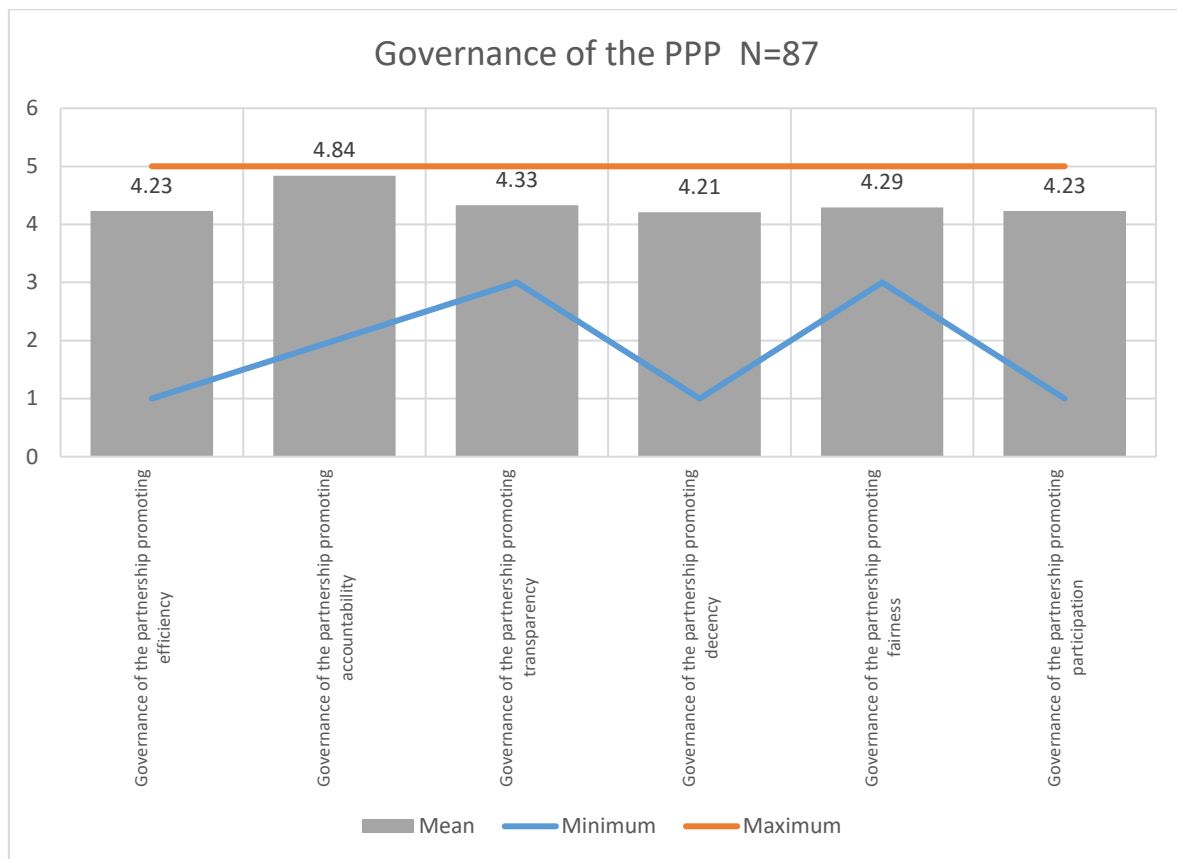
One of the objectives of the study was to examine the adequacy of governance in PSMAS-ZNA partnership. The adequacy of the partnership governance was assessed through statements, which the sampled respondents responded to by means of a five-point rating scale. As shown in Figure 4.7, 7 statements were used in this regard. The mean scores ranged from 3.84 to 4.08, indicating that the respondents predominantly viewed the governance of the public private partnership between PSMAS and ZNA as adequate. The statements covered parameters such as the existence of independent governing bodies (institutions) to interface with the private sectors, the introduction by public private partnership of global best practice in project structuring, financing, procurement, execution and management, as well as

the existence of a clear framework for the public private partnership in terms of policies, procedures, rules and institutions.



**Figure 4. 3: Adequacy of Governance of the PSMAS-ZNA Healthcare Financing PPP**

To further assess the adequacy of the governance, a set of six statements on six aspects of governance, namely, efficiency, accountability, transparency, decency, fairness and participation was used. As shown in Figure 4.8, the mean scores on these six dimensions were quite high, ranging from 4.21 to 4.84, indicating the adequacy of the governance PPP in these regards, thereby partly addressing the study's objective of assessing the adequacy of the governance of the PPP between PSMAS and ZNA.



**Figure 4. 4: Governance of the PPP**

## 5. Discussions

The study sought to evaluate the adequacy of governance in PSMAS/ZNA partnership in healthcare financing. Its main objectives were to examine and discuss public and private sectors governance considerations in healthcare financing through public private partnership, to determine key drivers of public private partnerships in healthcare financing that influenced PSMAS/ZNA partnership, to examine the adequacy of governance in PSMAS/ZNA partnership and propose recommendations for effective PPP governance in the PSMAS/ZNA healthcare financing partnership.

### 5.1 Main governance considerations in PSMAS/ZNA PPP

The second objective of this study was to examine the main governance considerations in the PSMAS/ZNA PPP. The panellist's submissions predominately indicated that a sound PPP framework that provide for equality of treatment for the partners, value for money, transparency, and removal of burdensome legal constraints on investors were part of the main considerations for the PSMAS /ZNA PPP. As highlighted by the respondents, there was need to ensure that a value for money principle was adopted in the PPP framework. Improvement of ZNA healthcare infrastructure and services as well as adequate training for those to be involved in the partnership were key governance considerations.

The findings of this study are in tandem with UNECE (2008) study findings that PPPs combine the best of both worlds; a win-win approach: where the private sector with its resources, management skills and technology; and the public sector with its regulatory actions and protection of the public interest, complement each other for improved delivery of services.

Studies by Kaufmann et al., (2010) on what potential investors consider as part of due diligence before committing their resources in a contract, reveal that there are six main indicators that should inform the

decision of potential investor to invest in a particular country. The study outlined the factors as: (1) political governance that include political stability, absence of violence, (2) voice and accountability, (3) economic governance that encompasses government effectiveness and (4) regulatory quality, (5) Institutional governance, entailing corruption control and (6) the rule of law (Asongu & Nwachukwu, 2017). The host of these considerations operate at both international, regional and local level as key determinants to the success of PPP investments as outlined by scholars in PPP governance, such as Kaufmann et al (2010).

### **5.2 Key PPP drivers that influenced ZNA/PSMAS partnership**

One of the objectives of the study was to determine the key drivers or motivation for PPPs in healthcare financing that triggered the PSMAS and ZNA PPP. Majority of the respondents concurred that the key drivers that triggered the ZNA/PSMAS partnership were infrastructure improvement, cash constraints and managerial expertise among other drivers. This dovetails with the finding of the KPMG (2018) that more than half of the global population reside in emerging markets where governments are under pressure to expand health services and coverage. This occurs as ageing populations and a growing burden of chronic and non-communicable diseases place bigger demands on health systems (WHO, 2020). Likewise, the ZNA was heavily lumbered with the burden of chronic and non-communicable diseases against the backdrop of acute resource constraints, prompting it to seek succour in a PPP.

### **5.3 Adequacy of the PPP governance**

The third objective of this study was to examine the adequacy of the PSMAS/ZNA PPP governance. Largely there was consensus of participants on the effectiveness of the partnership. The panellists predominantly characterised the PPP as effective, citing reasons such as an autonomous institution within the army to interface with PSMAS and that the PPP project structuring, financing and procurement provisions introduced global best standards. The independent committee on the identification, procurement and execution of the PPP was comprised of senior officials from different government departments with no vested interest in the PPP, suggesting that there was independent thinking and fairness in the whole process. As UNECE (2014) asserts, governance matters in PPPs if governments are to climb the maturity curve. UNECE argued that this process requires putting into place the enabling institutions, procedures and processes surrounding PPPs in order to fully benefit from PPPs. The findings of this research has shown that both parties entered into the partnership arrangement with the objectives of making it work to realize the benefits associated with good governance of the PSMAS/ZNA PPP. As highlighted by the respondents, the PPP governance of PSMAS/ZNA was certified as effective.

## **6. Conclusions**

### **6.1 Main governance considerations for PPPs**

The study clearly showed that, for PPPs to work well, they require well-functioning institutions, regulatory quality, rule of law, transparent, efficient procedures, accountable and competent public and private sector free from corruption. This was in tandem with the OECD (2010) assertion that the PPP process requires coherent policies that lay down clear objectives and principles, identifies projects, set realistic targets and the means of achieving them, with the aim of adequately addressing the objectives of the partnership. It can be concluded that these governance considerations were key to the establishment of ZNA/PSMAS partnership, thereby adequately addressing the first objective of this study of examining public and private sectors' governance considerations in healthcare financing through PPPs.



### 6.2 Key PPP drivers that triggered the PSMA/ZNA partnership

On the basis of the study findings it can be concluded that the ZNA needed upgrading of its infrastructure and managerial expertise, among other requirements. This dovetails with the HEGA, (2018) assertion that many PPPs the world over are influenced by the need for additional financial resources and benefit from the private sector efficiencies.

These considerations may also be important for government departments and private businesses contemplating engaging in PPPs.

### 6.3 Adequacy of the PPP governance

The respondents were predominantly of the view that the PPP governance was adequate, while a few participants disagreed with that assertion. On the basis of this finding, it can be concluded that there is need to improve on all six (OECD, 2002) principles of good governance for avoidance of doubt. This includes use of resources without waste, delay, corruption or undue burden on future generations (efficiency), accountability; thus the extent to which political actors are responsible to society for their actions, clarity and openness in decision-making, equal application of rules to all partners and members of the society and involvement of all stakeholders and finally development and implementation of rules without harming people.

One of the aims of establishing or improving a PPP framework is to ensure these principles of good governance are followed in the implementation of the projects. Given that the majority of participants agreed to the assertion that the PPP governance was adequate, help to conclude that the governance was adequate though not watertight, as it required constant reviews for improvement. The foregoing addressed the third objective of this study of examining the adequacy of governance in PSMAS/ZNA partnership, by clearly showing that the governance was adequate from the viewpoint of the respondents.

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