

**Report of Network of ASEAN-China Think-Tanks (NACT) Working
Group Meeting on
*“Public-Private Partnership in 30-Years ASEAN-China Public Health
Cooperation”***

Co-Organized by NACT Indonesia and NACT China

9 July 2021

BACKGROUND

1. The NACT Working Group Online Meeting which commenced on Friday, 9 July 2021, was co-organized by NACT Indonesia with the support of the China Foreign Affairs University (CFAU). Under the main topic of Public-Private Partnership (PPP) concerning public health cooperation, the meeting was held virtually and invited all NACT members. Nine researchers from eight NACT members participated and presented their initial findings relevant to the topic’s discussion. The meeting was conducted in three consecutive sessions — aimed to share each countries’ experience and formulate possible recommendations in the future. The detailed rundown and invited speakers are attached as **Annex I**.
2. Regarding the main topic, which focused on the crisis during the pandemic, socio-economic hurdles are argued to be a significant feature of the government’s incapability to maintain relevant resources. Thus, the path for recovery is clouded with uncertainties where health security is being weighed against the national economy. This gap, however, triggered the recovery endeavor, which may vary across the countries. One of the prominent proposals calls for the need to discuss how Public-Private Partnerships (PPP) in public health have prepared for a post-pandemic

world, particularly in areas of socio-economy, as this determines the quality of most livelihoods.

3. Given the precedent sets of PPP, the meeting's discussion was expected to provide insights into best practices in each country by examining the policy formulation, identifying relevant actors included in the process, and gaining a better understanding regarding the challenges related to the synergy and the actor's goals that can be utilized in facing the current crisis.

COUNTRY PERSPECTIVES AND CHALLENGES

China

4. The meeting noted that the COVID-19 has significantly impacted public health services in China, including ongoing treatment for cervical cancer. Many cervical cancer prevention activities have been disrupted. Elective cervical cancer screening procedures have also been delayed as a strategy to minimize contact of individuals with healthcare units.
5. Given the spatial context, China also experienced a high prevalence of malaria at the Viet Nam, Myanmar, and Lao PDR borders. As of this year, China is "Malaria-free". Though the number has decreased recently, China's strategy regarding malaria eradication has been manifested in the consultation and service posts on entry-exit posts with its neighboring countries and support efforts by those countries to do the same on their side. The strategy is brought not only to overcome the diseases but also considering the socio-economic costs when they happened someday. Safeguarding its economic corridor, which connects the New Maritime Silk Road (Southeast Asia) in the north and the ancient Silk Road Economic Belt (South Asia) in the south, urges China to take a step forward to handle the distribution of indigenous malaria cases, particularly in Yunnan.

6. In responding to this situation, China has carried out various activities. Within the broader framework of the One Belt One Road (OBOR) Project, ASEAN countries and China have been aiming to develop a model of cooperation in the region to address major public health challenges, including cancer and malaria. The main aim is to provide an excellent platform to educate health professionals and train more future leaders in the areas affected, especially targeting low and middle-income countries (LIMCs).
7. Firstly, it has developed appropriate technologies to improve health services for the post-pandemic world. One of them includes the care HPV Test. It is WHO-prequalified and can be run by a healthcare worker with proper training and without formal laboratory skills. Conveniently, this point of care test (POCT) results can be provided within 2.5 hours for possible same-day health care.
8. Secondly, China has also adjusted its services using new technologies to deal with the patients travelling restriction, including the Home-based screening (HPV self-sampling) supported by telehealth. Another example is reflected in its preparation for an AI-guided digital colposcopy cloud platform.
9. Thirdly, it has enhanced cooperation in promoting public health implementation across Asian, APEC, and ASEAN countries. Some of these collaborations include South-south cooperation assistance fund (SSCAP) potential project, United Nations Population Fund (UNFPA), AOGIN and APOCP activities.
10. Fourthly, to limit the imported case at the borders, China would strengthen malaria diagnosis and establish a prompt response capacity at the township health centers. Furthermore, surveillance optimization and post's capacity

must be maintained by cross-border collaboration in the exchange of information.

Indonesia

11. Since declared as a global pandemic in March 2020, the discourse of emergency has driven pandemic policies in Indonesia. Like many countries in the world, it has been faced with the dilemma of social versus economic orientations. In response to this dilemma, the government has looked into various discourses, including the “state in danger” paradigm. Still, it has revealed side effects such as deploying all mechanisms and resources for pandemic policies and anti-democratic tendencies.
12. Behind this drive is the fear of economic stagnation, if not crisis. If not mitigated properly, this stagnation will potentially harm macroeconomics, leading to a fiscal burden that could point towards debt increase.
13. To respond to this situation, Indonesia, like many other countries, is seeking a much-needed balance from Public-Private Partnerships (PPP). However, this also was met with great criticism. PPP is also prone to vulnerabilities, with the health crisis making way for new practices of political-economic consolidation. The challenge has made room for the oligarchs to reconsolidate their power in a time of pandemics through practices of political-economic consolidation.

Myanmar

14. Despite the challenges, the pandemic had brought about opportunities for public and private investment in the health sector to improve services and move towards universal health coverage in Myanmar. However, PPP in the healthcare sector had emerged more cautiously but remained a crucial cooperation strategy by highlighting the necessity for responsible private

healthcare. Nevertheless, Myanmar has faced various challenges in combating the pandemic due to an outdated and underfunded public health sector.

15. In the healthcare sector, the government had provided laboratory materials, equipment, quarantine centers, ICUs, temporary hospitals, training, contact tracing, recruited medical staff and volunteers, and set out vaccination plans. Besides the healthcare sector, the pandemic also severely hit the economy, social aspects as well as governance.
16. To cushion further economic side effects, the government launched a COVID-19 Economic Relief Plan (CESR) (an initial stimulus package), lowered tax and incentives, provided credit packages, food relief, and food allowance for vulnerable groups. In the social sector, the government launched numerous awareness programs, assisted the protection of vulnerable children, ensured the welfare of nursing homes and orphanages, increased social welfare and awareness against domestic violence as well as human trafficking.
17. The PPP model of Myanmar is supported by private sectors, CSOs/NGOs, the business community, charities, foundations, religious associations, and individuals.

Lao PDR

18. The public health mechanism in Lao PDR allows the PPP model to be established further. The collaboration is apparent at the regional level with the establishment of the ASEAN Coordinating Council Working Group on public health emergencies, where Lao PDR gains the partnership with other countries in the region, international organizations, and the business sector. However, the aging society, rising cost of healthcare, growing demand for quality service, and inefficient flow of public funds remain a challenge.

19. Regarding the COVID-19 pandemic, PPP plays a role in assisting the business sector, especially to encourage competition among investors. Amid the crisis, such initiatives could open the window of opportunities, such as financial assistance and the sustainability of healthcare supplies. Mobilizing these resources would build advanced clinical services. Since the government's response seems inadequate in the early stage of the outbreak, opening more choices other than public hospitals and healthcare units is the solution to pave the way towards the post-pandemic era.
20. Despite the boosting opportunities that will arise in the days to come, it must be noted that important challenges need to be tackled, such as; economic, environmental, and legal barriers, also the ununified response among the parties. The lesson learned so far is to work collaboratively like never before to accelerate the post-pandemic development process.

Malaysia

21. Malaysia's case implied that the overwhelming number of infections and a low vaccination rate of COVID-19 is due to the government's incapability to maintain multiple stakeholders. Besides, patients at some major hospitals in the capital cities have reached maximum capacity. In turn, the healthcare facilities had been under heavy pressure to accommodate the public demand.
22. As for now, the Malaysian government has sought assistance from the private sector in order to fill the gap between the lack of resources and the responsible actors. For instance, the private sector was expected to play its role as a provider of private hospitals so that the patients could receive better treatment. Moreover, with the Public-Private Partnership Covid-19 Immunisation Program being at the heart of this partnership between the

two sectors, the collaboration gives better insurance for the victims, and the vaccination program could be maintained properly.

23. The collaboration mechanism is carried out by delivering the role of the actors; the public healthcare system and the private healthcare sector. The main healthcare provider in the country and the Ministry of Health is the main national regulatory and policymaker. For financing, the public healthcare system is mainly supported by taxation and some other revenues. Meanwhile, private healthcare plays in insurance funds, patients' out-of-pocket expenditures, and private and non-profit institutions. The synergy was started by identifying emergency options such as medical specialties, well-equipped hospitals, and leveraging healthcare supplies.
24. Nevertheless, combatting the pandemic has not been without challenges. Malaysia still has to face financial matters regarding balancing treatment and insurance fees in public and private hospitals. Moreover, crisis management should have been a critical point where the medical consultants are encouraged to participate in the battle during the pandemic.

Singapore

25. With the experience of mitigating the SARS and H1N1 outbreaks in 2003 and 2009, Singapore had to re-implement social distancing policies when the COVID-19 pandemic spread to the country in 2020. The social distancing policy, known as “circuit breaker,” comes with elevated measures, including limiting food services to only takeaway and delivery services from restaurants, food, and beverages outlets. The policy certainly has an impact on the disruption of the food supply chain. In such a situation, the support from digital platforms providing the food and grocery delivery services—such as Deliveroo and Foodpanda — has been the key to the effective social distancing implementation, which allows people to fulfill

their daily needs without having to leave the house. Certain groups such as the elderly, disabled, people with low incomes, and migrant workers have been somewhat stranded due to limited availability and accessibility for them to use such delivery services.

26. However, Singapore resolved the problem through active citizenship in supporting the complex process of food supply, which involves the government, community, and corporations. Singapore government launched several programs such as Meals-on-Wheels and Helping Hands, where the government and community are collaborating in supplying food to underprivileged groups. Furthermore, the partnership between public and private sectors could also be seen in some movements and charity events conducted through a collaboration between community and corporations — Temasek Foundation Cares, DBS in partnership with Food Bank Singapore, and also Dignity Kitchen — that support the government in providing food to people in needs during the “circuit break”.
27. All these efforts have shown that active citizenship, which involves community and enterprises, has played a significant role in assisting the government in ensuring the food supply chain during the social distancing enforcement in Singapore.

Vietnam

28. Meanwhile, from Vietnam, we can learn how cooperation between public and private sectors, both on a national and regional scale, is indispensable in accelerating the recovery from the global health crisis, particularly the ongoing COVID-19 pandemic. There are some limits to the state’s efforts to curb the pandemic nationwide. One of many current limitations that Vietnam has is the minimal number of public-private partnerships in the health sector established in the country. The limitations are due to the fact

that the public sector lacks-of the institutional capacity to manage complex PPP contracts. On the other hand, the private sector has strengths in infrastructure development but lacks highly qualified medical staff. Therefore, most PPP within the health sector in Vietnam relies on human resources to recruit public health service providers. Although 63 PPP projects in the healthcare sector in Vietnam were proposed in 2018, such a large number does not reflect the great potential but rather the lack of PPP project screening criteria, and only a small number of them are viable. Moreover, the existing private participation in the health sector is mainly focused on infrastructure development rather than healthcare services, preventive medicine, and primary care. Almost all projects are concentrated in big cities and are supposed to provide a better patient experience.

29. Furthermore, the Vietnam-China cooperation in the medical field is still very limited, unlike the collaboration between these countries in economic and other sectors. The lack of collaboration somehow results in the non-existent form of public-private partnerships between Vietnam and China up until today. Consequently, Vietnam has been struggling with the rollout of the vaccine, where it is reported that the current vaccination rate in Vietnam is only 0.1% of the total population. With all these limitations, Vietnam calls for more cooperation in the healthcare sector with China and the other ASEAN Member States. In addition, Vietnam must internally fix and build a comprehensive system of mechanisms and policies in the health sector. It can be started with simplifying investment types to implementing procedures, as well as clear mechanisms for utilizing state capital in PPP projects in the health sector.

Philippines

30. The significance of the PPPs in the health sector is also further emphasized by the experience of the Philippines in an attempt to develop the partnership between government and enterprises. In the Philippines, PPP is seen as one of the infrastructure mechanisms for economic resiliency. The PPP Center of the Philippines is facilitating the expansion of the PPP model in the country. Concerning the COVID-19 outbreak, it is no doubt that the pandemic has eventually affected the state's economy. Therefore, the PPP Center of the Philippines launched its Local PPP Strategy to provide enhanced assistance to local Implementing Agencies (IAs) in developing and implementing local PPP projects through partnerships, capacity building, policy assistance, and project assistance.
31. The initiative results in 44 potential lines of PPP nationwide, where it includes the PPP projects on vital sectors such as transportation services, health care, infrastructure/property development, and IT system. While on Local PPPs, there are 19 project lines in water supply and sanitation, solid waste management, property, and other emerging sectors—transportation, IT system, tourism, health, and renewable energy. In the meantime, PPP projects in the health sector have been prioritized by the government of the Philippines due to the enforcement of Universal Healthcare Act and the current COVID-19 pandemic.
32. In relation to this, Bicol Medical Center's Medical Arts Building, Mariveles Mental Wellness Center, and Baguio General Hospital and Medical Center are three out of six PPP projects in the health sector that are already in the development phase. At the same time, the remaining three projects in the health sector are still waiting for approval. Although there is diversity of such partnership in the country in practice, some being solicited and others unsolicited, while the private sector partially manages some projects and others fully. However, the Philippines' experience has

shown how PPP is making viable alternatives to government financing—where the government has limited resources—in developing and building public facilities and services.

POLICY RECOMMENDATIONS

33. Despite the width and depth of the challenges, the meeting the following suggested ways forward in enhancing PPP.
34. The meeting found it imperative **to strengthen the state-to-state cooperation in the medical field**, especially among universities in China and ASEAN member states to lead in medical education, scientific research, training, academic exchanges, and technical cooperation to prepare for the post-pandemic world. ASEAN and China could consider launching the "China-ASEAN Health Elite Training Program", building a "China-ASEAN Medical Cooperation Digital Platform", and launching the "China-ASEAN Disease Prevention and Control Talent Training Network". Strong cooperation among academia will help consolidate institutional knowledge and experience. Further, this will also propel a road map charting in essential sectors such as health and socio-economy.
35. The meeting also noted the need to seek a **PPP model that is sustainable and just**. In light of the challenges of the PPP system, a business-as-usual attitude will leave governments with little incentive to improve and enhance their capacities. In turn, this will lead to greater vulnerabilities. At the same time, successful PPP models across ASEAN member states and China have highlighted the importance of working together in close collaboration towards a common goal.
36. **Establishing a technical work plan of PPP** at the early stage of the crisis is essential for preventing the re-establishment of the disease. To take a step forward, where the pandemic could happen under unprecedented

circumstances, the government and private sector must engage in meaningful collaboration where a favorable environment is being provided.

37. Given the adaptation of the “new normal,” there is an urgency **to improve technology infrastructure** to support digital platforms that can assist people in meeting their daily needs and activities during the pandemic. It is undeniable that the pandemic has led to an inevitable surge in technologies due to the lockdown policies. The affected communities depend on the internet these days. Thus government and private sector need to develop and provide facilities and services that support the needs of people to surf in cyberspace.

38. The meeting also affirmed the importance of a PPP model for the health sector and with speedy implementation. As the health sector continues to shoulder a large weight of the pandemic, it must continue to look for ways to develop better to save more lives and ensure the public’s health.