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Statement

by

Mr. Sven ALKALAJ

United Nations Under-Secretary-General

Executive Secretary of the United Nations Economic Commission for Europe

at the press-conference after the signing ceremony of the

**Memorandum of Understanding between
the United Nations Economic Commission for Europe
and
the Department of Health of the Republic of the Philippines**

in Manila, the Philippines

22 November 2012

Ladies and Gentlemen, let me begin by thanking Dr. Enrique Ona, the Secretary of the Department of Health of the Philippines for hosting this event and agreeing to formalize our cooperation in a MOU.

Congratulations are indeed in order to the whole of the Philippines for taking this initiative of setting up a Centre of Excellence on PPP in Health and hosting this in Manila. The UNECE is delighted by the initiative taken by the Government. The PPP option is often the only option available to governments faced with rising health costs, increasing incidence of chronic diseases and the application of new expensive technologies to diagnosis and treatment. PPP combines the best of both worlds: the public sector with its strong regulatory ethos and protection of the public interest and the private sector with its innovation, effective management and finance.

Why is the Centre so important?

There are 3 main reasons. First, the Centre will identify best practice in PPP in health. While there are a large number of exciting new projects emerging around the world, there is no single agency collecting information on such projects, evaluating them and then disseminating information in a neutral and independent way. The Philippines can benefit from this as well when shaping its own PPP programme. Like most countries, the Philippines does not want just to do PPP, it wants to do the very best in PPP.

Second, the Centre will recommend the type of projects that are best suited for countries given their socio-economic development. Not all PPP models are right for the Philippines and the Centre will help it to choose the model which is right for it, given its own socio-economic circumstances.

Third, the Centre will help to train government officials in the new skills required to do PPP in the health sector. These are skills in project management and private financing which most governments lack. It should be borne in mind that PPP is very different from privatization. Privatization represents the simple transfer of ownership from public to private sector with the public sector ceasing to play any role. PPP, by contrast, requires a strong public sector manager with the skills to identify projects, negotiate with partners and raise financing - not to mention monitor contracts in order to ensure strict compliance.

How will the Centre work in practice?

It will collect information and produce guidebooks on best practice, including detailed PPP case studies, and make them available to the international community. It will organize annual forums to disseminate best practice and help to train government officials in implementing such practices.

Going forward, the UNECE wishes to have a very close relation with the Centre of Excellence in Health in the Philippines. The Centre will be operating under the auspices of the global Centre of Excellence whose Secretariat is based at the UNECE in Geneva. The International Centre will consist of a small hub in Geneva and specialist Centres in different countries in the world all responsible for specific sectors. The Manila Centre will become a member of the governing board of the International Centre of Excellence as a whole. Being a member of the Centre means that the Centre in Manila will have access to information on best practice in PPPs from other sectors where there are specialist Centres such as roads, water and waste disposal, renewable energy etc.

Who will benefit?

We wish to target specifically the socially and economically disadvantaged. We know that PPP can help directly the poor. We want to ensure that by disseminating best practice from one country to others, the weaker and more vulnerable members of our societies will benefit. The Philippines has already developed excellent projects in the health sector. For example, the National Kidney & Transplant Institute PPP project demonstrated very successful cooperation and strong support from the patients and doctors in the ability to provide and to receive a better standard of care. This project emerged as a solution to NKTI's scarcity of funds to furnish the hospital with state-of-the-art machines for patients suffering from end-stage renal diseases by deciding to undertake a long-term lease arrangement (BOT) with a private partner so that new machines can be acquired and housed under a new centre. We need to disseminate detailed information on such best practices so that more countries can benefit from such projects. The goal is to ensure that benefits reach the global community.

Thank you