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# **Public Private Partnerships: Are they a healthy investment model? Lautoka and Ba Hospitals - Fiji A Case Study**

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**DAWN Discussion Paper #22**

DRAFT for discussion

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**Public Private Partnerships: Are they a healthy investment model?**  
**Lautoka and Ba Hospitals- Fiji**  
**A Case Study**

DRAFT for discussion

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Pacific Network on Globalisation

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## Abbreviation

ADB- Asian Development Bank

Austrade- Australian Trade and Investment Commission

DAWN- Development Alternatives With Women for a New Era

DFAT- Australian Department of Foreign Affairs and Trade

FNA- Fiji Nurses Association

FNPF- Fiji National Provident Fund

IFC- International Financial Corporation

IMF- International Monetary Fund

MDBs- Multilateral Development Banks

MOH- Fiji Ministry of Health

NCDs- noncommunicable diseases

PNG- Papua New Guinea

PPPs- Public Private Partnerships

R&D- Research and Development

SDGs- Sustainable Development Goals

WHO- World Health Organization

## Executive Summary

Public Private Partnerships (PPPs) are at the top of development financing options of governments and multilateral development banks (MDBs) in the global effort to achieve all Sustainable Development Goals (SDGs). Utilization of private financing has skyrocketed in the last two decades with governments, regardless of least developed, developing or developed status, constantly looking at private financing to support their development projects.

PPPs are contract-based investment partnerships between a government and private company for the supply of infrastructure or delivery of a service, traditionally provided by the state. In this partnership, the private sector is responsible for raising the up-front costs for the investment, which is then repaid by taxpayers over the course of the contract (usually around 30 years), during which period the private company most commonly builds, maintains and operates the infrastructure or supplies the service. Private companies are contractually guaranteed to make a profit on their investment.

Fiji's Parliament passed the Fiji Islands Public Private Partnerships Act in 2006, 8 years before Papua New Guinea (PNG) followed suit, by adopting the Public Private Partnership law, in 2014. Fiji's Public Private Partnerships Act of 2006 was repealed in 2019 to make it less restrictive in securing investment. Shortly afterwards, Fiji entered into its first PPP contract, which involves private financing with MDB involvement of two public hospitals. Under the contract, one will undergo redevelopment and the other construction of a new wing. The two hospitals will cater to a population of 337, 041 (Bureau of Statistics, 2018) in the western division of the country.

The PPP is a controversial venture. The Fiji Nurses Association (FNA) challenged the Fiji government. The International Finance Corporation (IFC)- the private sector arm of the World Bank- in its advisory role to the Fijian Government facilitated the establishment of its first public-private partnership in a Pacific Island country. IFC was

joined in facilitating its start up by the Australian Trade and Investment Commission which promotes Australian business opportunities abroad, including in the Pacific Islands.

The private company involved in the PPP is the Australian medical firm, Aspen Medical. It partnered with the Fiji National Provident Fund (FNPF) to form Healthcare Fiji Pty, to bid for the contract. FNPF is a public-owned enterprise that manages a compulsory saving scheme for all employees in Fiji, and offers the option of lifetime superannuation or pensions for members upon their retirement. Together, FNPF and Aspen are now tasked with seeking the finances needed for the new Ba Hospital (that is complete but not in operation) and the building of a new wing of the Lautoka Hospital.

On the advice of Ashurst LLP, the FNPF has risked members pension funds to invest in this PPP. No consultations were done with the members and people of the Lautoka, Ba and the rest of the western division on this risky investment. No feasibility study- human, environment, health, gender impact assessment studies are available to recommend moving into a PPP. Fiji's economy is too small to absorb such a risk.

## Introduction

### About the project

In recent decades, large infrastructure projects such as ports, roads and public services including health have been financed through public private partnerships (PPPs). States are pressured to implement fiscal reforms to support the emergence of PPPs as a means of choice for development projects and channel investment finance, thereby locking in State debt. PPPs have been touted as the investment model that will help in developing and upgrading infrastructure to improve effectiveness of public services along with up-skilling human resources if the business environment is right. PPPs are a type of contract under which private companies build and operate public services and infrastructure but much of the financial risk remains with the public body concerned.

Two hospitals in Fiji will undergo a change in healthcare operations as they are transformed from a public to a PPP provided service under a concessional agreement. The Lautoka and newly built Ba Subregional Hospital will provide healthcare to 337, 041 people in the Western Division (Bureau of Statistics, 2018), which is a quarter of Fiji's population. The Lautoka Hospital will be extended with an additional wing of 305 beds.

This case study and report is part of the Development Alternatives with Women for a New Era (DAWN) series of case studies to contribute with evidence-based analysis to support and expand the feminist critique to Public Private Partnerships (DAWN).

This paper develops a case study analysis of a Public Private Partnership in Fiji's health sector that attempts to bring together both relevant evidence to study the gender and human rights consequences of PPPs, as well as critical elements for strengthening a feminist approach to PPPs.

## Scope

This research project examines:

- The benefits and disadvantages of PPP financing;
- How PPPs fit into the economic strategy of the country;
- The PPP regulatory and legal framework;
- The main actors involved in this PPP case study;
- The gender and human rights implications and impacts of this PPP case study;
- Transparency and accountability concerns; and
- Experiences of resistance

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## Methodology

This research was carried out through:

- Presentation and feedback on an initial outline at an inter-regional DAWN meeting of PPP case study writers and DAWN leaders and resource persons in Dakar, Senegal
- A desk review of relevant available literature on financing development via PPPs and health narratives in Fiji, questioning the relevance of PPP financing in health and examining gender responsive budgeting
- Interviews with relevant stakeholders of the project including Fiji Nursing Association (FNA) and the Public Services International (PSI) which supported the FNA during its campaign against the PPP model of operating the Lautoka and Ba Hospitals.
- Editorial review by Dr. Vanessa Griffen and Dr. Claire Slatter

## Limitations

- More information and in-depth analysis on gender inequalities, pay gaps and discriminations are needed
- The analysis of the Fiji PPP case study paper is largely based on a desktop review of documents and other relevant literature
- Lack of access to the PPP contract

## Introduction of Public Private Partnerships in the Health Sector

### Background

#### Economic Landscape

Prior to COVID19, international travel was growing rapidly in Fiji, securing the tourism sector as a key driver of economic development. For Fiji's economy, tourism's cross-cutting sectors include agriculture, transport, wholesale & retail, accommodation and food services and arts, entertainment and recreation, and taxes. In 2010, revenue generated from tourism exceeded the billion-dollar mark, reaching \$1.2 billion and

further to \$1.8 billion in 2016. As a source of foreign exchange, tourism earnings outshined the next seven major contributors combined, including remittances, mineral water, sugar, gold, fish, garments and timber receipts as shown in Figure 1 below.

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## Figure 1: Foreign Exchange Earnings

Source: Bureau of Statistics. *Table 4.0 Foreign Exchange Earnings. Wainiqolo & Shivanjali, 2018*

### Health Sector in Fiji

With a population of 884, 887 people, Fiji continues to suffer from noncommunicable diseases (NCDs) which includes diabetes and hypertension because of lifestyle changes, poor diet, smoking, changing patterns of physical activities, continuing malnutrition problems, particularly in schoolchildren and women. The double burden of NCDs and infectious diseases, which impacts on the health of individuals and populations has the potential to affect broader social and economic development. Men make up 50.7% of the population while women make up 49.3%.<sup>1</sup>

Health services in Fiji are mainly provided through the Ministry of Health. Clinical, preventative and rehabilitative health care services falls under the responsibility of the Ministry of Health and Medical Services (MoHMS). The clinical care services are delivered at the hospitals and some health centres. The preventative healthcare services are provided through preventative care programs, health centres and nursing stations;

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1 <https://www.fiji.gov.fj/Media-Centre/News/Fiji-Bureau-of-Statistics-Releases-2017-Census-Res>

whilst healthcare services are implemented through a decentralized health system that administers integrated healthcare at primary, secondary and tertiary care level. However, the administration and management of human resources, finance, drugs, and medical supplies are centralized. Government is the largest source of funding for the provision of health services.

The World Bank's current health expenditure (%GDP) per capita<sup>2</sup> (includes spending by both public and private sources) indicator shows that the health expenditure per person in Fiji in 2017 was at US\$188.41 per capita, among the lowest for Pacific Island Countries. Underfunded health care systems will not cope with a booming disease-burdened population. Complicating the underfunding by government in the health sector, is a limited workforce of healthcare workers.

In 2018, the Fijian Government delivered an increase of over \$77 million, almost one third, within the Ministry of Health and Medical Services budget. The overall health sector budget was \$387.7 million (Lacanivalu, 2018). A study by Nigen et. al.(2013) reveals that in 2010, the Fiji government financed 61% of total health expenditure. External sources comprised of 9% of the total health budget. In this study, Fiji is by far much less dependent on external funding compared to the other Pacific Island countries.

The Australian Government comprised of 60% of the total external funds, with the Global Fund and World Health Organization being the next largest. Data only available for Fiji, Samoa, Tonga and FSM, is shown in Figure 1 below as percentage of donor contribution to total national health contributions (Nigen et al, 2013).

### **Donor Component of Total Health Expenditure (THE)**

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2

<https://data.worldbank.org/indicator/SH.XPD.CHEX.PC.CD>

*Source: What constitutes donor dependence: Health Financing in the Pacific. Nigen et. al., 2013.*

Not only is underfunding a challenge for the health sector but the migration of skilled healthcare workers contributes to the already chronic health workers' shortages. In 2008, a study by Joel Nigen quantifying the contribution of Australia and New Zealand to the Pacific Islands' health care worker brain drain, using 2006 census highlighted:

- The annual cost to the Fiji government of 23 doctors who resigned in 1999, was US\$7, 000, 000 of training costs
- Hiring of expatriate doctors to replace them was an additional US\$1, 400, 000 per year over and above what it would have cost to employ the local graduates (Negin, 2008)
- Better work conditions, better training opportunities and salaries as well as Fiji history of coups are push factors for skilled healthcare workers migrating overseas into care facilities.

However, the profession is still short of workers with 804 doctors currently working within the sector in a population of 884, 887 and 196 vacant positions (Boyle, 2019). Then the doctor to patient ratio is approximately 1:1000. At the time of this writing, (June 2020), the world is going through a global COVID19 pandemic impacting heavily on

global economic activities and stressing already burdened public health systems. The uncertain nature of this pandemic has shut down airports and ports while stretching the global public health system to emergency overdrive due to the number of patients seeking medical attention for a new and deadly virus.

In Fiji, in an effort to stop the spread of the virus, the Ministry of Health has set up fever clinics, selecting public hospitals to be isolation facilities in different divisions of the country. Patients seeking medical attention for other conditions are advised to go to community healthcare facilities (Department of Information, 2020).

### Promotion of PPPs

PPPs have been rigorously promoted as the solution to the shortfall in financing needed by governments to achieve the SDGs. Private sector financing and involvement is not new in public provisions. However, there is keen political interest in employing PPPs as an important way to leverage private finance in all economic sectors including health. For example, the World Health Organization (WHO) collaborated with corporations (or industry associations) and an intergovernmental organization in order to achieve a health-creating goal requiring increased research and development (R&D) on drugs and vaccines for diseases disproportionately affecting the poor for example with the Global Polio Eradication Initiative and the Global Programme to Eliminate Lymphatic Filariasis. These partnerships with the private sector have demonstrated an ability to advance public health messages and create industry incentives for the development of healthier products. This collaboration provides the UN an opportunity to gain access to resources and expertise to further their mission (WHO, 2001).

In the Pacific Islands, MDBs partner with developed countries, which are traditional donors in the region such as Australia. In the case of the Solomon Islands, where a hydropower dam project was initiated to reduce dependence on diesel-generated power, the same players are key to ensuring the success of the project: Australia through the Department of Foreign Affairs and Trade (DFAT), ADB from the MDBs, and the European Investment Bank.

In the case of Fiji, its health sector is mainly supported by taxation that government generates from economic sectors.<sup>3</sup> Revenues are accumulated mainly from indirect taxes such as value added tax (62.8%) and custom taxes (33%) and though direct taxes including income taxes (26.4%).<sup>4</sup> Income taxes are primarily accumulated from the formal employment sector. Budgets of the Ministry of Health (MOH) are based on historical trends of resource inputs.

In 2007, India's Apollo Group had initially planned to establish a new multi-million dollar Apollo Pacific Hospital in Lautoka that would have state-of-the-art features to reduce medical evacuation overseas and offer other special medical, surgery and treatment services at affordable levels and reduced insurance premium<sup>5</sup> approved by Fiji's interim cabinet in 2007 (Waradi, 2007). Please see table below for the outline of the plan.

Table 1: India's Apollo Group Plans \$44 million Hospital in Fiji

| <b>Apollo Pacific Hospital</b> | <b>Obligation</b>                                                                                                                                                                                                                                                             |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First Phase of project         | <p>FJ\$70 million (US\$44.5 million)</p> <p>a) State-of-the-art medical hospital with core services of providing primary, secondary and tertiary health care</p> <p>b) Bed Capacity: 176 beds rising to 200-250 beds with 50 percent occupancy rate in the first year and</p> |

<sup>3</sup> Please refer to Appendix 1: Literature Review

<sup>4</sup> Parliament of the Republic of Fiji: 2018. Budget Briefings 2018. Retrieved from: <http://www.parliament.gov.fj/wp-content/uploads/2018/07/Government-Revenue-2018-19-FINAL.pdf>

<sup>5</sup> <http://www.pireport.org/articles/2007/09/27/india%C3%A2%C2%80%C2%99s-apollo-group-plans-44-million-hospital-fiji>

|                |                                                                                                                                                                                                                                                                                                              |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | <p>continue to rise in the next eight years</p> <p><u>Training Institute</u></p> <p>For local and overseas students and doctors in specialized skills, nursing and allied health.</p> <p><u>Employment</u></p> <p>Provide necessary exposure that will enhance careers of doctors, nurses and paramedics</p> |
| Complete phase | <p>Facility will have diagnostic, surgery theatres and post surgery recuperative centers.</p> <p>It is also intended to support the growing tourism sector and the anticipated construction of retirement village.</p>                                                                                       |

*Source: tabulated from PIREPORT article on Apollo Group plans \$44 million hospital Fiji. Published online 27<sup>th</sup> September 2007.*

Radio New Zealand in 2017 reported that the Apollo Group was invited to the Medical Association meeting to seek more opportunities in the country. There has been no further development on Apollo's plans to build a new hospital.

In 2018, when Fiji was preparing for elections, a quiet negotiation ensued to transform two public hospitals in the western region of Fiji into a public private partnership.

The question now remains on whether the PPP model of health service provision is a healthy investment option for Fiji. In this turn of events, what is emerging is more

information on who are the key players that were central to the decision making and the selection of partners in this PPP health investment.

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## The PPP Landscape- Fiji's First PPP Health Project

### The Role of Donors

PPPs are expensive exercises. In order for a contract to work it requires actors that have engaged and have experiences in these large financing projects. In the Lautoka and Ba Hospitals project, the IFC was sought by the Fijian Government to assist with the first PPP project in Fiji.

The Transactory Advisory Services provided to the Fiji Government assisted with the implementation of the PPP contract which comprised of technical, financial, environment and social and legal due diligence to develop a 'bankable transaction structure, which balanced the interests of both private investors and the Government (IFC, 2019). IFC's<sup>6</sup> role is to promote economic development by investing in for-profit and commercial projects for poverty reduction and advancing development and it is no stranger in investing in private healthcare companies. IFC is guided by and a partner with Australia and New Zealand for implementation of projects in the Pacific.

Australia is the major development partner in the Pacific Islands providing budgetary support, aid in education and health programmes to many if not all Pacific Island countries. Australia, through their Australian Trade and Investment Commission (Austrade), a critical department for the Australian government (Austrade, 2019), successfully negotiated an Australian private medical company to implement the PPP project for the Lautoka and Ba Hospital. One of Austrade's major functions includes developing international markets for Australian companies and strengthening Australia's tourism industry.<sup>7</sup>

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6 IFC is the private sector arm of the World Bank. IFC has projects in Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga and Vanuatu

7 file:///C:/Users/SUPPORT/Downloads/aspen-medical-case-study%20(1).pdf

## Private Sector Development Initiative- PSDI

The overall goal of PSDI is to reduce unnecessary costs of doing business in the Pacific and enable private sectors to formalize and grow which they argue will create jobs, increase tax revenues, and lift people out of poverty. One of their main implementation means is to reform state-owned enterprises and pursue PPPs.<sup>8</sup> It is a regional technical assistance program launched in partnership with the Government of Australia, the Government of New Zealand, and the ADB. Their role in this PPP was to support the preparation and design of the contract.

## The Role of Private Sector

### Aspen Medical- from conflict country operations to PPPs

In 2018, the Fiji Government announced Aspen Medical, an Australian company, as a partner to undertake redevelopment and upgrading of the Lautoka and Ba Hospitals to improve the quality of healthcare services. The contract of the two hospitals will take the form of PPP over the next 23 years. Under this arrangement with the Fiji Government, Aspen Medical will develop, finance, upgrade, operationalize and maintain the Lautoka Hospital, Fiji's second largest hospital, and the new Ba Sub-divisional Hospital

Aspen's successful bid is mainly through Austrade- the leading trade and investment agency for Australia. They have the 'power to open doors, unlock opportunities and help Australia's businesses'<sup>9</sup> expand their exports.

At the recent Australian Parliamentary Inquiry into Australia's trade relationship with the Pacific Islands, Austrade's Acting General Manager stated:

*Let me give you an example of an Australian company that we have assisted in the Pacific: Aspen Medical. We've been helping their export aspirations since day 1 when the company first started delivering services in the Solomon Islands in the early 2000s. In 2018, the government of Fiji announced Aspen Medical*

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8 <http://www.adbpsdi.org/who-we-are/about-psdi/>

9 <https://www.austrade.gov.au/about/about>

*would be its key partner in delivering health care in reforming Fiji's healthcare system. Austrade has stood side by side with Aspen Medical throughout its two decades in the Pacific, in a number of Pacific countries now. Importantly, Aspen Medical has helped to accredit hospitals in the Pacific and to bring them up to international standards. The work is commercial but the effect is universal.*<sup>10</sup>

Aspen Medical's first operation in the Pacific began in the Solomon Islands in 2004 providing medical, dental care and environmental services to Regional Assistance Mission to the Solomon Islands (RAMSI) personnel and other Australian government employees during the period of ethnic violence in the archipelago. RAMSI was led by Australia, labelling the South Pacific as an 'arc of instability' but more importantly, Australia was trying to posture and bolster its image of war on terror to show the world that it can be seen to maintain order in a geographical area it considers its sphere of influence. Australia stayed for more than 10 years in the Solomon Islands.<sup>11</sup>

Table 2: Key Aspects of Aspen Medical Obligation

| Location                | Obligation                                                                                                                                                                                                                                                                                   |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ba Subregional Hospital | Newly built hospital with 70 beds<br>Absorb all services from existing Ba Mission Hospital<br>The new hospital is ready but currently not in use. It was announced that the new hospital will begin operations in June 2019 but the public are still waiting for opening of the new hospital |
| Lautoka Hospital        | Undergoing initial assessments and repairs                                                                                                                                                                                                                                                   |

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<https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=COMMITTEES;id=committees%2Fcommjnt%2Faa838082-3df7-4934-9253-400129d4dc47%2F0001;query=Id%3A%22committees%2Fcommjnt%2Faa838082-3df7-4934-9253-400129d4dc47%2F0000%22>

11

<https://www.aspenmedical.com/content/over-decade-providing-healthcare-support-afp-and-adf-personnel-solomon-islands>

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>to infrastructure ensuring hospital remains effective in its delivery of services until further renovations can be completed</p> <p>Renovation of building will include 305 beds Australian Health facilities compliant;</p> <p>Installation of new ICT system to feature patient management administration; enhanced communication facilities; financial management and building management.</p> <p>100 bed student accommodation</p> <p>Essential achievement of accreditation to international standards for the services provided for both hospitals.</p> |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Source: Aspen Medical, 2019

#### Ashurst LLP

Ashurst promotes itself as a 'leading multinational law firm and a trusted adviser to corporations, financial institutions and governments worldwide. <sup>12</sup>Their website advertises their role to include providing advice on markets for accommodation, defence, health, energy, roads and ports to name a few. It advises public sector clients, sponsors, contractors, equity investors and debt financiers on a range of PPP projects.

Ashurst played a leading advice role to FNPF to invest in the first PPP in the health sector. Ashurst is also increasing its presence in Fiji providing advisory roles again to the FNPF on the acquisition of the 20%<sup>13</sup> of the total issued ordinary shares in Energy Fiji Limited adding to their list of privatization of public sectors in Fiji.

More information on Ashurst's function is needed including the type of development model that they subscribe to and if it reflects the vulnerabilities of small economies.

## Fiji

### Fiji National Provident Fund

The FNPF was formed in 1966 by the legislature under the FNPF Act. It is the largest financial institution in Fiji and the only superannuation fund that is mandated by law to collect compulsory contributions from employees and employers towards the retirement savings of all workers.

In 2011, a reform of the FNPF was carried out by the Promontory Group Consultants and Actuaries from Singapore hired by the Fijian government to advise on the Pension reform which resulted in Decrees 51 and 52. This resulted in a class action court case in the High Court by a pensioner who had the support of several groups that the reform was a breach of contract. The challenge was discontinued as the Decrees cannot be challenged in any Court of law (Singh, 2013).

The use of the only pension fund in Fiji to finance infrastructure projects is seeing it increasingly becoming a bank for government to withdraw from to sustain investment or acquisition of shares. Under the advice of Ashurst LLP Australia, the FNPF invested in the PPP health sector with Aspen Medical.

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13 <https://www.ashurst.com/en/news-and-insights/news-deals-and-awards/ashurst-advises-the-fnpf-on-acquisition-of-20-per-cent-of-shares-in-energy-fiji/>

## Fiji Government

In 2019, the current Government repealed the Public Private Partnership Act of 2006 emphasizing that it restricted investment in Fiji and now any investment in PPPs are guided by the new PPP policy.<sup>14</sup> That policy was prepared and supported by the Private Sector Development Initiative (PSDI).

In an effort to achieve the Sustainable Development Goal 3- ‘Good Health’, the government of Fiji sought assistance from the IFC to issue an expression of interest (EOI) seeking an internationally certified hospital operator to redevelop the Lautoka and Ba Hospitals by upgrading, equipping the facilities and to provide quality healthcare services.

The PPP project was first announced in parliament with Fiji’s Attorney General announcing that Fiji was looking at providing a high quality medical facility that could house high-tech equipment provided by India. He further added that in 2014, during Prime Minister Modi’s visit to Fiji, PM Modi had proposed Fiji as a medical hub for the region because of Fiji’s strategic location and Fiji’s PM Bainimarama had recently held further bilateral discussions on the project (Radio New Zealand, 2018). Government had insisted that this project is not privatization; however, the parliamentary opposition says that it is (Pratibha, 2018).

While stressing that the Fijian government has given a clear mandate that both Lautoka and Ba hospitals are to remain public hospitals, open to all Fijians, IFC’s Pacific manager Thomas Jacobs says that the hospitals will not only benefit Fiji but also neighboring countries who have to travel to Australia or Singapore for medical treatment. He also added that these new facilities will mean improved tertiary, maternity and treatment for NCDs for the people living in the Lautoka, Ba and the western division of Fiji.

However, Michael Whaites, Public Services International (PSI) in Australia says he is worried about arrangements like the one proposed in Fiji blurring privatization with

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14 Section 2.2 Ministry of Economy Public Private Partnership Policy 2019

economic development. According to him the best way to provide health is through government-provided, government run health services (Whaites, 2018).

The table below shows some reasons explained by the Fijian Government on the reasons of the benefits of turning the Lautoka and Ba Hospitals to a PPP.

Table 3: The case for the PPP according to the Fiji Government

| <b>Case</b>                   | <b>Reasons</b>                                                                                                                                                                                                                                                             |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Medical Tourism               | Tourism is Fiji's major revenue earner. Government is targeting patients in Australia and New Zealand that are on the waiting list on elective surgeries and are insured can come to Fiji for a number of surgeries.                                                       |
| Training for our doctors      | Fiji healthcare personnel lack exposure, lack specialized training, lack of specialized accessibility to various procedures.                                                                                                                                               |
| Expanding our horizons        | Fiji was to host an international seminar but because the Western Division did not offer a number of emergency services if the need arose, the seminar was moved out of Fiji. With an internationally certified hospital, such seminars could confidently be held in Fiji. |
| No additional Cost to Fijians | The Attorney General explained to different Opposition members Fijians who had been accessing public health services. He said the target was also for those Fijians who had traditionally opted to go overseas for their medical check-ups to                              |

|                                                                                                                                                                                                |                                                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                | keep that money in Fiji by getting checked locally.                                                                                    |
| PPP Agreement also has a provision that the international hospital group will also build a hospital here. This is in addition to Ba and Lautoka hospitals being taken in under this agreement. | Government had reached out to doctors and nurses in Ba and Lautoka Hospitals where he received overwhelming support for the agreement. |

*Source: tabulated from the Fiji Sun article: Public Private Partnership not privatization. Published 13<sup>th</sup> March 2018.*

### Concerns of Fiji's first PPPs

The Fiji PPP contract is 23 years long. It will endure multi-decade requirements for operation, maintenance but more worryingly staffing by Aspen Medical and FNPF- work that has, historically, normally been performed by public employees. One of the main critics of the transition from public health into PPPs are the Fiji Nurses Association (FNA). What is unclear to them are the new working conditions under the PPP how it can negatively impact them. Staffing of the two hospitals will be arranged by Aspen Medical which leaves the public health workers in limbo.

The question of what a PPP is and its impacts has not been clearly articulated by the Fijian government to the FNA, healthcare workers, or the Fijian public. Due to the quiet nature of how the PPPs of the Lautoka Hospital and Ba Hospitals took place, it did not generate any attention from the public. In 2018, through the PSI, the FNA was then alerted of the new plans for the two public hospitals. Again, FNA representatives to the meeting questioned why was government given the recommendation to privatize the Lautoka and Ba hospitals through PPPs.<sup>15</sup> Today the controversy between the FNA and government has quietened with more pressing issues of a global pandemic and also domestic politics taking over the current health landscape. FNA still stands strong in their

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<sup>15</sup> Mr. Isimeli Tatukivei speaking at the meeting on PPPs organized by PSI at the World Bank and the International Monetary Fund Annual Meeting on 12-14 October, 2018.

position of protecting workers but more importantly, the protection of community healthcare in the country.

Also concerning are the reasons outlined by the Fiji Government above for conducting PPPs: these are too simplistic. PPP concessional agreements are usually complex, negotiated and renegotiated at multiple levels and can result in changes of terms and conditions, without scrutiny or redress; there are also the costs of administration and management. For example, if Ba hospital is already constructed but not in operation, a negotiation or renegotiation of suitability of building for operations could be ongoing. What are the extra costs to the contract and who will pay for the additional materials needed for the new facility? Will the new Ba Subregional Hospital be able to service the population of Ba compared to the existing Ba Mission Hospital? Does having an expensive facility ensure better medical care and services for the surrounding population?

Hosting numerous international forums is a revenue source for government. The revenue generation then shows the intent of government focused on accommodating international community rather than the local communities. To that end, the discussions on the latest facilities installed in the new hospitals will bring in the affordability question for the people of Fiji. The people along the west coast of Fiji comprise mainly of hotel workers, airline workers, airport workers and sugar cane farmers. Will the government subsidize expensive treatment costs that people of Fiji are currently going overseas for should they seek treatment in the new PPP hospitals? How will the transition of public hospitals into PPPs help the communities of the west and Fiji as a whole?

The construction of the Ba Subregional Hospital is done. The contractors were selected by the Fiji Government. The hospital has not opened officially and not in operation. There is an existing Ba Mission hospital that is still operating. Instead of seeking expensive private financing, the Fijian government can support MOH by upgrading, renovating and building the Lautoka and Ba hospitals state-of-the-art ICT systems. MOH is already in the business of training healthcare workers. Budgetary support is available from external sources for preventative and curative healthcare.

There is also concern about a provision of international hospitals to establish in Fiji. The FNA secretary general, highlighted the need of international hospitals to bring in their own capital to establish in Fiji and not use the pension funds of workers in Fiji (F.Talawadua, May 27<sup>th</sup>, 2020). The Minister of Health, in an interview with the Fiji Times says that this partnership will come at no cost to the taxpayers but instead ‘leverage local investment from FNPF and foreign investment from private sector to construct and equip facilities’ (Fiji Times, 2018). The taxpayers are also members of the FNPF. It is the only pension fund in Fiji and the savings of taxpayers that pays for the financing of the PPPs. The actual cost of the PPP is shouldered by taxpayers.

### Resistance to the PPPs

There is base in Fiji for resistance to the PPPs for the two hospitals but there is a need to combine these public, labour and health service sector organisations as pockets of public representation on the PPPs and privatization proposals for two hospitals in the western division of Fiji and nurses should not be the lone voice this.

Public health and public health systems are critical especially during times of disease outbreaks or global pandemics. A more robust public awareness campaign should be done to understand what a PPP is and what it means to the public health sector. What will it mean to community healthcare? Is it privatization of health service? Will costs of health service treatments in the new PPP be affordable? Is there a specific market that this new transition is targeting?

Nurses shortages are at critical levels. The current ratio of nurse to patient varies from 1:15,000, 1: 12,000 and 1: 7,000. How can there be effective community and public health care if the nurses to patient ratio gap is significant (F. Talawadua, May, 27<sup>th</sup>,

2020). Doctors shortages is also critical. There are currently 804 doctors with doctor to patient ratio of 1: 800<sup>16</sup> with 159 positions currently vacant within the Ministry.

FNPF should also hold consultations with its membership on investment aspirations. Is it necessary to utilize membership funds to finance such a risky and expensive health exercise? Why is FNPF using membership funds to invest in something that has never been tried in Fiji when there are many existing examples of failures of this type of contract in other countries? Does this mean that active workers now and in future have to contribute more into the retirement system should this project not achieve its investment return or be a failure?

Mrs. Talawadua also points out that the Lautoka Hospital is the main referral hospital in the western division. All emergency cases from maternity to surgery are transferred to the Lautoka hospital. Will these and other health services provided by Lautoka Hospital remain free to the public? More critically, at which point will patients begin to pay for Aspen Medical health services? Where is the justification or assessment that community requested to change the current public hospitals to the new arrangement?

At the time of this writing, the feasibility study of PPPs for the Lautoka and Ba Hospitals is still unavailable. The lack of information on this PPP (from the initial stages) makes it difficult for participation of relevant stakeholders from the healthcare system. An interview conducted with the former Fiji Nursing Director also revealed that the feasibility study, at the time, was not made available to them (Lutua, 2020). However, this does not mean that the public should rest on this. In the absence of a feasibility study, the Fijian public can:

- Examine what a PPP is and the contracts of all failed PPPs in Australia and other countries;
- Bring in key actors of the health system: doctors, nurses, administrators, civil society and the public;

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16 <https://fijisun.com.fj/2019/02/14/two-doctors-commited-suicide-work-stress/>

- Examine what a 20-50 year long PPP contract will involve and the different decades of development it will journey through but more importantly the accountability process it needs to go through;
- The policy space for and/or provided by different elected governments. Does the current PPP contract include this in its contract?

In Fiji, trade unions are faced with difficulties. Unions continue to have their core labor standards ignored, including the right to assembly or to take industrial action. Despite these circumstances, union members are standing up for their rights. During 2018, unions circulated petitions and fact sheets within affected communities in the lead up to the national elections. They had hoped their communities would stand with them to say that health care is a human right and should not be for sale.

#### Nurses Resilience and Safety Nets

Public health nurses are trained to adapt to their environment that are always short of resources and staff. They are trained to ensure that their patients are comfortable in their environment, keeping in mind that medication can make patients react to and behave in a way that can be undermining and offensive to nurses (Talawadua, May 27<sup>th</sup>, 2020). They are trained to work within their guidelines while at the same time think outside of the box to ensure that patients get the best care. To deal with the complexities of their work environment, public health nurses use their social safety nets within the system to solve challenges faced every day.

The social safety net of nurses working in the private health sector is a worrying factor for FNA's Mrs. Talawadua. Should the private healthcare nurses face a dilemma of treating a patient and making sure that their profit target is met, what will they do? Privatization, is money driven. This can lead healthcare workers to change their professional training values and practices in order to meet their targets.

#### PSI Support to the Fiji Nurses Association

At the 2018 World Bank annual meeting in Bali, the FNA's National Council Executive member, Mr. Isimeli Tatukivei, questioned the effectiveness of PPPs in healthcare, concerned that the Fiji government is proposing to privatize two hospitals (PSI, 2018). Despite the nurses being told by Fiji's government that PPPs are not privatization, Mr. Tatukivei says that PPPs are a version of privatization. More importantly, the community and healthcare workers in Fiji do not know enough about what PPPs will do to healthcare (PSI, 2018).

An interview with PSI's Kate Lappin<sup>17</sup> revealed that even the International Monetary Fund (IMF) had criticized the way IFC handles PPPs in small island developing states. One particular concern is that the PPPs can be used mainly to bypass spending controls, and to move public investment off budget and take debt off the government balance sheet while the government still bears most of the risk involved and faces potentially large fiscal costs.<sup>18</sup> The IMF also says that the PPPs are not utilized in small states, generally because of the difficulty in attracting private sector investment.<sup>19</sup> PSI also argues that PPPs are protected guaranteed income for the private sector. In privatization, everything is profit driven.

#### A Lack of Transparency and Consultation

Presently the contract of the PPP is not available to the public and there is no public or legal opinion on the nature of the contract. PPPs are complex and the role of transaction costs, risks and types of relationship are important issues to consider. All that is being covered by the media is that the contract with Aspen Medical is expected to last 23 years and in order for the project to go ahead, it will need \$80 million for financing and implementation.

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17 Lappin. K, personal communication, May 2020. Interview with PSI

18 IMF, 2004

19 IMF, 2017

Doctors and nurses of the Lautoka and Ba hospitals were consulted about this partnership before the expression of interest was announced<sup>20</sup> but an outcome of that consultation is not publicly available. There is no media coverage or mention of whether the people of the Lautoka and Ba communities were consulted. One of the most pressing concerns in this saga are the key actors involved supporting this PPP arrangement. Donor partners such as Australia and IFC understand the unique economic vulnerabilities of small island states. So the ultimate question is: should the PPP fail, who bears the ultimate risk and who pays back the debt?

Australia's support in the PSDI facility fits in their overall goal of economic integration through free trade agreements in the Pacific Islands. Their 'aid for trade' strategic goal is presented as Australia looking for opportunities for the Pacific region to benefit economically; it does so by facilitating and negotiating on behalf of Australian interests and investment into the region.

The IFC is a strong advocate of PPPs. Should a government approach them to facilitate or assist in any project, IFC targets domestic public sector policies to ensure that investment they bring will not face any obstacles or what it refers to as 'structural bottlenecks'. In this, IFC advised the Fijian government to revise the Fiji Islands Public Private Partnership Act 2006 to ensure that there are no restrictions in the investment that it brings in. This resulted in the Fiji Government repealing the Public Private Partnership Act 2006 replacing it with the Public Private Partnership Policy 2019.

FNPF members who are both the working population and retirees should be made aware of how their pension fund is being invested and spent on their behalf. Members also need to know what a PPP is, how it will benefit and cost the public, the nature of the contract and the experiences, many negative, of PPP projects in other countries.

Health Financing, Gender-Blind Financing?

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20 <https://fijisun.com.fj/2018/03/13/public-private-partnership-not-privatisation-says-acting-pm/>

Women's participation in democratic processes have improved in Fiji. The Fiji Women's Rights Movement (FWRM) in their 2017 Annual Report stated that Fiji's national budget process highlighted the need for women to be recognized as decision makers rather than beneficiaries.

An additional area that government should look at is how this PPP will impact access of women to the health care through the hospital facilities. In a report by the Ministry of Health reviewing the National Health Accounts from 2011-2015, it shows that females accounted for 60% of in-patient expenditure (FJ\$40.7 million or US\$18.86 million). How will quality of healthcare for women change in the two hospitals under the new partnership? Will they pay for specialized services? Fiji's public health sector is for the people of Fiji and just a service niche market. Health is a fundamental human right, recognized in Fiji's Constitution. Most people in Fiji do not have health insurance and can only afford to visit public hospitals.

## Conclusion

### Are PPPs a Panacea for Healthcare in Fiji?

The PPP contract is between the Fijian Government and Aspen medical. The contract is 23 years long where Aspen Medical will build a new wing of the Lautoka Hospital with 305 beds. If the plan of the Lautoka Hospital sound familiar, it should, Apollo medical from India had previously planned to do the same in 2007. Medical tourism diverts resources from the local population by prioritizing patients from abroad to receive medical treatment as well as straining health resources supplies and personnel placing disproportionate burden on public health resources (Greer, 2014). Many questions about the project are yet to be addressed, creating uncertainty for Fijian's and their access to hospital services. Will the new wing of the Lautoka Hospital will be available to the surrounding communities of the Hospital or do they have to pay for the services provided in the new wing? Will Aspen Medical services be affordable and who will be priority?

The FNA's determination to stand up and protect their basic members rights but more importantly basic health rights of communities should be the starting point to mobilize public awareness and attention. Their continuous fight to challenge the privatization of the Lautoka hospital should be motivation for the Fijian public, especially when trade unions are already finding their right to assembly and freedom to express their concerns are heavily scrutinized by the state. Their call on the feasibility study of the PPP should be supported and should be recommended to Government.

Ashurst LLP, IFC, Austrade, PSDI should be questioned. These actors act as a conduit for the private sector to invest locally by reforming the public sector to allow a more friendly business environment for private sector actors to establish. Ashurst LLP's advice to FNPF to invest in a risky health business model should be questioned.

The contract itself should be made available to the public to scrutinize. This is about the lives of people and their right to access health services. The Lautoka and Ba Hospitals are public hospitals. Fijian health sector services are mainly targeted for every level of the society but especially towards those that can't afford private health insurances and private care. Does the contract ensure that Fiji's local community's their basic right of access to health?

The promotion of PPPs in developing countries should be examined carefully. Fiji's economy is vulnerable to external shocks as we are seeing now with the downturn due to COVID19. The IMF's concern on PPPs in small island developing states (IMF, 2004) shouldn't be ignored but instead be a precautionary option to the Government of Fiji.

Questions that the public should now ask include:

- When can nation-wide consultations on this PPP venture be held that include all sectors of healthcare service stakeholders?
- When can consultations with the communities of the western division be held with faith based organisations, the heads of provinces, women and gender

organisations, the disability society, farming communities, in particular the cane farming communities?

- When will the public be informed about what the objectives of the PPP contract is and what it hopes to achieve?
- When will the Government disclose the full details of the PPP contract and how it is structured to deliver health services, including who will bear the risks?
- When will a strict and independent monitoring and evaluation process be established? What is the mechanism for redress in case things do not happen as planned?
- What are the details on how the hospital will impact health of the Lautoka and Ba population including how this venture will take on a detailed gender and social and health impact assessment?
- Who will pay for the financing? How is FNPF going to benefit from this investment and why is the partnership using pension funds which is public money, to invest in this project without being consulted? Who advises FNPF on investment? Are the advisors for the people or for profit only? Where are the advisers from?

These are potential guidelines for a consultation on current and future PPPs that involve private financing. Private financing obtained from pension funds should only be accepted if the public supports it. Therefore, it is important that the government proceeds with caution or even better, steps back and reviews their process to ensure that the nurses, doctors, communities who are all involved in the system and the Fijian public are informed about this PPP and not just a parliamentary debate that leaves the public out of the discussion.

## Appendices

### Appendix 1: Literature Review

Since 2004 there has been a tremendous increase in the amount of money invested in PPPs in the developing world. In 2015, the United Nations (UN) Conference on Financing for Development featured PPPs significantly in the Addis Ababa Action Agenda and were highly endorsed as a “means of implementation of the 2030 Agenda for Sustainable Development (Eurodad, 2018).

According to the World Bank's Overview in 2012, PPPs were used in 134 developing countries, contributing about 15-20 percent of total infrastructure investment (World Bank, 2012). State governments are increasingly pivoting towards PPPs to provide basic public services for their citizens, in sectors including power, water, transportation, education and health and are promoted to finance development projects.

The definition of PPPs varies. The World Bank (2012), defines PPPs as “long-term contracts between a private party and a government agency, for providing a public asset or service, in which the private party bears significant risk and management responsibility”. The Asian Development Bank (ADB) defines PPPs as “agreements between the public and private sectors for the provision of assets and/or services such as power, water, transportation, education, and health (ADB, 2008).

#### Financing Development

Private financing of public services has increased tremendously over the past 25 years, in both the global north and south as a means of keeping debt levels down (Equality Trust, 2019). The United Nations member countries, in 2015, adopted the Sustainable Development Goals (SDGs), a universal framework of 17 global goals to be achieved by 2030. These include Good Health and Well-Being - SDG 3. Public Private Partnerships (PPPs) are at the top of many development agendas of governments and multilateral development banks (MDBs) often presented as crucial in the fight to achieve all the Sustainable Development Goals (SDGs).

## 2. ENTER PUBLIC PRIVATE PARTNERSHIPS

Public Private Partnerships (PPPs) have been touted as the panacea for shortfalls in financing needed to achieve the SDGs in economic infrastructure such as roads, airports and ports. It has also been identified as critical to key services such as health, education, water and electricity delivered in both the global north and south (Eurodad, 2018).

As a key indicator of sustainable development and a fundamental human right, governments are faced with a challenge to improve health standards in their countries. Poor health threatens the rights of children to education, limits economic opportunities for men and women and increases poverty within communities and countries around the world. In addition to being a cause of poverty, health is impacted by poverty and is strongly connected to other aspects of sustainable development, including water and sanitation, gender equality, climate change and peace and stability (SDG Compass).

PPPs in the Pacific and Fiji - their role in infrastructure projects

Large scale infrastructure projects are delivered through PPPs. As part of their scaling up of investments in the Pacific, MDBs such as the World Bank Group and ADB are also major partners in infrastructure projects. This section will look at two examples of bankable projects funded by ADB and World Bank Group in financing development coordinating public and private capital.

In the Solomon Islands, a recently signed contract between Tina Hydropower Limited (THL) and the Hyundai Engineering Company Limited is to build a hydro dam (SIBOnline, 2019). Major partners include the World Bank, Australian Department of Foreign Affairs and Trade (DFAT), International Finance Corporation (IFC), Green Climate Fund (GCF), Economic Development Corporation Fund (EDCF) Korea, ADB, International Renewable Energy Agency (IRENA), European Investment Bank. The commercial partners to this project are Korea Water Corporation (K-water) and Hyundai Engineering Co (HEC) and the Solomon Power company. This Tina Hydropower project has been touted as increasing employment rate and the first national PPP development project for the Solomon Islands.

In Papua New Guinea, the PPP Act 2014 is now in operation as of January 2018 (Post Courier, 2018). In November 2018, PNG was to host the Asia-Pacific Economic Cooperation (APEC) meeting. To cater for the APEC meeting, the Government of PNG looked to improve infrastructure such as roads, ports and airports. As in all infrastructure projects, financing questions loom over governments.

To be ready for welcoming participants to the APEC meeting, the Government of PNG through the National Airport Corporation (NAC) signed a contract with ADB to provide transaction advisory services through a PPP. Through the transaction advisory, ADB supported NAC to improve the infrastructure of Jackson International Airport by extending the main runway, and building a new international passenger terminal to meet the projected growth in air services up to 2040 (ADB, 2017).

In this PPP, ADB was supported by the Pacific Private Sector Development Initiative (PSDI) facility. This facility was established in 2008 to provide technical assistance, research and knowledge products on key infrastructure issues to Pacific Island Countries. Other development partners in the facility includes the Australia Aid, New Zealand Ministry of Foreign Affairs (MFAT), the World Bank, European Union, and Japan International Corporation Agency.

In 2015, under a PPP arrangement, the Jackson International Airport in Port Moresby, PNG, was renovated and expanded to a world class terminal facility that can process two million passengers a year. Prior to the renovation, the airport was processing 800, 000 passengers per year when the terminal building was built for 300 passengers only (pire.org, 2015). The Australian and New Zealand Bank (ANZ Bank) funded the project.

- Hiring of expatriate doctors to replace them was an additional US\$1, 400, 000 per year over and above what it would have cost to employ the local graduates (Negin, 2008)
- Better work conditions, better training opportunities and salaries as well as Fiji history of coups are push factors for skilled healthcare workers migrating overseas into care facilities.

### **PPP and health: Health Status in the Pacific and Fiji**

Changes in lifestyle, including declines in traditional dietary customs and nutrition, decreases in physical activity and steady integration into the global cash economy, have had a substantial and sobering effect on the prevalence of non-communicable diseases (NCDs) in the Pacific region. Diabetes prevalence in adults in the Pacific region is among the highest in the world (WHO, 2010), with 16% of the Pacific population having a form of diabetes (McCaig, 2019) and Fiji is no exception (Morgan, 2015).

In 2017, the Fiji Ministry of Health (MOH) and World Health Organization (WHO) reported that the leading cause of death in Fiji is cardiovascular-related compared to diabetes related deaths (MOH et. al., 2018). In 2019, media reports surfaced on the ongoing concerns about diabetes, highlighting related amputations accounting for 40 percent of hospital operations in the country (McCaig, 2019).

The disease is responsible for 188 of 100, 000 deaths in the country, and according to MOH, approximately 33% of Fijians are diabetic. This means Fiji has already exceeded the WHO's 2030 prediction of an 8% prevalence of diabetes in the country. There are three amputations a day according to Viliame Qio, Diabetes Fiji project manager (Kumar, 2018).

Not only is death from diabetes at its highest rate in Fiji, the disease is also the top cause of disability in the country. Sedentary lifestyles, poor eating habits, food security issues and climate change are the main factors behind the diabetes crisis.

Donor Component of Total Health Expenditure (THE)

*Source: What constitutes donor dependence: Health Financing in the Pacific. Nigen et. al., 2013.*

At the time of the study mentioned above, data was also gathered from Samoa, Tonga, Vanuatu and the Federated States of Micronesia using the most recent data from 2007. Vanuatu for instance, received 16.5% of total health expenditure support from external donors, Samoa received 21.4% and Tonga received 39.2%. The reliance of Tonga on external financing is more than four times greater than Fiji. Samoa and Tonga's major partners including Australia, New Zealand and the World Bank all contribute similar amounts (see figure 1 above).

Federated States of Micronesia's total health expenditure is donor funded - almost entirely, by the United States government grants. Public financing accounts for approximately 10% of health expenditure revealing that the government of FSM is almost entirely dependent on external funding.

The study also acknowledged the lack of data that existed in Pacific Island countries most likely does not represent the exact situation at the time.

In February 2020, through a Senate Inquiry in Australia, it was revealed that Australia's funding support for health programs across the Pacific region has been slashed over the past five years. In the Cook Islands, health funding was slashed by 75%, Fiji by 22%, in the Solomon Islands by 13% and in Samoa, which has been devastated by a measles

outbreak, by 36% (Guardian 2020). Overall aid spending was cut to the Pacific as shown in the table below.

**Table 1:** Australia health and overall aid spending cuts in the Pacific Islands

| Country         | Health budget cut %         | Overall aid spending cuts over 5 years% |
|-----------------|-----------------------------|-----------------------------------------|
| Cook Islands    | 75                          | 26                                      |
| Fiji            | 22                          | 5                                       |
| Samoa           | 13                          | 14                                      |
| Solomon Islands | 13                          | Steady                                  |
| Tonga           | Is there no data for these? | 10                                      |
| Tuvalu          |                             | 17                                      |
| North Pacific   |                             | 42                                      |
| Nauru           |                             | Steady                                  |
| Vanuatu         |                             | 41                                      |

*Source: figures taken from Guardian online article: Australia slashes Pacific aid funding for health as region battles medical crises. 18th February, 2020.*

Australia's former Treasurer, Joey Hockey said in 2014 that savings of \$3.7 billion in the foreign aid program over the next four years would offset new commitments in Defense and national security for Australia (Lowy Institute, 2016) even in times of an epidemic.

### Gender-Responsive Budget

At a regional training workshop hosted by the Pacific Islands Forum Secretariat (PIFS) in 2017 aimed at improving understanding of the financial benefits and impacts of spending on women and men, and planning gender-responsive budgets, it urged Pacific decision-makers to match commitments on gender equality with increased and better targeted funding. Currently in the Pacific region, targeted government spending on women is very low at around just one percent of national budgets (Forum Secretariat, 2017).

In Fiji's 2019-2020 budget, the allocation for the Ministry of Women, Children and Poverty Alleviation dropped by 4% (FWRM, 2019). The Ministry of Women may not be a policy line agency but provide community-based development services to mainly Fijian women. Perhaps, a more in depth look of how gender mainstreaming is reflected throughout all ministries will be more effective for e.g. in health, tourism, national planning and education to name a few. In the budget announcement of 2018 activist Roshika Deo said that although the budget first appeared to be inclusive, it did not address inequalities. For a national budget to be gender responsive, it needs to identify ways that public spending and revenue impacts men and women differently and attempts to achieve gender equality. She further added that all public sectors would benefit from gender analysis but particularly the education, health, agriculture, social welfare and disability sectors would benefit from looking at gender impact (Deo, 2018).

Critical information of gender mainstreaming is critical to inform the different needs of health of men and women to help with budgetary allocation of the Health and Women's Ministry in Fiji. The question then is: how did government determine the need to change the Lautoka and Ba hospitals from public hospitals to a full scale PPP without strengthening the existing types of partnerships that exist? For example, the Sahyadri Hospitals Services (Private hospital in India). Shaydri Hospital is to provide specialized tertiary health care previously unavailable in Fiji at a subsidized cost that will reduce the need to seek treatment overseas. At the same time, build local capacity via training of health workers in Fiji (Irava et al, 2012).

## Appendix 2: Interview Questionnaire

### Fiji Nurses Association: Interview Questionnaire

In Fiji, the health sector, for the first time is going through an overhaul with two hospitals ready to go through a PPP with private financing on a large scale. The Fiji Government, sought the assistance of the International Financial Corporation (IFC) with the implementation of the PPP project. Aspen Medical, an Australian private medical firm won the bid with the assistance of the Australian Trade department. Aspen Medical will partner with the Fiji National Provident Fund (FNPF) for the investment. IFC works closely with Australia and New Zealand in the Pacific.

Aspen Medical has entered into a 23-year agreement with the Fijian government to deliver critical medical infrastructure and training at two hospitals in the north-west of Fiji's main island. Some of the aspects of the partnership will involve equipping the newly constructed 70-bed hospital in the town of Ba and revamping the 260-bed Lautoka Hospital to increase its output.

Aspen Medical will also oversee the installation of new IT and administration systems and enhancing the hospitals' capabilities in a range of specialties including renal dialysis, chemotherapy, oncology, coronary care and maternity services.

And according to the Attorney General, government had reached out to doctors and nurses in Lautoka and Ba hospital about the change to which government had received overwhelming support.

However, questions linger over the decision to turn the two hospitals into a public private partnership

- Can you tell us a little about the Lautoka/Ba hospital?
  - Do you have enough nurses at the two hospitals to adequately address health issues that are treated?
- When did you first hear about the transition from public to a public private partnership of the two hospitals?

- According to a Fiji Sun report, the AG stated that government had reached out to the doctors and nurses at the two hospitals about the transition. And their response was overwhelming. Are you aware of this consultation? How were they consulted?
  - Over the telephone?
  - Over a week-long workshop?
  - Over email?
  - Was FNA consulted?
- We understand that the Public Services International had supported the FNA regarding the PPP of the Lautoka/Ba hospital. What was the FNA's understanding of PPPs prior to the PSI engagement?
- How did PSI's engagement with the FNA assist with the FNA's campaign against this PPP of Lautoka/Ba hospital?
- Was there a feasibility study done to assess the need for a public private partnership?
  - And were healthcare workers consulted?
- As a long serving public servant/ nurse, can you tell us experiences of public and private healthcare?
- In your view, will the PPP project benefit:
  - Nurses?
  - Fiji public?
- What has been the main reasons for the transition of public to PPP project of the Lautoka/Ba hospital?

PSI have done tremendous work on private financing and PPPs.

- Describe PSI work with PPPs and private financing in the healthcare sector in Australia and other regions of the world?

#### PSI Engagement with the Fiji Health Sector- FNA

- Why was PSI concerned about the proposed PPP in Lautoka/Ba?
  - How did they engage the topic?
  - When did you first hear about the PPP?
- We've come across examples of hospitals that also transitioned to PPPs returned to public administration in Australia. What lessons are there for Fiji to consider?
- There is promotion on:
  - Medical tourism
  - Proper healthcare for international meetings
  - Upskilling workers
    - Are these typical reasons or even a good basis to venture into PPPs for Fiji? If there are any reason you know of and think we should be aware of going down the PPP path- let us know

#### Transparency

- The contract for the two hospitals was signed between the Fiji Government and Aspen Medical in January of 2019. Other than the two parties that signed, others have not signed the contract (according to interview with former FNA GS).
  - What challenge will that hold for the public?
  - How can the public keep all parties accountable to their delivery?

#### PSI Engagement in the Pacific Islands

- What has been PSI's experience with other PPPs in the Pacific or in the hospital sector?
- Has PSI worked with other Pacific Island Countries on PPPs?
  - What lessons are there for other Pacific Island Countries considering this?

- This project requires \$80 million of private financing to work. And as the many cases written about the failed PPP projects globally, this is a very ambitious but shaky ground to start with on Fiji's health sector.
- Fiji's promotion of medical tourism is understandable because tourism is the major foreign exchange earner. But now with the global pandemic, there are no tourists.

#### General Questions

- Do you think PPPs for health sector can work? And if so, how do you think it can?
- Public health sector vs value for money, efficiency and effectiveness?
- General experiences of PPPs

DRAFT for discussion

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DRAFT for discussion

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