

# Unlocking the Power of the Private Sector for Stronger Health Systems

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*Sister Miriam Chibale Mushoda RN, at the ultrasound station in the new Nakachenje Mini Hospital, Zambia – one of 108 facilities built with GE Healthcare, the Zambian Ministry of Health and NMS Infrastructure, a private Zambian firm.*

As USAID programmes funding vital treatments for HIV/AIDS, malaria, maternal and child health, and other critical needs were imploding across Africa last year, a for-profit social enterprise startup geared up for its first real test.

Using medicines procurement as its lever, the Swiss-based startup [Axmed](#) called for a [radical reboot of national systems](#) — to digitize and streamline purchases, scale up pooled procurement, and drive down medicine costs.

“Has the system crumbled enough to finally compel us to rethink medicine procurement entirely? Asked Sofia Radley-Searle, Axmed COO, [in a March 2025 oped](#).

“While deep-rooted barriers such as market fragmentation, regulatory complexity, supply chain inefficiencies, weak infrastructure, and financial constraints persist, real targeted solutions already exist,” she argued.

“Technology- enabled platforms, digital pooled procurement, data-driven forecasting, and new financing mechanisms are no longer theoretical concepts; they are active interventions reshaping healthcare systems. It is time we dared to imagine, and build, a world where fragmented, inefficient procurement cycles are replaced by digital platforms that match demand and supply in real-time, eliminating costly delays and unnecessary complexities.”

Over the past year, Axmed — a spinoff of the Gates Foundation — did just that.

It integrated more than 5,000 essential health products in 10 therapeutic areas into a cutting-edge business-to-business (B2B) marketplace connecting healthcare buyers in low- and middle-income countries (LMICs) directly with suppliers.

Working with more than 130 commercially active procurers and suppliers, some 4.2 million patients were reached with a 35% average savings on medicines and other health products, said Alejandro Bes, Axmed General Counsel.

He was speaking at a gathering of private and public sector leaders focused on “unlocking private sector engagement” to improve health systems at the [Geneva AIDEX 2025 conference](#), an annual global conference on humanitarian aid and development. Bes and other experts are featured in a newly published



report by the [Geneva Health Forum](#) on 'Unlocking Private Sector Engagement for more Resilient Health Systems.'

*Medicines delivered through the Axmed online logistics platform.*

### **Public-private partnerships increasingly urgent**

The private sector has long been deployed across the entire healthcare value chain – from the R&D and manufacture of medicines, vaccines and medical devices, to logistics and supply chains, digital and technological solutions, workforce training, and health system management.

But how can such engagement be used more optimally to advance more robust and sustainable health facilities in a world of mounting humanitarian crises and declining donor aid?

“Can we imagine new forms of collaboration that support vital action where resources are scarce, while avoiding the pitfalls of conflicts of interest?” asked Benoît Miribel, Secretary General of the Sustainable Health for All Foundation, France, who moderated the GHF session.

“Beyond financial contributions, these alliances can take many forms: technical support, joint operational projects, research and development of crisis-adapted solutions, or even the deployment of new technologies to strengthen the humanitarian response.”

### **Procurement: a neglected lever of access**

Axmed, founded in 2024, identified developing country medicine procurement systems as a niche opportunity for win-wins.

While bulk procurement has long been a practice of multilateral groups like the [Global Fund](#), little attention has been given to practices in national marketplaces.

In LMICs, those are often characterized by outdated, manual purchasing systems, complex regulations, and fragmented patterns of demands, driving inefficiencies and markups of 250% or more.

Axmed's Business to Business (B2B) technology platform aggregates medicine demand across countries and presents it to manufacturing suppliers.

“In doing so, we created a viable economic model where none previously existed, reducing dependence on aid and strengthening health systems,” Bes said.

“Automation is central to our approach,” he explained. “We replace fragmented, manual systems with integrated digital solutions. We also deploy predictive technologies that assess future medicine needs based on historical consumption patterns.”

Rather than maintaining stockpiles, medicines are sourced directly from manufacturers with careful supply chain management to ensure reliable flow to partners.

“This allows us to anticipate demand, identify when medicines will be needed, and respond quickly.”

As a for-profit social enterprise, AXMED caps its markup at 10% in a market where markups of 250% are common, and redeploys 30% of profits back into the health systems it serves.

“Our objective is to reduce dependency on humanitarian aid and direct donations, and to transform existing models into more resilient, long-term systems that can sustain themselves over time,” said Bes.



*‘Can we imagine new forms of collaboration that support vital action ... while avoiding pitfalls of conflicts of interest?’ Benoit Miribel (far left) asks panelists.*



*Alejandro Bes, Axmed*



*Nakachenje Mini Hospital, Zambia – one of 108 rural facilities built through a public-private collaboration with GE Healthcare.*

### **Win-wins in hospital strengthening**

Large private-sector firms are also reshaping partnerships in LMICs. [GE Healthcare](#) is a flagship example.

In the past 15 years, the medical technology company — which controls about 60% of the global medical device market — has developed partnerships in more than 160 countries, with a focus on low- and middle-income settings, said Chris Bonnett, who heads its strategic projects initiatives.

“Our approach goes well beyond the delivery of medical equipment: we co-develop projects from both clinical and architectural perspectives, support implementation on the ground, and accompany our partners throughout the entire project lifecycle,” Bonnet said.

“Our ambition is to act as a long-term partner in strengthening health systems and improving access to quality care worldwide.”

The approach is a win-win because the more developed a country’s infrastructure becomes, the better equipped it is to procure and use the newest and most life-saving medical products that GE Healthcare produces.

In Zambia, for instance, GE Healthcare worked with the UK government and partners to design and deploy [deploy 108 primary healthcare centers in rural areas](#) since 2020. The centers function as “mini-hospitals,” enabling women in some regions to access prenatal care for the first time.

“This initiative had a direct and tangible impact on maternal and child health,” said Bonnet.

“Real impact requires partnerships, shared ownership, and accountability. One of our projects in Ethiopia is a strong example of this approach. It was designed, monitored, and evaluated solely based on outcome indicators. Through close collaboration with the government, local midwives, and other partners, we succeeded in reducing neonatal mortality by 24%,” he said, citing the [results of a 2018 pilot study](#) on outcomes.

### **Strengths and pitfalls of private sector engagement**

In its engagements, the private sector can call upon inherent resources such as: strong innovation capacity, control over industrial and production processes, operational efficiency, experience in managing complex projects and the ability to scale solutions rapidly.

The private sector’s capacity to move quickly from design to implementation is a critical asset in emergency contexts. At the same time, there are also limitations and risks.

For companies, the risks include financial exposure, reputational risk and staff security. For health systems, poorly coordinated engagement may result in parallel systems, increased dependency or misalignment with national health strategies.

Conflicts of interest cannot be ignored and must be proactively managed, participants at the AIDEX event underlined.

Key safeguards include clear governance arrangements, transparency around funding and partnerships, separation between public decision-making and commercial objectives, and alignment with priorities set by national authorities and multilateral organizations.

These can mitigate risks and help ensure that private-sector engagement reinforces—rather than undermines— trust in health systems.



*First doses of the AstraZeneca COVID-19 vaccine arrive in Addis Ababa, Ethiopia in March 2021. Rapid COVID vaccine development was the fruit of private-public partnerships although inequalities in rollout highlighted the importance of finding better ways to collaborate.*

### **Mobilizing private sector know-how for emergencies**

“Mobilizing private-sector expertise, resources, and operational capacity is essential if we want to respond more effectively to emergencies and support health systems in an increasingly complex global context, observed Aurélien Hubert, head of Emergency Responses and Operations at Foundation S, the philanthropic arm of Sanofi.

“The idea is to use public money more imaginatively, to unleash the potential of the private sector to achieve impact.

He described the Foundation’s role in emergency situations, such as the 2023-2024 wartime crisis in Lebanon, when his role included securing needed medicines internally while negotiating with local NGOs on the ground to organize transport.

“Everything starts with manufacturing, but production alone is not enough. Medicines must be distributed, delivered safely, and administered properly, especially in crisis settings,” Hubert observed.

“However, this process does not always succeed.”

“Failures do happen, and they can occur for many reasons. One of the most challenging situations arises when we cannot guarantee the quality of a product once it reaches the field.

A key factor is often lack of appropriate infrastructure on the ground, he added, citing the absence of cold chain equipment critical for many vaccines as well as insulin.

“Without a reliable cold chain, it is impossible to ensure that insulin can be transported and administered safely. In such cases I sometimes have to make the difficult decision to stop [deliveries].



*Aurélien Hubert, Foundation S*

### **Reliance on local NGO capacity is critical**

At the same time, there are moments when everything comes together, Hubert added.

He recalled the February 2023 earthquake in southern Turkey as one such moment – when the Foundation managed to deliver DT (diphtheria and tetanus) vaccines to extremely hard-to-reach areas within just two days.

“Vaccines were shipped from the United States to Turkey in full compliance with regulatory requirements, enabling rapid support to affected populations. This response was made possible through close collaboration with partners such as the Red Crescent, he said adding:

“These experiences highlight a key lesson: as a private-sector actor, it is essential to rely on efficient local and international NGOs capable of operating in crisis situations. Public aid alone is no longer sufficient. Collaboration is not a slogan; it is a necessity. To improve effectiveness, control costs, and maximize efficiency, all actors must work together.

### **Cutting edge technology emerging out of crises**

Crises can also accelerate private-public partnerships that yield important new innovations. The 2014-2016 Ebola crisis in West Africa offers one such example.

Together with a private-sector partner, the international medical NGO, [ALIMA](#) co-developed a major innovation: [the “Cube”](#) to protect health workers from the highly infectious and deadly virus.

The modular medical unit was installed directly within villages, allowing Ebola patients to be isolated, protecting healthcare workers through fully transparent plastic walls, and keeping patients close to their families.

The innovation caught on across the region, winning prizes from [the African Presidential Council](#) as well as the 2019 Global Innovation Accelerator Prize by the Bill & Melinda Gates Foundation.

“This example reflects our core belief: by combining medical expertise, innovation, strong partnerships, and deep local engagement, we can respond effectively to health crises and contribute to the long-term strengthening of health systems,” said Alexandra Seidel-Lauer, ALIMA’s director of development.



*Dozens of white tents stand outside Türkiye’s Gaziantep train station housing Turks and Syrian refugees, shortly after the February 6 2023 earthquake.*

### **How USAID’s collapse fast-tracked AXMED’s rollout**

Similarly, the 2025 collapse of USAID proved to be a turning point for AXMED’s new procurement model – fast-tracking its uptake.

“When USAID abruptly suspended its operations, many of our clients—who rely heavily on its support—were deeply worried, and so were we,” recalls Bes. “The question was simple: what do we do now?”

The company fast-tracked deployment of its B2B system. What began as a proof of concept became a scalable model.

This year, the system is now set to expand to more than 20 LMIC countries, primarily in Africa, supported by a second \$5 million Gates Foundation grant and additional investor backing.

“Ultimately, this approach allows us to move away from constant emergency response and instead build sustainable, replicable procurement models that strengthen health systems over the long term,” Bes said.

“This success demonstrates that while traditional aid approaches remain important, building resilient health systems also requires thinking differently and developing innovative solutions to address chronic challenges such as weak infrastructure, limited funding, and unreliable supply networks. This is what we aim to do: make a modest but meaningful contribution to the steady and sustainable improvement of health systems in LMICs.”

Image Credits: [GE Healthcare](#), [Axmed](#), [Geneva Health Forum](#), [Geneva Health Forum](#), [GE Healthcare](#), [WHO](#), [Geneva Health Forum](#), [Abdulsalam Jarroud/TNH](#), [ALIMA](#), [Caroline Thirion/ALIMA](#).



*Family member connects safely with an Ebola-infected patient in DR Congo in 2022, thanks to the innovative “cube” developed by ALIMA with private partners.*



*ALIMA’s Cube, developed with partners in the 2014-16 West African Ebola outbreak, was deployed again in DR Congo during the 2018-19 emergency.*