

The Role of the Private Sector in the Global Health Agenda



by Marianna Lunardini and Matteo Bursi

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ABSTRACT

Health investments are a fundamental element for the growth of low-and middle-income countries (LMICs) and attract a significant amount of resources within the overall development cooperation agenda. High-GDP states are the main financiers in this field. However, the for-profit private sector also provides a substantial contribution that complements public efforts. Companies – not only those directly linked to the healthcare domain – allocate funds and share know-how with various players in the healthcare sector of LMICs. While following a humanitarian logic, they safeguard their economic interests, by ensuring, for example, the stability of regions in which they operate and invest. In this regard, public-private partnerships are useful for both sides and in fact appear essential in order to achieve Sustainable Development Goal 3 (“Ensure healthy lives and promote well-being for all at all ages”) of the 2030 United Nations Agenda.

Health | Private sector | Investments | Italy | Africa

keywords

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Introduction

Health is of paramount importance for development cooperation. Sustainable growth and the protection of rights need functioning healthcare systems. Programmes aimed at eliminating deep-rooted health issues are key to laying the foundation for the structural improvement in the quality of life of citizens.

Health investments have historically accounted for a significant share of the resources mobilised for development cooperation.¹ Over the past decades, high-income states have provided the largest share of healthcare aid to low- and middle-income countries (LMICs) through direct action by governmental entities, funds allocated to non-governmental organisations (NGOs) and multilateral institutions. Key areas supported through health official development assistance (ODA) include provision of biomedical supplies, the development of health workforce and infrastructures, and sharing of scientific knowledge. Healthcare investments in LMICs have not been made exclusively by public entities. Over the years, the private sector has invested substantial resources (not only financial), establishing partnerships with both governmental, multilateral and non-governmental

¹ According to the OECD, in 2023, bilateral ODA commitments for health (without considering population policies/programmes and reproductive health) were slightly higher than multilateral commitments (9,071 billion dollars and 8,865 billion dollars respectively). See OECD DATA website: *DAC5: Aid (ODA) by Sector and Provider*, https://data-explorer.oecd.org/vis?lc=en&df%5bds%5d=DisseminateFinalDMZ&df%5bid%5d=DSD_DAC1%40DF_DAC5&df%5bag%5d=OECD.DCD.FSD&df%5bv%5d=1.3&dq=ALLD.528....Q.120%2B130&pd=2023%2C2023&to%5bTIME_PERIOD%5d=false&vw=tb. As noted by the One Campaign organisation, excluding the increase in funds attributable to Covid-19, even if the health-domain remains one of the main beneficiaries of official development assistance (ODA), over the years, there has been a progressive contraction in the amount of resources allocated to this field by Development Assistance Committee (DAC) countries. See the organisation's website: *Health ODA Hits 10-year-low: New ONE Analysis of OECD Data*, 16 January 2025, <https://www.one.org/?p=168918>.

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· Paper presented at the conference "Il ruolo del settore privato nella salute globale", Rome, 3 April 2025, <https://www.iai.it/en/node/19747>.

organisations.²

The aim of this paper is to look into the role of private operators in the healthcare sector of LMICs. The paper sketches out the evolution of private sector engagement in this field. It then illustrates the partnerships established by the largest public-private partnership in global health, the Global Fund to Fight Aids, Tuberculosis and Malaria, with three multinational corporations in order to describe how collaborations between the private sector and other stakeholders can develop. Subsequently, in light of the findings emerged during a set of interviews, the study examines interventions carried out by enterprises, illustrates the perspective of Italian private sector, and considers potential synergies with the Mattei Plan, Italy's flagship initiative of cooperation with African countries.

The research benefited from the insights of a selected group of global health experts and project managers working on health-related initiatives. A series of qualitative interviews were conducted with a targeted group of experts and representatives from companies involved in ongoing healthcare projects in LMICs. Two categories of companies were included: those specialising in healthcare and those that, while not healthcare-focused, play a critical role in supporting healthcare systems abroad.

1. Global health and the private sector

1.1 *The role of the private sector for the SDGs*

Mobilising the private sector in development cooperation has become a key challenge for the achievement of the United Nations Sustainable Development Goals (SDGs) by 2030. At the end of 2024, the United Nations warned that the targets could be reached only with accelerated efforts.³ International financial organisations, such as the International Monetary Fund (IMF), consider private sector engagement a pivotal factor especially in time of shocks, such as the one caused by the breakout of the Covid-19 pandemic.⁴ Out of the total official support for sustainable development in 2022, which amounted to 342.1 billion dollars, 55.3 billion came from private finance and 10.2 billion dollars from private grants, while the remainder was classified as official resources. The involvement of private

² In this paper the Authors, referring to "private sector", take into account for-profit companies. Therefore, other non-government organisations (for example, foundations) are not involved in the analysis.

³ According to the 2024 UN report, "only 17 per cent of the SDG targets are on track, nearly half are showing minimal or moderate progress, and progress on over one third has stalled or even regressed". See UN, *The Sustainable Development Goals Report 2024*, June 2024, p. 2, <https://unstats.un.org/sdgs/report/2024>.

⁴ Dora Benedek et al., "A Post-Pandemic Assessment of the Sustainable Development Goals", in *IMF Staff Discussion Notes*, No. 2021/003 (April 2021), p. 5, <https://doi.org/10.5089/9781498314909.006>.

finance increased by 21 per cent compared to the previous year.⁵ During the UN Summit of the Future 2024, world leaders reaffirmed their belief that private sector investment in LMICs has the potential to foster global development and should be supported with finance mechanisms and partnerships and by “creating a more enabling domestic and international regulatory and investment environment, and through the catalytic use of public financing”.⁶

The participation of the private sector (which includes diverse actors such as big companies, small and medium-size enterprises (SMEs), banks and social enterprises) is crucial to support development policies in parallel to the increasing role of development finance.⁷ Following the outbreak of the Covid-19 pandemic, health became the focus of global concerns; the close connection between health and security also came to the fore. The pandemic also shed light on the tension between public and private interests such as in the case of access to medicines, international agreements on intellectual property rights and the role of pharmaceutical industries.⁸ The impact of Covid-19 worsened health-related conditions in several regions, making international cooperation more challenging yet increasingly vital for global development. Global life expectancy diminished after the pandemic, inverting an upward trend that had lasted for many decades (in 2021 life expectancy was 71.4 years, the same level of 2012);⁹ the share of deaths due to communicable diseases had a similar jump back to the 2005 level (28.1 per cent) in 2021. Progress towards universal access to healthcare services at the global level has slowed since the pandemic, while monetary distress due to out-of-pocket health spending has deepened.¹⁰ The year 2025 will place SDG 3 (“Ensure healthy lives and promote well-being for all at all ages”) at the centre of the UN’s progress assessment of the 2030 Agenda. In particular, a High-Level Political Forum in July 2025 will focus on the implementation of targets related to health and well-being.¹¹ An even strengthened role of the private sector could be key to plug the gaps and accelerate progress towards SDG 3 and other SDGs. The private sector has already contributed to progress towards SDG 3 and delivered on considerable progress. For

⁵ UN, *The Sustainable Development Goals Report 2024*, cit., p. 42.

⁶ UN, *The Pact for the Future (A/RES/79/1)*, September 2024, point 23(k), <https://docs.un.org/A/RES/79/1>.

⁷ Karim Karaki, “A Whole-of-government Approach to Engage the European Private Sector for Investment and Development”, in *ECDPM Commentaries*, 3 June 2024, <https://ecdpm.org/work/whole-government-approach-engage-european-private-sector-investment-development>.

⁸ Berit S.H. Hembre et al., “States, Global Power and Access to Medicines: A Comparative Case Study of China, India and the United States, 2000–2019”, in *Globalization and Health*, Vol. 21 (2025), Article 3, <https://doi.org/10.1186/s12992-024-01092-2>.

⁹ UN, *The Sustainable Development Goals Report 2024*, cit.

¹⁰ Certain factors were critical even before Covid-19, according to the UN SDGs report (ibid, p. 12) “The proportion of the population with catastrophic expenditures increased from 12.6 per cent in 2015 to 13.5 per cent in 2019”, meaning that “1 billion people faced catastrophic health expenditures exceeding 10 per cent of their household budget and 344 million driven deeper into extreme poverty by health costs”. A phenomenon that of course hits harder vulnerable groups and LMICs.

¹¹ The SDGs to be reviewed in-depth are Goals 3, 5, 8, 14 and 17. For more information see the UN High-Level Political Forum website: <https://hlpf.un.org>.

instance, private sector and nongovernment partners have contributed over 4.3 billion dollars (as of February 2024) to support global health within the framework of the Global Fund.¹²

1.2 Healthcare and the private sector engagement

LMICs healthcare system face daunting challenges, including difficulties in funding and planning at the national level, alongside constant competition for resources with other basic needs.¹³ Domestic revenues in many LMICs are insufficient to finance health systems and the fight against existing and future pandemics. Together with the on-going international wars, Covid-19 has exacerbated the struggles in covering social and public health costs.¹⁴ These obstacles to the development of healthcare systems are aggravated when effective and rational health programming lacks at the national level.

Several scholarly studies have examined the role that the private sector can play in filling this funding gap. The process of privatisation fostered by international financial organisations since the 1980s involved the healthcare sector¹⁵ both in high-income systems¹⁶ and in LMICs.¹⁷ The importance of the private sector's role varies across different world regions, ranging from 40 to 62 per cent of health service activity, with a stronger presence in LMICs.¹⁸ As countries develop economically, their private healthcare sector is expected to expand¹⁹ and could therefore play a key role in accelerating access to primary care, clinics, diagnostic centres and hospitals. Many international organisations and donor countries support strengthening the ability of the public and private sector to collaborate,

¹² Global Fund website: *Private Sector (including Foundations)*, <https://www.theglobalfund.org/en/private-ngo-partners>.

¹³ Chris Holden, "Privatization and Trade in Health Services: A Review of the Evidence", in *International Journal of Health Services*, Vol. 35, No. 4 (March 2005), p. 675-689.

¹⁴ Alexandros Kentikelenis and Thomas Stubbs, Social Protection and the International Monetary Fund: Promise versus Performance, in *Globalization and Health*, Vol. 20 (2024), Article 41, <https://doi.org/10.1186/s12992-024-01045-9>.

¹⁵ Catherine Goodman et al., "Approaches, Enablers and Barriers to Govern the Private Sector in Health in Low- and Middle-Income Countries: A Scoping Review", in *BMJ Global Health*, Vol. 8, Suppl. 5 (December 2024), Article e015771, <https://doi.org/10.1136/bmjgh-2024-015771>.

¹⁶ For instance, "In the US hospital sector, public control (the degree of government or public influence and management over hospitals) decreased by 42% between 1983 and 2019, raising concerns about potential trade-offs." Tareq M. Alayed et al., "Impact of Privatization on Healthcare System: A Systematic Review", in *Saudi Journal of Medicine and Medical Sciences*, Vol. 12, No. 2 (April-June 2024), p. 125-133 at p. 126, https://doi.org/10.4103/sjmms.sjmms_510_23.

¹⁷ For Latin America, see María José Luzuriaga, "Health System Privatization, the Pandemic and Deprivatization under Discussion", in *CEPAL Review*, No. 139 (April 2023), p. 159-176, <https://hdl.handle.net/11362/48974>.

¹⁸ World Health Organisation (WHO), *The Private Sector in Health Service Delivery: An Operational Definition*, Geneva, 2023, p. 3, <https://www.who.int/publications/i/item/9789240080997>.

¹⁹ Kara Hanson and Paul Berman, "Private Health Care Provision in Developing Countries: A Preliminary Analysis of Levels and Compositions", in *Health Policy and Planning*, Vol. 13, No. 3 (1998), p. 195-211, <https://doi.org/10.1093/heapol/13.3.195>.

while avoiding “downsizing” the role of governments.²⁰ However, as highlighted by several scholars, LMICs have struggled to effectively regulate private providers.²¹

1.3 The role of the private sector in health systems

The role of the private sector in development is considered crucial by major international organisations working on development aid.²² Private actors played a key role in supporting the global response to the Covid-19 pandemic.²³ The expected growth in the demand of health materials in LMICs can incentivise long-term private investment.²⁴ Stronger private sector participation has the potential of bringing considerable social benefits²⁵ – such as improved healthcare and standards of living – but there are several hindering factors. According to the Organisation for Economic Cooperation and Development (OECD), these factors include high perceived risk, potentially low returns on investment portfolios, the lack of project pipelines and bankable or sizable investment opportunities in relatively thin markets, and insufficient financial innovation in institutions’ portfolios.²⁶ Over the years, public-private partnerships have facilitated investments in innovative healthcare solutions in LMICs. The African Union, together with the African Union Development Agency (AUDA-NEUDA), has pointed out that private sector investments in health have two main dimensions: one is financing bankable or viable investment; the other is investing in healthcare value chains. The private sector can play a role in seven health-related pillars: “health financing, manufacturing and supply of medical products and technologies, research and development, infrastructure and ICT, human resources development, health

²⁰ Finn Diderichsen, Göran Dahlgren and Margaret Whitehead, “Beyond ‘Commercial Determinants’: Shining a Light on Privatization and Political Drivers of Health Inequalities”, in *European Journal of Public Health*, Vol. 31, No. 4 (August 2021), p. 672-673, <https://doi.org/10.1093/eurpub/ckab020>.

²¹ Catherine Goodman et al., “Approaches, Enablers and Barriers to Govern the Private Sector”, cit., p. 2. For the authors: “However, currently the private sector is arguably undergoverned in many LMIC settings, with the government’s efforts to incentivise and control private behaviour seen as inadequate in terms of safeguarding patients and achieving health policy goals.” See also Kelley Lee, Kent Buse and Suzanne Fustukian (eds), *Health Policy in a Globalising World*, Cambridge, Cambridge University Press, 2002, p. 78-96.

²² UNCTAD, “Implementing Supportive Policies to Build a Vibrant Private Sector as a Driver of Structural Transformation”, in *UNCTAD Policy Briefs*, No. 89 (October 2021), <https://unctad.org/webflyer/policy-brief-no-89>.

²³ Mark Martyrossian, “Emerging Market Healthcare Sector Is a Growing Opportunity”, in *FT Adviser*, 25 October 2024, <https://www.ftadviser.com/investments/2024/10/25/emerging-market-healthcare-sector-is-a-growing-opportunity>.

²⁴ IQVIA Institute, *The Global Use of Medicines 2024: Outlook to 2028*, January 2024, <https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/the-global-use-of-medicines-2024-outlook-to-2028>.

²⁵ For a review on different studies on public-private partnership, see Joby George et al., “Impact of Health System Governance on Healthcare Quality in Low-Income and Middle-Income Countries: A Scoping Review”, in *BMJ Open*, Vol. 13, No. 12 (December 2023), <https://doi.org/10.1136/bmjopen-2023-073669>.

²⁶ OECD, *Global Outlook on Financing for Sustainable Development 2025: Towards a More Resilient and Inclusive Architecture*, Paris, OECD Publishing, 2025, <https://doi.org/10.1787/753d5368-en>.

service delivery and governance and leadership”.²⁷ In Africa the private sector’s engagement in health focuses primarily on health service delivery, manufacturing of medical products and human resources training.²⁸ Private-private partnership has been crucial to deliver primary healthcare services in countries where resources are limited, and to address other health system challenges such as workforce shortage.²⁹ Possible strategic areas for investment are the regional manufacturing of commodities such as vaccines, research and technical development. Public-private partnership can help improve access to affordable diagnostic services in regions where a vast part of the population does not have adequate access to even the most basic diagnostic tools: “in a sample of 10 LMICs, only 36–87% of hospitals had functional x-ray equipment, and only 2–29% had a CT scanner”³⁰ (computed tomography or CT is an advanced form of radiodiagnosis).

The role of private sector engagement in LMICs faces risks related to the vulnerability of local political, economic and social systems, as well as the uncertainty surrounding the commercial viability and return profile of individual projects.³¹ Public-private partnerships therefore need more comprehensive and integrated approaches.

1.4 Impact of private health investments

Population health has become a source of growing concern for private actors. Analyses regarding health conditions have offered increasingly complex and multi-faceted perspectives, that is, a multidimensional vision of health determinants that takes several elements into consideration: healthcare, individual behaviour, socio-economic environment, physical environment and genetic determinants.³² This more composite idea of health reinforces the argument that health conditions are crucial to a country’s stability. Health system performance is associated with trust in government; as emphasised in a study by Peter Rockers et al.: “Taken together, higher technical quality of health services, more responsive service delivery, fair treatment, better health outcomes, and financial risk protection accounted for a 13 percentage point increase in the probability of having trust in government.”³³

²⁷ African Union and AUDA-NEPAD, *Private Sector Investment in Health Dialogue: Strategies and Opportunities for Public-Private Senior Engagement*, October 2022, p. 3, <https://www.nepad.org/node/17439>.

²⁸ Ibid.

²⁹ Georgina Dove et al., “Governance of Public-Private Partnerships for Primary Healthcare in Low- and Lower-Middle-Income Countries, 2000-2023: A Systematic Review”, in *International Journal of Health Policy and Management*, Vol. 14, No. 1 (2025), p. 1-8, <https://doi.org/10.34172/ijhpm.8442>.

³⁰ Karine Bachongy et al., “Can PPPs Expand Access to Affordable Diagnostic Services in Emerging Markets? Lessons from 15 Case Studies”, in *PPP Insights*, March 2024, p. 2, <http://documents.worldbank.org/curated/en/099755503082437598>.

³¹ OECD, *Global Outlook on Financing for Sustainable Development 2025*, cit.

³² Patrick L. Remington, Bridget B. Catlin and Keith P. Gennuso, “The County Health Rankings: Rationale and Methods”, in *Population Health Metrics*, Vol. 13 (April 2015), Article 11, <https://doi.org/10.1186/s12963-015-0044-2>.

³³ Peter C. Rockers, Margaret E. Kruk and Miriam J. Laugesen, “Perceptions of the Health System

Other researchers have analysed the relationship between healthcare, growth in LMICs and foreign investments, stressing that a good level of health helps increase capital productivity and create a well-educated workforce in LMICs in a mutually reinforcing connection between the three elements.³⁴ A recent research has shed light on the long term benefits of investing in global health research & development (R&D), affirming that “every \$1 dollar invested in neglected disease R&D generates a return on investment of \$405 dollars”.³⁵

However, stronger multistakeholder governance seems to be necessary to address negative outcomes. Scholarly studies on the influence of commercial activities on population health and health equity have elaborated the concept of commercial determinants of health (CDH)³⁶ to promote a more compounded vision on how to advance equality and social inclusion.³⁷

Many studies have shown that a healthy population is a major factor of economic attractiveness. An inverse relationship has been identified inter alia between the level of HIV, the virus responsible for Aids, and foreign direct investment inflows (FDI).³⁸ In the event of a pandemic, the volume of FDIs heavily depend on the level of population health and on national governments’ economic policy strategies: “For the natural resource intensity measure, FDI flows to ECOWAS [Economic Community of West African States], and to Africa as a whole, are motivated by the level of natural resource intensity, indicating that the decline in demand for their natural wealth due to health pandemics, such as the coronavirus, will limit the

and Public Trust in Government in Low and Middle-Income Countries: Evidence from the World Health Surveys”, in *Journal of Health Politics, Policy and Law*, Vol. 37, No. 3 (June 2012), p. 405-437, DOI 10.1215/03616878-1573076.

³⁴ Zulahitu A. Zubair and Adeyemi S. Aladejare, “Economic Growth Stimulation through Foreign Direct Investment: The Nigerian Perspective”, in *Asian Journal of Multidisciplinary Studies*, Vol. 5, No. 11 (November 2017), p. 1-8, <https://doi.org/10.13140/RG.2.2.19131.11045>. According to the authors, this trend is partly driven by the shift in economic activity from natural resource extraction to manufacturing and, subsequently, to service-oriented sectors, which rely heavily on knowledge and skilled labour.

³⁵ Impact Global Health, *Global Health R&D Makes a Strong Investment Case for Team Europe*, 6 February 2025, p. 4, <https://www.impactglobalhealth.org/insights/report-library/the-impact-of-global-health-rd-european-union->

³⁶ Raquel Burgess et al., “Corporate Activities that Influence Population Health: A Scoping Review and Qualitative Synthesis to Develop the HEALTH-CORP Typology”, in *Globalization and Health*, Vol. 20 (2024), Article 77, <https://doi.org/10.1186/s12992-024-01082-4>. According to the WHO, “Commercial determinants of health are the private sector activities that affect people’s health, directly or indirectly, positively or negatively”. See WHO, *Commercial Determinants of Health*, 21 March 2023, <https://www.who.int/news-room/fact-sheets/detail/commercial-determinants-of-health>.

³⁷ Kent Buse, Sonja Tanaka and Sarah Hawkes, “Healthy People and Healthy Profits? Elaborating a Conceptual Framework for Governing the Commercial Determinants of Non-Communicable Diseases and Identifying Options for Reducing Risk Exposure”, in *Globalization and Health*, Vol. 13 (2017), Article 34, <https://doi.org/10.1186/s12992-017-0255-3>.

³⁸ Elizabeth Asiedu, Yi Jin and Isaac K. Kanyama, “The Impact of HIV/AIDS on Foreign Direct Investment: Evidence from Sub-Saharan Africa”, in *Journal of African Trade*, Vol. 2, No. 1 (2015), p. 1-17, <https://doi.org/10.1016/j.joat.2015.01.001>.

inflows of resource-seeking FDI to the region.”³⁹

For instance, malaria, which in 2023 caused the death of 597,000 people in 83 countries (76 per cent were children under 5 years old in Africa),⁴⁰ has a heavy impact on both people and national economies, especially in LMICs. Malaria can reduce GDP growth by up to 1.3 per cent annually in some African countries.⁴¹ Reducing its diffusion by 90 per cent by 2030 could increase the size of the economies of such countries by about 142.7 billion dollars and increase exports by 31 billion dollars.⁴²

2. The Global Fund and the private sector

The Global Fund to Fight Aids, Tuberculosis and Malaria (henceforth Global Fund) – an international organisation established by the then G8 governments at the 2001 Genoa Summit – is one of the most important financing entities in the global healthcare sector. According to the data reported by the organisation, since the beginning of its activities, health programs supported by the Global Fund partnership have helped save 65 million lives.⁴³ Its financial resources come primarily from states’ contributions; however, the private sector has also played a fundamental role in supporting the work of the Global Fund, providing substantial supplementing funds.⁴⁴ The relationship between the Global Fund and for-profit companies is not limited to resource mobilisation. Indeed, the Global Fund has also sought the involvement of the private sector to attract specific technologies and know-how for the programmes it finances. Likewise, the Global Fund cooperates with its partners to develop innovative and sustainable financing mechanisms and to increase awareness of its work among citizens and policy-makers.⁴⁵ The Global Fund has developed close relations with the private sector from the very

³⁹ Samson Adeniyi Aladejare, “Population Health, Infrastructure Development and FDI Inflows to Africa: A Regional Comparative Analysis”, in *Asian Journal of Economic Modelling*, Vol. 10, No. 3 (2022), p. 192-206 at p. 202, <https://doi.org/10.55493/5009.v10i3.4568>.

⁴⁰ WHO, *Malaria*, 11 December 2024, <https://www.who.int/news-room/fact-sheets/detail/malaria>.

⁴¹ Malaria No More UK, *Malaria: Bad for Business. Why Investing in Ending Malaria Provides Some of the Highest Economic Returns*, London, 2015, <https://malarianomore.org.uk/file/2286/download?token=DuJHxTdR>.

⁴² Malaria No More UK, *The Malaria ‘Dividend’. Why Investing in Malaria Elimination Creates Returns for All*, 2024, <https://endmalaria.org/node/10645>.

⁴³ Refer to the Global Fund website: *Results Report 2024*, <https://www.theglobalfund.org/en/results/#download>.

⁴⁴ In this regard, it is noteworthy that the Global Fund aims at raising 2 billion dollars from private donors in its upcoming eighth replenishment. See Global Fund, *Global Fund Launches Private Sector Investment Opportunity Ahead of Critical Eighth Replenishment*, 23 January 2025, <https://www.theglobalfund.org/en/updates/2025/2025-01-23-global-fund-private-sector-investment-opportunity-eighth-replenishment>.

⁴⁵ On the Global Fund website, precisely these four elements – resource mobilisation, delivery innovation, innovative finance, advocacy & awareness – are presented as the pillars of the collaboration between the Global Fund and the private sector. See the Global Fund website: *Private Sector (including Foundations)*, cit.

beginning of its activity: it was indeed conceived from its inception as a public-private partnership and its board includes a representative of the private sector and a representative of private foundations.

The Global Fund fosters a diverse ecosystem of partners, including governments, major businesses, civil society and community organisations, and individual philanthropists. This broad engagement allows for a comprehensive approach to addressing health challenges. In recent years, it has expanded its engagement with the private sector: for example, the organisation now partners with tech companies to enhance health systems through digital platforms, AI-enhanced diagnostics, and mobile apps. This has improved the efficiency and effectiveness of health service delivery. Likewise, the Global Fund uses private sector funding to support underfunded but critical areas, such as climate & health, innovation and community health systems. The Global Fund's partnership with Coca-Cola and those with Roche and Siemens Healthineers⁴⁶ provide practical examples of the modalities of its collaboration with the private sector.

2.1 Coca-Cola and the Last Mile Project

The Coca-Cola Company (Coca-Cola) is one of the largest, longest-standing, and best-known multinational enterprises in the world. Its marketing strategies are widely recognised as very effective, and several advertising campaigns conducted by the company are considered milestones in communication. Thanks to an extensive production and distribution network, its products are available in almost every part of the globe, reaching the shelves of economically advanced countries as well as states with very high poverty rates. At the same time, in order to ensure the quality of the products, Coca-Cola has developed an important expertise in preserving its cold-chain. These three elements are at the core of Last Mile, a project resulting from the partnership between The Global Fund, Coca-Cola, the United States President's Emergency Plan for AIDS Relief (PEPFAR),⁴⁷ the US Agency for International Development (USAID) and The Bill & Melinda Gates Foundation. This collaboration, begun in 2010, aims to leverage the beverage multinational's expertise in support of healthcare sectors in Africa.

African healthcare players have historically had to cope with challenges that, while not strictly medical, can undermine their efforts. Three issues have emerged. The first concerns storage capacity of medical supplies and drugs and the ability to create a distribution network capable of reaching areas lacking roads, ports and airports. Indeed, healthcare operators have frequently faced difficulties in delivering medicines to certain regions of the continent due to the problems of transporting goods on precarious infrastructures and organising effective logistics without

⁴⁶ In order to collect information for this section of the paper, the Authors have interviewed representatives of the Last Mile project and Roche. Siemens Healthineers, instead, refused our request.

⁴⁷ PEPFAR, a key initiative in the global fight against HIV, was launched by George W. Bush in 2003.

qualified personnel and adequate facilities. The second issue relates to maintaining the integrity of the cold chain, which is crucial for ensuring the usability of medical supplies. The third challenge is making the “target populations” aware of the existence of medical initiatives aimed at addressing their health problems.

The Last Mile project seeks to address these three challenges by employing Coca-Cola’s structure and expertise in a field outside of the beverage industry. The Atlanta-based multinational corporation has shared the knowledge it has accumulated over decades of commercial activity with African health authorities, the Global Fund and other NGOs, facilitating the efficient distribution of medical supplies. Last Mile primarily focuses on training, analysis and awareness-raising, operating throughout the supply chain with the goal of reaching an increasingly broad audience through targeted information campaigns. Coca-Cola personnel train local operators in logistics management and cold chain preservation and help refine “advertising campaigns” aimed at increasing awareness of specific health risks and the tools available to address them. Additionally, the beverage multinational’s know-how is utilised to study infrastructure improvements, providing local institutions with data-based recommendations to optimise the allocation of public resources.

According to the 2023 activity report (the latest year for which full data is available),⁴⁸ since the partnership’s inception Last Mile has led to the implementation of 55 projects across 17 African countries,⁴⁹ reaching – directly and indirectly – an estimated 43 million people.

2.2 The partnership with Roche and Siemens Healthineers

The Global Fund’s partnerships with Roche and Siemens Healthineers differ from the one with Coca-Cola primarily because these two entities have their core business in the healthcare sector. These collaborations cannot simply be classified as philanthropic activities, as they involve research and investment efforts that allow the participating companies to strengthen their know-how and improve their products.

F. Hofmann-La Roche SA (Roche) is one of the world’s leading multinational pharmaceutical companies in terms of revenue, medicines produced, number of employees and resources allocated to research. Throughout its history, the company has played a prominent role in the diagnosis and treatment of various infectious diseases. This specific expertise is the foundation of its partnership with the Global Fund. Established in 2022 in response to the Covid-19 pandemic, this collaboration aims to strengthen the diagnostic capacity for HIV/Aids and

⁴⁸ Cfr. Project Last Mile, *Annual Report 2023, 2024*, <https://www.projectlastmile.com/resource/annual-report-2023>.

⁴⁹ Côte d’Ivoire, Kingdom of Eswatini, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Rwanda, Sierra Leone, South Africa, Tanzania, Togo, Uganda and Zambia.

tuberculosis in LMICs. By investing in sample collection, transportation, and analysis, the partnership seeks to facilitate the detection of individuals affected by these diseases, with the goal of enabling earlier medical intervention and thereby improving health outcomes. Additionally, the Roche-Global Fund collaboration focuses on enhancing both the physical and digital infrastructures necessary for healthcare operations, as well as on improving the economic and environmental management of medical waste generated in the diagnostic process.

Diagnostic capabilities are also a key area of expertise for Siemens Healthineers. As part of the Siemens AG, the company is at the forefront of medical technology. It invests heavily in AI in order to detect various diseases in patients. At the 2023 World Health Summit, the Global Fund announced the launch of a collaboration with Siemens Healthineers to enhance the use of AI in tuberculosis diagnosis. This partnership primarily focuses on the Philippines, a country with a high tuberculosis rate.⁵⁰ The collaboration between Siemens Healthineers and the Philippine Business for Social Progress (one of the most important social development foundations in the state) is primarily aimed at improving the efficiency of tuberculosis diagnosis following chest X-rays, with the goal of increasing diagnostic accuracy, speeding up analysis times and, consequently, enabling a larger number of people to be examined.

3. The Italian private sector perspective

The private sector is instrumental in driving innovation, improving service delivery, and filling gaps in healthcare access, particularly in resource-constrained settings. Through partnerships, technology, and sustainable business models, private enterprises contribute significantly to strengthening health systems and expanding coverage to underserved populations.

The interviews conducted by the research team helped shed light on the opportunities and challenges face when investing in global health. What follows are the main suggestions and findings emerged during the interviews.

3.1 Reasons to invest in health and well-being

A distinction must be made between healthcare companies (such as pharmaceutical companies) and those operating in other sectors. The former invest in the healthcare systems of LMICs in partnership with multilateral organisations such as the Global Fund for two main reasons. First, healthcare companies provide valuable expertise in global health. Second, many of them have placed growing

⁵⁰ Philippines ranks fourth worldwide in tuberculosis incidence. About these data, see WHO website: *Global Tuberculosis Report 2024: TB Incidence*, October 2024, <https://www.who.int/teams/global-programme-on-tuberculosis-and-lung-health/tb-reports/global-tuberculosis-report-2024/tb-disease-burden/1-1-tb-incidence>.

emphasis on the social aspects of their business activities. In recent years, social issues have also become more relevant for companies not operating in the healthcare sector. Both employees and customers are increasingly demanding that companies adhere to ESG (Environmental, Social, and Governance) standards. During the past two decades, the number of companies reporting ESG data has grown, reflecting increasing awareness of environmental and ethical problems. Providers of financial capital are allocating larger amounts of funds for projects environmentally sustainable and expected to produce social benefits.

For business firms not operating directly in the health sector, the partnership with the Global Fund is driven by the search for health equity and universal access to primary care, medicines, and hospitals. The underlying rationale is that a healthier population contributes to economic development and social stability and increases national productivity, with long-term benefits for business activity. Companies engaged in partnerships with the Global Fund have embraced the idea that alleviating the family burden of disease significantly helps to establish a more stable socio-political environment, fostering economic growth.

The Global Fund partnership is in tune with the business model adopted by partner companies,⁵¹ which underscores the social impact of economic activities. A collaborative and horizontal partnership with LMICs may be key to establishing a long-term sustainable cooperation with local governments. The Fund offers companies the opportunity to strengthen their partnerships with relevant stakeholders, not only with other companies operating in the sector, but also with government authorities. Solid collaboration with the public sector is also important. Thanks to the partnership with the Global Fund, companies operating in only a few countries can acquire a deeper understanding of other markets and explore potential partnerships with additional countries. LMICs, where nearly half of the global population resides, also offer considerable market opportunities. While starting a business activity in LMICs is challenging, and companies continue to be deterred by the institutional and structural obstacles existing in many LMICs, the projected population growth will greatly increase their economic attractiveness.

3.2 Risks and challenges

Covid-19 brought significant media and political attention to the global dimension of health problems. While a new global healthcare awareness has emerged because of the pandemic, with the end of the health emergency things have in fact returned to the pre-pandemic situation. Recent developments on the international stage may contribute to weakening collaborative efforts further.

Investing in the healthcare sector in LMICs requires careful preparation and adequate understanding of the socio-economic conditions of the targeted

⁵¹ For the list of private companies and foundations that partner with the Global Fund, please see the Global Fund website: *Private Sector (including Foundations)*, cit.

countries. A preliminary analysis should be conducted to identify needs based on local requirements and the capacity of local authorities to engage in partnerships with private entities. Establishing effective collaboration in certain countries is challenging, with the worst-case scenarios involving insurmountable obstacles that eventually halt progress. Key inhibiting or complicating factors to consider from the outset include poor public administration, inefficiencies within relevant ministries, and a lack of regulation in the healthcare sector, such as in the pharmaceutical industry. These elements are critical to ensuring the sustainability of any project. The private sector has emphasised the importance of positive engagement with the health ministers to identify government priorities and their links with local needs.

Companies not directly involved in the health sector often focus on strengthening healthcare systems, improving primary or basic healthcare, and enhancing the overall capacity of those systems to ensure the long-term sustainability of their business activities. These goals cannot be achieved without effective collaboration with public actors. In certain cases, private sector involvement offsets, to some extent, the lack of public investment. For example, some LMICs have funds to build hospitals but lack trained personnel. In such cases, private companies can support or facilitate knowledge transfer and human resource training. However, this type of collaboration focused on capacity building requires long-term partnerships. Indeed, companies view their investments as primarily beneficial in the long term.

3.3 The Mattei Plan and the new international scenario

The Mattei Plan, Italy's flagship initiative of cooperation with African countries, has the potential to mark significant progress in Italy's development cooperation, according to the private actors interviewed. Currently, Chinese penetration in Africa is deep and progressing, and European states are trying to regain ground to protect their strategic interests and maintain relationships with a continent experiencing significant economic and demographic growth. The Mattei Plan may help Italian companies strengthen their presence and position themselves in new emerging regions. The Mattei Plan emphasises the importance of equitable partnerships between developed and developing nations, particularly in resource management. The principles of the Plan – equity, sustainability, innovation, and solidarity – may inspire the strategies for engaging the private sector in global health efforts to achieve universal health coverage and address pressing health challenges globally.

Due to the recent evolution of the international relations, development cooperation policies are facing new daunting challenges. Strengthening the role of private investors is one of the key avenues to ensure that ongoing and future programmes are adequately funded.

Conclusion

The involvement of the private sector in global health may significantly contribute to the efforts to achieve Sustainable Development Goal 3 of the United Nations' 2030 Agenda. As highlighted in this paper, private companies can help improve healthcare systems in LMICs not only through financial support but through knowledge sharing and the training of local personnel. In this regard, the partnerships between the Global Fund and several major multinational corporations illustrate how the private sector can provide institutions and NGOs operating in the healthcare field with unique know-how, enabling them to address challenges that the public sector alone struggles to overcome. Private companies are motivated by philanthropic reasons⁵² but also by their interest in ensuring business continuity and strengthening their presence in regions with significant demographic and economic potential.⁵³ Notably, Italian enterprises have expressed appreciation for the Mattei Plan, which could potentially lead to greater Italian role within the African continent.

updated 2 April 2025

⁵² Within these “philanthropic reasons” we also include the request of enterprises’ employees and customers to have a greater private involvement in achieving social and environment goals.

⁵³ As mentioned in this paper, enterprises which operate in the healthcare field have also the incentive to cooperate with NGOs and public authorities involved in global health in order to carry out important (and costly) investments.

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