

Health

Human rights and keys to development

A person's physical well-being is of fundamental importance in ensuring a self-determined and dignified life. That is why KfW Development Bank's activities are based on a universal right to achieve the best possible state of physical and mental health (UN Social Covenant, Article 12). At the same time, good health is not only a goal in the fight against poverty but also an effective instrument in that fight. An improvement in a country's health can accelerate an economic upturn, provide greater security, make for better educational opportunities and reduce poverty sustainability.

Context

In developing countries, poverty and poor health often go hand in hand. Poverty increases people's risk of falling ill and poor health reduces a person's chances of learning or using a skill, which in turn worsens a family's income situation. Thus the poor can only improve their income in the long term when they are in good physical condition, i.e. healthy. Poor people in rural areas not only suffer from the lack of health services – they also don't have enough money to be able to afford and utilize health services.

Even though many African governments have introduced free basic health services, the programs often fail to improve the health situation of the population in reality because of the low service quality, insufficient staff, and lack of medication or informal user fees. One sick family member is enough to wipe out the income of an entire household. If the breadwinner falls ill, the whole family comes under financial distress. In such a case, even families of higher economic status may be forced to borrow money. This is mainly caused by the high

share of health expenses for treatment that they frequently have to bear and the absence of functioning insurance systems. KfW therefore promotes programmes that improve access to and the quality of healthcare services for the poor. Alternatively, it helps those concerned by providing financial support, for instance in the form of vouchers or insurance policies.

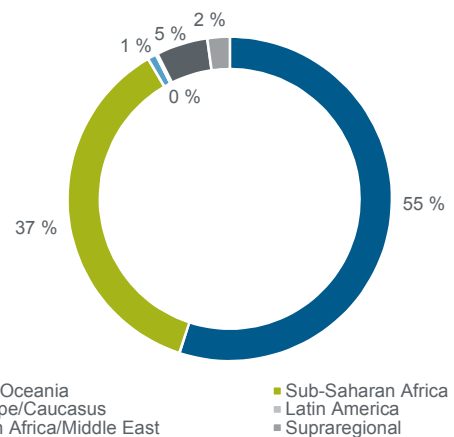
The KfW development approach

With a financing volume of about EUR 2.9 billion, KfW currently supervises 226 healthcare projects in 41 countries. Of these, 76 projects revolve around reproductive health and 71 focus on improving healthcare infrastructure and services. Other issues include: battling infectious diseases (43 projects), healthcare policy and health services administration programmes (20 projects), basic nutrition (6), basic and advanced medical training (6) and medical research (4).

With a volume of EUR 1.92 billion KfW provides most of the funds on behalf of the German Federal Government in the form of grants (pure budget funds). It also supports healthcare projects through promotional and development loans amounting to EUR 845 million. To

KfW's current portfolio in the health sector

Total Volume: EUR 2.59 billion



Source: own data

ensure an efficient division of labour KfW also manages funds from other donors under delegated cooperation arrangements (around EUR 96 million). In 2018, KfW concluded financing agreements in the amount of around EUR 402 million in the healthcare sector. A good 55 % of the funds are used in Asia/Oceania, around 37 % in Sub-Saharan Africa, 5 % in North Africa/Middle East and 1 % in Europe/Caucasus. The rest of the funds are allocated to supra-regional measures. Through the new projects, roughly 54 million people will benefit from measures to prevent and combat infectious diseases and 57 million from an improved healthcare infrastructure and healthcare services. Within the scope of projects to promote reproductive health, partner countries are supported with modern methods of family planning and HIV prevention (condoms for women and men, contraceptive pills, IUDs, etc.), educational campaigns and healthcare services for pregnancy and childbirth. Since 2011, around 25 million couples in 16 countries, including Côte d'Ivoire, Yemen, Tanzania and Pakistan, have been able to protect themselves from unwanted pregnancies or sexually transmitted diseases for one year.



Research needed urgently. For neglected diseases. Source: KfW Group, photographer: Benoit Marquet, DNDI

Combating neglected diseases

Sleeping sickness is one of the “neglected” diseases. The potential profit from diagnosis and treatment is very low, since people in the Congo or Sudan who are ill have no money and thus no voice. The World Health Organization (WHO) refers to this as the “10/90 gap”. Only 10 % of research funds go towards studying diseases that are responsible for 90 % of the world's health problems. According to WHO estimates, more than one billion people suffer from these poverty-related diseases, including tuberculosis, malaria, dengue fever and cholera, not to mention African sleeping sickness.

In order to ensure that they receive better help in future, KfW is supporting “product development partnerships” (PDPs) on behalf of the German Federal Ministry of Education and Research. These are intended to help stimulate research and reduce the time it takes to make medicines and vaccines against neglected diseases available. To this end they bring together partners from industry, universities, research institutions and NGOs. They enter into contracts with producers that ensure coverage of production costs and a small profit. This is the only way to incentivize companies to develop modern ways of treating and diagnosing these diseases.



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