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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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ABSTRACT

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

PPPs are contract-based investment partnerships between a government and private company for the supply of infrastructure or the delivery of a service traditionally provided by the state. In this partnership, the private sector is responsible for raising the up-front costs of the investment, which is then repaid by the taxpayers over the course of the contract (usually around 30 years), a period during which 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 Fiji’s Public Private Partnerships Act of 2006 was repealed in 2019 to make it less restrictive in securing investment.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 the private financing - with MDB involvement - of two public hospitals. Under the contract, one hospital will undergo re-development and the other
will see the construction of a new wing. The two hospitals will cater for a population of 337,041 people (Bureau of Statistics, 2018) in the western division of the country.

The PPP is a controversial venture, and is one in which 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. The 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 became a partner of the Fiji National Provident Fund (FNPF) to form Healthcare Fiji Pty, in order to bid for the contract. The FNPF is a statutory body 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, the FNPF and Aspen Medical are now tasked with seeking the finances needed for the new Ba Hospital (which 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 the pension funds of its members in order to invest in this PPP. No consultations were opened either with the members or with the people of the Lautoka, Ba or the rest of the western division on this risky investment. No feasibility studies, no assessments of the impact on human health, the environment, or on gender, are available to recommend the proposed PPP. Fiji’s economy is too small to absorb such a risk.

1. INTRODUCTION
1.1. About the Project
In recent decades, major infrastructure projects such as ports, roads, and public services, including health services, have been financed through public-private partnerships (PPPs). States are pressured to implement fiscal reforms in order to support the emergence of PPPs as a means of choice for development projects and in order to channel investment finance, thereby “locking-in” state debt. PPPs have been touted as the investment model that will help to develop and upgrade infrastructure in order to improve the effectiveness of public services, along with enhancing the capacity of human resources if and when the business environment
is right. PPPs are a type of contract under which private companies build and operate public services and infrastructure while much of the financial risk remains with the public body concerned.

Two hospitals in Fiji are to undergo a change in health-care operations, as they are to be transformed from a public- to a PPP-provided service under a concessional agreement. The Lautoka hospital and the newly-built Ba sub-regional hospital will provide health care for 337,041 people in the Western Division (Fiji Government Media Centre, 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 an evidence-based analysis to support and expand the feminist critique of public-private partnerships (PPPs).

This chapter develops a case study analysis of a public-private partnership in Fiji’s health sector, which attempts to bring together both the relevant evidence to study the gender and human-rights consequences of PPPs, as well as critical elements for strengthening a feminist approach to PPPs.

1.2. 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 the Fiji Nursing Association’s resistance to the PPP and the support of the Public Service International (PSI).

1.3. 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 the 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 the relevant stakeholders of the project, including the 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.

1.3.1. Limitations

More information and in-depth analysis on gender inequalities, pay gaps and discriminations are needed;

The analysis of the Fiji PPP case study chapter is largely based upon a desktop review of documents and other relevant literature;

Lack of access to the PPP contract.

2. INTRODUCTION OF PUBLIC PRIVATE PARTNERSHIPS IN THE HEALTH SECTOR

2.1. Background

2.1.1. Economic Landscape

Prior to the Covid-19 pandemic, international travel was growing rapidly in Fiji, securing the tourism sector as a key driver of economic development. For Fiji’s economy, the cross-cutting sectors of tourism include agriculture, transport, wholesale and retail trading, accommodation and food services, the arts, entertainment and recreation, and taxes. In 2010, the revenue generated from tourism exceeded the billion-dollar mark, reaching 1.2 billion USD and to a further 1.8 billion USD in 2016. As a source of foreign exchange, tourism earnings outshone the next seven major contributors combined, including remittances, mineral water, sugar, gold, fish, garments, and timber receipts, as shown in Figure 1 below.
2.1.2. The Health Sector in Fiji

With a population of 884,887 people, Fiji continues to suffer from non-communicable diseases (NCDs), which include 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 the whole population has the potential to affect broader social and economic development. Men make up 50.7 per cent of the population, while women make up 49.3 per cent.¹

Health services in Fiji are mainly provided through the Ministry of Health (MoH). Clinical, preventative, and re-habilitative health-care services fall under the responsibility of the Ministry of Health and Medical Services (MoHMS). The clinical-care services are delivered at the hospitals and at some health centres. The preventative health-care services are provided through preventative care programmes, health centres, and nursing stations; whilst health-care services are implemented through a de-centralised health system that administers integrated health care at primary, secondary, and tertiary care level. However, the administration and management of human resources, finance, drugs, and medical supplies are centralised. The government is the largest source of funding for the provision of health services.
The World Bank’s current health expenditure (%GDP) per capita \(^2\) indicator (which includes spending by both public and private sources) shows that the health expenditure per person in Fiji in 2017 was at 188.41 USD per capita, among the lowest for Pacific Island Countries. Under-funded health-care systems cannot cope with a booming disease-burdened population. Complicating the under-funding by the government in the health sector is a limited workforce of health-care workers.

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

The Australian government accounted for 60 per cent 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 the Federated States of Micronesia (FSM), are shown in Figure 2 below as percentage of donor contribution to the total national health contributions (Nigen et al., 2013).

![Figure 2: Donor Component of Total Health Expenditure (THE)](image)

**Source:** What Constitutes Donor Dependence: Health Financing in the Pacific. Nigen et al., 2013.
Not only is under-funding a challenge for the health sector, but the migration of skilled health-care workers also contributes to the already chronic shortage of health workers. 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 the 2006 census, highlighted:

The annual cost to the Fiji government of 23 doctors who resigned in 1999, was 7,000,000 USD of training costs;

The hiring of expatriate doctors to replace them was an additional 1,400,000 USD per year over and above what it would have cost to employ local graduates (Negin, 2008);

Better work conditions, better training opportunities and salaries, as well as Fiji’s history of coups d’état are push factors for skilled health-care workers migrating to care facilities overseas.

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 1:1,000. At the time of writing, (June 2020), the world is going through a global Covid-19 pandemic which is impacting heavily on all global economic activities and placing stress upon already heavily burdened public-health systems. The uncertain nature of this pandemic has shutdown airports and ports while global public-health systems have found themselves stretched to emergency overdrive due to the number of patients seeking medical attention for this 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 the different divisions of the country. Patients seeking medical attention for other conditions are advised to go to community health-care facilities (Department of Information, 2020).

2.1.3. Promotion of PPPs

PPPs have been rigorously promoted as the solution to the shortfall in financing needed by governments to achieve the SDGs, and 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) has collaborated with corporations (or industry associations) and an intergovernmental organisation in order to achieve a health-creating goal requiring increased research and development (R&D) on drugs and vaccines for diseases which disproportionately affect 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 incentives for industry to develop healthier products. This collaboration provides the UN with an opportunity to gain access to resources and expertise in order to further its mission (WHO, 2001).

In the Pacific Islands, MDBs enter into partnership with developed countries, which are the 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), the Asian Development Bank (ADB) from the MDBs, and the European Investment Bank.

In the case of Fiji, its health sector is mainly supported by taxation that the government generates from the economic sectors. 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%). Income taxes are primarily accumulated from the formal employment sector. The budgets of the Ministry of Health (MoH) are based upon the historical trends of resource inputs.

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

**Table 1: India’s Apollo Group Plans 44 million USD Hospital in Fiji**

<table>
<thead>
<tr>
<th>First phase of project</th>
<th>70 million FJD (44.5 million USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a) State-of-the-art medical hospital with core services of providing primary, secondary and tertiary health care;</td>
</tr>
<tr>
<td></td>
<td>b) Bed Capacity: 176 beds rising to 200-250 beds with 50 per cent occupancy-rate in the first year which will continue to rise over the next eight years;</td>
</tr>
</tbody>
</table>
There has been no further development on Apollo’s plans to build a new hospital.

In 2018, when Fiji was preparing for elections, quiet negotiations ensued between the Fiji government and the International Financial Corporation (of the World Bank Group) to transform two public hospitals in the western region of Fiji into a public-private partnership.

The question now remains as to 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 the key players that were central to the decision-making and the selection of partners in this PPP health investment actually are.

3. **THE PPP LANDSCAPE – FIJI’S FIRST PPP HEALTH PROJECT**

3.1. **The Role of Donors**

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

The Transactory Advisory Services provided to the Fiji government assisted in the implementation of the PPP contract, which was comprised of technical, financial, environmental, legal, and social due diligence to design a structure that balances the interests of both private investors, the government, and, more importantly, the IFC’s transaction structure (International Financial Corporation, 2019). The IFC’s 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 to investing in private health-care companies.
The IFC is guided by - and a partner with - Australia and New Zealand, for the 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 the 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 for the Lautoka and Ba hospitals. One of Austrade’s major functions includes developing international markets for Australian companies, and strengthening Australia’s tourism industry.7

3.1.1. The Private Sector Development Initiative - PSDI

The overall goal of the PSDI is to reduce the unnecessary costs of doing business in the Pacific, and to enable the private sectors to formalise 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 (SOEs) and pursue PPPs.8 It is a regional technical assistance programme 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.

3.2. The Role of the Private Sector

3.2.1. Aspen Medical – From Conflict Country Operation to PPPs

In 2018, the Fiji government announced that Aspen Medical, an Australian company, was to be its partner in undertaking the re-development and upgrading of the Lautoka and Ba hospitals in order to improve the quality of the health-care services. The contract of the two hospitals will take the form of a PPP over the next 23 years. Under this arrangement with the Fiji government, Aspen Medical will develop, finance, upgrade, operationalise, 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 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 one when the company first started delivering services in the Solomon Islands in the early 2000s. In 2018, the government of Fiji announced Aspen Medical would be its key partner in delivering health care in reforming Fiji’s health-care 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.”

As stated, Aspen Medical’s first operation in the Pacific began in the Solomon Islands in 2004, providing medical, dental care, and environmental services to the Regional Assistance Mission to the Solomon Islands (RAMSI) personnel and other Australian government employees during the period of ethnic violence in the Solomon Islands. The RAMSI was led by Australia, which labelled the South Pacific as an “arc of instability”, but, more importantly, Australia was trying to posture and bolster its image and stance on the “war on terror” in order to show the world that it could be seen to maintain order in a geographical area which it considers to be its sphere of influence.

<table>
<thead>
<tr>
<th>Location</th>
<th>Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ba Sub-regional</td>
<td>Newly built hospital with 70 beds;</td>
</tr>
<tr>
<td>hospital</td>
<td>Absorb all services from existing Ba Mission hospital;</td>
</tr>
<tr>
<td></td>
<td>The new hospital is ready but currently not in use. It was announced that</td>
</tr>
<tr>
<td></td>
<td>the new hospital would begin operations in June 2019 but the public are</td>
</tr>
<tr>
<td></td>
<td>still waiting for it to be opened.</td>
</tr>
<tr>
<td>Lautoka hospital</td>
<td>Undergoing initial assessments and repairs to infrastructure ensuring</td>
</tr>
<tr>
<td></td>
<td>hospital remains effective in its delivery of services until further</td>
</tr>
<tr>
<td></td>
<td>renovations can be completed;</td>
</tr>
<tr>
<td></td>
<td>Renovation of building will include 305 beds that will be compliant with</td>
</tr>
<tr>
<td></td>
<td>Australian Health facility standards;</td>
</tr>
<tr>
<td></td>
<td>Installation of new ICT system to feature patient management administration;</td>
</tr>
<tr>
<td></td>
<td>enhanced communication facilities; financial</td>
</tr>
</tbody>
</table>
PPPs in Fiji: A Healthy Investment Model?

management, and building management;
100 bed student accommodation;
Essential achievement of accreditation to international standards for the services provided for both hospitals.

Source: “Aspen Medical Signs Contract to Manage Two Hospitals over the Next Two Decades as Part of Fiji’s Public-Private Partnership.” Aspen Medical, 2019.

3.2.2. Ashurst LLP

Ashurst LLP promotes itself as a “leading multinational law firm and a trusted adviser to corporations, financial institutions and governments worldwide”. Its website advertises its role to include providing advice on markets for accommodation, defence, health, energy, roads, and ports, to name but a few. It advises public-sector clients, sponsors, contractors, equity investors, and debt financiers on a range of PPP projects.

Ashurst LLP played a leading advisory role in getting the Fiji National Provident Fund (FNPF) to invest in the first PPP in the health sector. Ashurst is also increasing its presence in Fiji, by again providing advice to the FNPF on the acquisition of 20 per cent of the total issued ordinary shares in Energy Fiji Limited, thereby adding to their list of privatisations of the public sectors in Fiji.

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

3.3. Fiji

3.3.1. The 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, who were 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 dismissed, as decrees cannot be challenged in any court of law (Singh, 2013).

The use of the only pension fund in Fiji in order to finance infrastructure projects makes it increasingly look like a bank for the government to withdraw from in order 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.

3.3.2. The Fiji Government

In 2019, the current government repealed the Public Private Partnership Act of 2006, emphasising that it restricted investment in Fiji, and now any investment in PPPs is guided by the new PPP policy. This policy was prepared and supported by the Private Sector Development Initiative (PSDI).

In an effort to achieve Sustainable Development Goal 3 – “Good Health”, the government of Fiji sought assistance from the IFC to issue an expression of interest by seeking an internationally-certified hospital operator to re-develop the Lautoka and Ba hospitals by upgrading, and re-equipping the facilities so as to provide quality health-care services in the future.

The PPP project was first proposed in parliament, with Fiji’s Attorney General announcing that Fiji was looking to provide a high-quality medical facility that could house high-tech equipment provided by India. He further added that, in 2014, during Prime Minister Narendra Modi’s visit to Fiji, the latter had proposed Fiji as a medical hub for the region because of Fiji’s strategic location, and Fiji’s Prime Minister Josaia Voreqe “Frank” Bainimarama recently held further bilateral discussions on the project (Radio New Zealand, 2018). The government has insisted that this project is not privatisation, a position which the parliamentary opposition denies, however (Pratibha, 2018).

While stressing that the Fijian government has given a clear mandate that both the Lautoka and the Ba hospitals are to remain public hospitals, open to all Fijians, the IFC’s Pacific manager, Thomas Jacobs, says that the hospitals will not only benefit Fiji but also neighbouring countries, whose nationals presently have to travel to Australia or Singapore for medical treatment. He also added that these new facilities would mean improved tertiary treatment, maternity care, and treatment for NCDs, such as heart problems or diabetes, for the people living in the Lautoka, Ba, and the western division of Fiji (Jacobs, 2018).
However, Michael Whaites, of Public Services International (PSI) in Australia, says he is worried about arrangements such as the one proposed in Fiji, which, in his view, blurs privatisation with 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 of the reasons put forward by the Fijian government to justify turning the Lautoka and Ba hospitals into a PPP.

**Table 3: The Case for the PPP according to the Fiji Government**

<table>
<thead>
<tr>
<th>Case</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Tourism</td>
<td>Tourism is Fiji’s major revenue earner. Government is targeting patients in Australia and New Zealand that are on the waiting list for elective surgery and are insured and who can come to Fiji for a number of types of treatment/operations/types of surgery.</td>
</tr>
<tr>
<td>Training for our doctors</td>
<td>Fiji health-care personnel lack exposure, lack specialised training, lack of specialised accessibility to various procedures.</td>
</tr>
<tr>
<td>Expanding our horizons</td>
<td>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.</td>
</tr>
<tr>
<td>No additional Cost to Fijians</td>
<td>There will be no additional costs to those 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 in order to keep that money in Fiji by getting checked locally.</td>
</tr>
</tbody>
</table>
4. **CONCERNS OF FIJI’S FIRST PPPs**

The Fiji PPP contract is to last for 23 years. It will endure multi-decade requirements for operation, maintenance, but also - more worryingly - staffing by *Aspen Medical* and the FNPF – all work which has - historically - normally been performed by public employees. One of the main critics of the transition from public health into PPPs is the Fiji Nurses Association (FNA), as, what is unclear to them is the new working conditions under the PPP and how it can have a negative impact upon 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 what its specific impacts actually are has not been clearly articulated by the Fijian government to the FNA, to health-care workers, or to the Fijian public. Due to the quiet way in which the PPPs of the Lautoka and Ba hospitals took place, they did not generate any attention from the public. In 2018, through the PSI, the FNA was alerted to the new plans for the two public hospitals. Again, the FNA representatives at the meeting questioned why the government was recommending privatising the Lautoka and Ba hospitals through PPPs.

Today, the controversy between the FNA and the government has quietened with the more pressing issues of a global pandemic (Covid-19) and even domestic politics taking prevalence over the current health landscape in the news. Nonetheless, the FNA still stands strong in its position of protecting workers, and, more importantly, on the protection of community health care in the country.

The reasons outlined by the Fiji government above for conducting the PPPs are also causes for concern: they are too simplistic. PPP concessional agreements are usually complex, negotiated and re-negotiated 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 to be taken into account. For example, if Ba hospital is already constructed but not in operation, a negotiation or re-negotiation of the suitability of building for medical 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 sub-regional 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 to which the government is focused on accommodating the international community rather than the local communities. To this end, the discussions on the latest facilities installed in the new hospitals will bring be accompanied by the question of their affordability 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 subsidise expensive treatment costs that the people of Fiji are currently going overseas for or should they seek treatment in the new PPP hospitals? How will the transition of public hospitals into a PPP help the communities of the west and Fiji as a whole?

The construction of the Ba sub-regional hospital has been completed. The contractors were selected by the Fiji government. The hospital has not been opened officially and is not in operation. There is the existing Ba Mission hospital that is still operating. Instead of seeking expensive private financing, the Fijian government could support the MoH by upgrading, renovating and building the Lautoka and Ba hospitals’ state-of-the-art ICT systems. The MoH is already in the business of training health-care workers. Budgetary support is available from external sources for preventative and curative health care.

There is also concern about a provision to establish international hospitals in Fiji. The FNA secretary general highlighted the need for international hospitals to be financed externally and not to use the pension funds of the citizens and workers of Fiji (Talawadua, 27 May 2020). The Minister of Health, Dr Ifereimi Waqainabete, in his maiden speech in parliament, said that this partnership will come at no cost to the taxpayer, but would instead “leverage local investment from the FNPF and foreign investment from the private sector to construct and equip facilities” (Waqainabete, 2018). The taxpayers are also members of the FNPF. As already stated, the FNPF is the only pension fund in Fiji, and it is the savings of the taxpayers that pays for the financing of the PPP. The actual cost of the PPP isshouldered by the taxpayers.

4.1. FNA Resistance: Is the PPP a Healthy Investment for Fiji?
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 planned to explain what a PPP is and what it means to the public-health sector. What will it mean for community health care? Is it privatisation of the health service? Will the costs of health-
service treatment in the new PPP be affordable? Is there a specific market that this new transition is targeting?

Nurse 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 (Talawadua, 27 May 2020). Doctor shortages are also critical. There are currently 804 doctors, with doctor-to-patient ratio of 1:800, with 159 positions currently vacant according to the ministry (MoH).

The FNPF should also hold consultations with its membership on its investment aspirations. Is it necessary to use the membership funds to finance such a risky and expensive health-sector exercise? Why is the 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 both now and in the future will have to contribute more to the retirement system if the project fails to achieve its investment return or should turn out to be a failure?

Sister Talawadua, mentioned above, 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 of charge for the public? More critically, at what point will patients have to begin to pay for Aspen Medical health services? Where is the justification or assessment that the community actually requested to change the current public hospitals to the new arrangement?

At the time of writing, the feasibility study of the PPPs for the Lautoka and Ba hospitals is still unavailable. The lack of information on this PPP project (from the initial stages) makes it difficult for the relevant stakeholders from the health-care system to participate. An interview conducted with the former Fiji nursing director also revealed that the feasibility study was not made available to them at the time (Lutua, April, 2020). However, this does not mean that the public should accept this. In the absence of a feasibility study, the Fijian public can:

Examine what a PPP is, and the contracts of all the PPPs that failed in Australia and in other countries;

Bring in the key actors of the health system: the doctors, nurses, administrators, as well as civil society and the public at large;
Examine what a 20-50-year long PPP contract will involve, and the different decades of development that it will undergo, but, more importantly, the accountability process that it needs to undergo;

Provide policy space for current and future governments to change or terminate the contract should the delivery of health services fail or not come up to the quality and/or standard agreed upon.

In Fiji, trade unions are facing difficulties. Unions continue to have their core labour standards ignored, including the right to take industrial action. Despite these difficulties, union members are standing up for their rights. During 2018, unions circulated petitions and fact sheets within the communities that will be affected by the PPPs 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.

4.1.1. **The Resilience of the Nurses and Safety Nets**

Public-health nurses are trained to adapt to their environment, which is 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 and behave in a way that can undermine and be offensive to nurses (Talawadua, 27 May 2020). They are trained to work within their guidelines while, at the same time, “thinking outside of the box”, that is, from a different perspective or viewpoint, in order to ensure that their 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 the challenges that they face every day.

The social safety-net available to nurses working in the private-health sector is a worrying factor for Sister Filomena Talawadua of the Fiji Nursing Association (FNA). If the private health-care nurses have to face the dilemma of treating a patient and making sure that the hospital’s profit-target is met, what will they do? Privatisation, after all, is money driven. This can lead health-care workers to changing or having to change their professional training values and practices in order to meet the profit-target set.

4.2.2. **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 health care, concerned that the Fiji government was proposing to privatise two hospitals (PSI, 2018). Despite the nurses being told by Fiji’s government that PPPs were not privatisation, Mr.
Tatukivei says that the PPPs are a version of privatisation. More importantly, the community and the health-care workers in Fiji do not know enough about what these PPPs will do to health care (PSI, 2018).

An interview with Kate Lappin of the PSI revealed that even the International Monetary Fund (IMF) had criticised the way in which the IFC handles PPPs on small-island developing states. One particular concern is that the PPPs may be used to bypass spending controls, and to move public investment off budget and take debt off the government balance sheet even though the government still bears most of the risk involved and faces potentially heavy fiscal costs. The IMF also says that the PPPs are rarely utilised in small states, generally because of the difficulty in attracting private-sector investment. PSI also argues that PPPs are protected guaranteed income for the private sector. In privatisation, as already stated, everything is profit driven.

4.2.3. Lack of Transparency and Consultation

Presently, the PPP contract for the two hospitals is not available to the public and there is no public or legal opinion as to 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 FJD (37.5 million USD) for financing and implementation.

The doctors and nurses of the Lautoka and Ba hospitals were consulted about this partnership before the expression of interest was announced, but the outcome of this consultation is not publicly available. There was no media coverage or mention of whether the people of the Lautoka and Ba communities had been consulted. One of the most pressing concerns in this saga is the key actors involved that support this PPP arrangement. Donor partners, such as Australia and the IFC, understand the unique economic vulnerabilities of small-island states. So, the ultimate question is: If the PPP should fail, who bears the ultimate risk and who repays the debt?

Australia’s support in the PSDI facility fits into 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 in the Pacific region to benefit economically from; it does so by facilitating and negotiating on behalf of Australian interests and investment in the region.
The IFC is a strong advocate of PPPs. If a government approaches them to facilitate or assist in any project, the IFC targets domestic public-sector policies so as to ensure that any investment that they make will not face any obstacles or what they refer to as “structural bottlenecks”. In this, the IFC advised the Fijian government to revise the Fiji Islands Public Private Partnership Act 2006 in order to ensure that there would be no restrictions to any investment that it might make in Fiji. This resulted in the Fiji government repealing the Public Private Partnership Act 2006 and replacing it with the Public Private Partnership Policy 2019.

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

4.2.4. **Health Financing, Gender-Blind Financing?**

An additional area that government should look at is how this PPP will impact upon the 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 female patients accounted for 60 per cent of in-patient expenditure (40.7 million FJD or 18.86 million USD). How will the quality of health care for women change in the two hospitals under the new partnership? Will they have pay for specialised services? Fiji’s public-health sector is for the people of Fiji and just a service niche market. Health is a fundamental human right, recognised in Fiji’s Constitution. Most people in Fiji do not have health insurance and can only afford to visit public hospitals.

5. **CONCLUSIONS**

5.1. **Are PPPs a Panacea for Health Care in Fiji?**

The PPP contract is between the Fijian government and *Aspen Medical*. The contract has a duration of 23 years, in which time Aspen Medical will build a new wing for the Lautoka hospital, with 305 beds. If the plan of the Lautoka hospital sounds familiar, it should. *Apollo Medical* from India had previously planned to do the same thing in 2007. Medical tourism diverts resources from the local population by prioritising patients from abroad to receive medical treatment, and further strains health resources, supplies, and personnel, placing a disproportionate burden on public health resources (Greer, 2014). Many questions about the
project have yet to be addressed, creating uncertainty for Fijians and their access to hospital services. Will the new wing of the Lautoka hospital be available to the surrounding communities of the hospital or will they have to pay for the services provided in the new wing? Will the services supplied by Aspen Medical be affordable for Fijians? Will the hospitals only cater for the “bankable” patients? Will the quality of health care be the same?

The FNA’s determination to stand up and protect not only the basic rights of its members, but also - and more importantly - the basic health rights of the communities, should be the starting-point to mobilise public awareness and attention. Its continuous fight to challenge the privatisation of the Lautoka hospital should provide motivation for the Fijian public, especially when the trade unions are already finding that their right to assembly (illegal) and their freedom to express their concerns are subject to heavy scrutiny on the part of the state. The FNA call for a feasibility study of the PPP should be supported and should be recommended to the government.

The intention and motivations underlying the actions by Ashurst LLP, the IFC, Austrade, and the PSDI should be scrutinised. 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 themselves. Ashurst LLP’s advice to the FNPF to invest in a risky health-business model should be called into question.

The contract itself should be made available for public scrutiny. 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 at every level of the society, but are especially targeted at those that cannot afford private-health insurance and private care. Does the contract ensure Fiji’s local communities 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 can see now with the downturn caused by the Covid-19 pandemic. The IMF’s concern about PPPs on small-island developing states (IMF, 2004) should not be ignored, but, instead, should be a precautionary measure to the government of Fiji.

The questions that the public should now ask include:

When can nationwide consultations on this PPP venture, which include all sectors of health-care service stakeholders, be held?
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, and the farming communities, in particular the sugar-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 the case that things do not happen as planned?

What are the details about the impact that the hospital will have upon the Lautoka and Ba population(s), including how this venture will assess its impact on gender and health? How will the transition of the hospital impact upon the Lautoka and Ba communities, including the communities that use the Lautoka Hospital as the main referral hospital?

Who will pay for the financing? How is the 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 consulting its members? Who advises the FNPF on investment? Are the advisors working for the people or “for profit” only? Where are the advisers from?

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

Notes
3 Please refer to Appendix 1: Literature Review.


See the Australian Trade and Investment Commission, available at: https://www.austrade.gov.au/About/about.

See Parliament of Australia, available at: https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=COMMITTEES;id=committees%2Fcommjnt%2Ffaa838802-3df7-4934-9253-400129d4dc47%2F0001;query=Id%3A%22committees%2Fcommjnt%2Ffaa838802-3df7-4934-9253-400129d4dc47%2F0000%22.


Section 2.2 Ministry of Economy Public Private Partnership Policy 2019.

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.


Kate Lappin, personal communication, May 2020. Interview with PSI.


APPENDICES

Appendix 1: Literature Review

Since 2004, there has been a great 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, in which they were strongly 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 being used in 134 developing countries, and contributed about 15-20 per cent of the total infrastructure investment (World Bank, 2017). State governments are increasingly pivoting towards the use of PPPs to provide basic public services for their citizens, in sectors which include power, water, transportation, education, and health, and PPPs are promoted to finance development projects.

The definition of PPPs varies. The World Bank (2017) 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).

1. Financing Development

Private financing of public services has increased greatly over the past 25 years, in both the Global North and the Global South, as a means of keeping debt levels down (Equality Trust, 2019). In 2015, the United Nations member countries, adopted the Sustainable Development Goals (SDGs), a universal framework of 17 global goals to be achieved by the year 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) are often presented as being 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 a panacea for the shortfalls in financing needed to achieve the SDGs in economic infrastructure, such as roads, airports and ports. They have also been identified as being critical to key services, such as health,
education, water, and electricity, which need to be delivered in both the Global North and the Global South (Eurodad, 2018).

As a key indicator of sustainable development and a fundamental human right, governments are faced with the challenge of improving health standards in their countries. Poor health threatens the rights of children to education, limits economic opportunities for both men and women, and increases poverty both 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 availability of water and sanitation, gender equality, climate change, and peace and stability (SDG Compass).

3. PPPs in the Pacific and Fiji - Their Role in Infrastructure Projects

Large-scale infrastructure projects are delivered through PPPs. As part of the scaling-up of investments in the Pacific, MDBs such as the World Bank Group and the ADB are also major partners in infrastructure projects. This section will look at two examples of bankable projects funded by the ADB and the World Bank Group in financing development which co-ordinates 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 (SIBConline, 2019). The major partners include the World Bank, the Australian Department of Foreign Affairs and Trade (DFAT), the International Finance Corporation (IFC), the Green Climate Fund (GCF), the Economic Development Corporation Fund (EDCF) of the Government of Korea, the ADB, the International Renewable Energy Agency (IRENA), and the 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 hosted the Asia-Pacific Economic Cooperation (APEC) meeting.

To be ready to welcome the participants at the APEC meeting, the government of PNG, through the National Airport Corporation (NAC), signed a contract with the ADB to provide transaction advisory services through a PPP. Through the transaction advisory
services, the ADB supported the NAC to enable it 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 the year 2040 (ADB, 2017).

In this PPP, the 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 for Pacific Island Countries. Other development partners in the facility include the Australia Aid, New Zealand Ministry of Foreign Affairs (MFAT), the World Bank, European Union, and the Japan International Corporation Agency.

In Nicholas’ article 2015, under a PPP arrangement, the Jackson International Airport in Port Moresby, PNG, was renovated and expanded to become 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 a maximum of 300 passengers (Nicholas, 2015). The Australian and New Zealand Bank (ANZ Bank) funded the project.

4. PPP and Health: Health Status in the Pacific and Fiji

Changes in lifestyle, including the decline of traditional dietary customs and nutrition, the decreases in physical activity, and the steady integration into the global cash economy have all had a substantial and sobering effect on the prevalence of non-communicable diseases (NCDs) in the Pacific region. The prevalence of diabetes in adults in the Pacific region is among the highest in the world (Parry, 2010), with 16 per cent of the Pacific population having some 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 was cardiovascular-related deaths rather than diabetes related deaths (MoH et al., 2018). In 2019, media reports surfaced on the ongoing concerns about diabetes, highlighting the fact that amputations relating to diabetes accounted for 40 per cent of hospital operations in the country (McCaig, 2019).

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

Not only is death from diabetes highest 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.

**Figure A1: Donor Component of Total Health Expenditure (THE)**


At the time of the above-mentioned study, data were 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 per cent of total health expenditure support from external donors, Samoa received 21.4 per cent and Tonga received 39.2 per cent. The reliance of Tonga on external financing is more than four times greater than that of Fiji. Samoa and Tonga’s major partners, including Australia, New Zealand and the World Bank, all contribute similar amounts (see Figure A1 above).

The Federated States of Micronesia’s total health expenditure is donor funded - almost entirely, by government grants from the United States. Public financing accounts for approximately 10 per cent of health expenditure, which reveals that the government of the FSM is almost entirely dependent on external funding.
The study also acknowledged, because of the lack of data that existed regarding Pacific Island countries, it is more than probable that the study does not present 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 programmes across the Pacific region has been slashed over the past five years. In the Cook Islands, health funding was reduced by 75 per cent, Fiji by 22 per cent, in the Solomon Islands by 13 per cent, and in Samoa, which has been devastated by a measles outbreak, by 36 per cent (Lyons, 2020). Overall aid spending was cut to the Pacific, as shown in the table below.

### Table A1: Australia Health and Overall Aid Spending Cuts in the Pacific Islands

<table>
<thead>
<tr>
<th>Country</th>
<th>Health budget cut %</th>
<th>Overall aid spending cuts over 5 years%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook Islands</td>
<td>75</td>
<td>26</td>
</tr>
<tr>
<td>Fiji</td>
<td>22</td>
<td>5</td>
</tr>
<tr>
<td>Samoa</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>13</td>
<td>Steady</td>
</tr>
<tr>
<td>Tonga</td>
<td>Not available</td>
<td>10</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>Not available</td>
<td>17</td>
</tr>
<tr>
<td>North Pacific</td>
<td>Not available</td>
<td>42</td>
</tr>
<tr>
<td>Nauru</td>
<td>Not available</td>
<td>Steady</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>Not available</td>
<td>41</td>
</tr>
</tbody>
</table>

*Source:* Figures taken from the article by Kate Lyons: “Australia Slashes Pacific Aid Funding for Health as Region Battles Medical Crises”, *The Guardian* online, 18 February 2020.

Australia’s former Treasurer, Joey Hockey, said in 2014 that savings of 3.7 billion Australian dollars in the foreign aid programme over the next four years would offset new commitments in Defence and national security for Australia (Lowy Institute, 2016) even in times of an epidemic.
5. 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 men and women, and planning gender-responsive budgets, Pacific decision-makers were urged to maintain their 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 per cent of national budgets (Pacific Islands Forum Secretariat, 2017).

In Fiji’s 2019-2020 budget, the allocation for the Ministry of Women, Children and Poverty Alleviation fell by 4 per cent (FWRM, 2019). The Ministry of Women may not be a policy-line agency, but it does provide community-based development services mainly to Fijian women. Perhaps, a more in-depth look at how gender mainstreaming is reflected throughout all ministries will be more effective for such areas as health, tourism, national planning, and education, to name but 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 in which public spending and revenue impacts upon men and women differently, and attempts to achieve gender equality. She further added that all public sectors would benefit from gender analysis, but that education, health, agriculture, social welfare, and disability sectors would benefit in particular from analysis of their gender impact (Deo, 2018).

Critical information of gender mainstreaming is critical to inform the different health needs of men and women in order to help with budgetary allocation of the Ministry of Health and the Ministry of Women, Children and Poverty Alleviation in Fiji. The question then is: How did the government determine the need to change the Lautoka and Ba hospitals from public hospitals to a full-scale PPP hospitals without strengthening the existing types of partnerships that exist? Take, for example, the Sahyadri Hospital Services (a chain of private hospitals in India). Sahyadri Hospitals are to provide specialised tertiary health care previously unavailable in Fiji at a subsidised cost that will reduce the need to seek treatment overseas. At the same time, they are to build up local capacity via the training of health workers in Fiji (Irava and Prasad, 2012).
**Appendix 2: Interview Questionnaire**

**Fiji Nurses Association: Interview Questionnaire**

In Fiji, the health sector is going through an overhaul for the first time, 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 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 the main island of Fiji. 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 enhance the both the hospitals’ capabilities in a range of specialties including renal dialysis, chemo-therapy, oncology, coronary care, and maternity services.

And, according to the Attorney General (AG), the government had “reached out” to the doctors and nurses in the Lautoka and Ba hospitals about the transition to PPP for which government had received overwhelming support.

However, questions linger over the decision to turn the two hospitals into a public-private partnership. Below are guiding questions for the interview with Sister Talawadua:

Can you tell us a little about the Lautoka/Ba hospital?

- Do you have enough nurses at the two hospitals to address the health issues that are treated adequately?

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?
We understand that Public Services International had supported the FNA regarding the PPP of the Lautoka/Ba hospitals. What was the FNA’s understanding of PPPs prior to the engagement of the PSI?

How did the engagement of the PSI with the FNA assist with the FNA’s campaign against this PPP of Lautoka and Ba hospitals?

Was a feasibility study done to assess the need for a public private partnership?

- And were health-care workers consulted?

As a long serving public servant/nurse, can you tell us your experiences of public and private health care?

In your view, will the PPP project benefit:

- Nurses?

- The Fiji public?

What are the main reasons for the transition from the public funded structure to the PPP financed project for the Lautoka/Ba hospitals?
Public Services International Questionnaire

PSI have done a great deal of work on private financing and PPPs.

Can you describe PSI’s work with PPPs and private financing in the health-care 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? What was the reaction of the FNA when it was first made aware of the PPP?

- When did you first hear about the PPP?

We have come across examples of hospitals that also transitioned to PPPs and subsequently 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 for going down the PPP path? Can you tell us?

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 this hold for the public?

- How can the public keep all parties accountable for their delivery of services?

PSI Engagement in the Pacific Islands

What is the 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 in this regard?

This project requires 80 million FJD of private financing to work. And, given the many cases of PPP projects that failed, this is a very ambitious, but very 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 with the global pandemic raging, there are no tourists now.

**General Questions**

Do you think PPPs for the health sector can work? And, if so, how do you think it can?

Public health sector *versus* value for money, efficiency, and effectiveness?

General experiences of PPPs?
References


Lappin, Kate (2020). Interview via skype.


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