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A Unique Social Impact Fund

For the struggle against infectious diseases

Each year, approximately 15 million people die from infectious diseases, complications from pregnancy and childbirth, as well as malnutrition. The majority of these deaths occur in the poorest countries where affordable healthcare options are not readily available. Health systems in these countries frequently are not able to provide the vaccines, treatments and diagnostic tools necessary to reduce these preventable deaths. Therefore, the Bill & Melinda Gates Foundation created an innovative social impact fund that invests in new technologies for neglected and poverty-related diseases which disproportionately burden developing countries. A diverse group of public and private institutions came together as investors in the Global Health Investment Fund (GHIF), which closed its fundraising process in late 2013 with USD 108 million of commitments. KfW Development Bank, on behalf of the German Government, was an anchor investor in GHIF, catalyzing additional stakeholders across Europe and North America.

Context

Affordable vaccines, medicines and diagnostic tools need to be available in developing countries in order to enable their health systems to better prevent and treat infectious diseases. Oftentimes these interventions need to be adapted to the specific local conditions in a cost-efficient manner. It is particularly the poor in the low-income countries, often women and children, who cannot pay for proper treatment in case of sickness. Therefore, it is predominantly these populations who must be targeted if Universal Health Coverage (UHC) as described in the Sustainable Development Goals

(SDGs) is to be reached.

Globally, research and development spending on drugs, vaccines and diagnostics is overwhelmingly concentrated on diseases with a strong commercial market in high-income countries. Meanwhile, spending is extremely limited for neglected and poverty-related diseases which afflict huge numbers of poor and marginalized populations in the developing world.

Against this background, KfW became a founding GHIF investor in 2012. The fund is designed to improve public health in developing countries by making new or improved drugs, vaccines, diagnostics and family planning products accessible at affordable prices. In some cases, effective products already exist, but are not available for use in resource-limited settings. In other cases, new products that are in the final stages of development lack the financing necessary to scale-up manufacturing and secure regulatory approval. Lastly, some diseases, such as leprosy and onchocerciasis (river blindness), are truly neglected and additional research is required. Innovative financing instruments like the GHIF can help support the research and development necessary to bring appropriate new products to the markets where they are needed most.

Project approach

The GHIF is a first-of-its-kind financing instrument be-

Project name	Global Health Investment Fund (GHIF)
Commissioned by	Federal Ministry of Economic Cooperation and Development
Country/Region	Global – with social impact in developing countries around the world



Doctor in Senegal in front of a medicine chest. Source: KfW photo archive, photographer: Bernhard Schurian

cause it assembles a wide range of stakeholders from the public and private sectors around the common goal of supporting late-stage product development for neglected diseases in a “double bottom line” investment fund that seeks both financial returns and measurable social impact. Notable investors include KfW (on behalf of the German Government) and other development banks like IFC, but also strategic and commercial investors like Merck, The Pfizer Foundation, GlaxoSmithKline, J.P. Morgan, AXA and others. KfW is one of GHIF’s largest stakeholders, with EUR 10 million invested.

One of GHIF’s most notable features is the requirement that all investees commit to making their products available and affordable. These requirements, called “Global Access Commitments”, obligate GHIF investees to ensure that their products are accessible to vulnerable populations in poor countries. An independent “Charitability Oversight Committee” evaluates the strength of these Global Access Commitments and can veto any project that does not meet these standards. Each GHIF investment explicitly targets public health challenges in developing countries.

The fund invested in twelve projects until now. Four portfolio projects are focused on diagnostic tools for diseases such as malaria, hepatitis, Ebola and dengue fever, as well as an innovative HIV self-testing device. Three more projects invest in the development of medication against worm diseases, postpartum hemorrhage and river blindness, which has the potential to expedite the disease’s eradication. Three other focus on the development of vaccines against cholera, tuberculosis, chikungunya, snakebites, zika and pertussis. This inher-

its GHIF most advanced project, which will save the life of over 110.000 people and prevent approximately 9,5 million of Cholera cases until 2030 through the supply of 13 million doses of an oral vaccination. An additional innovation conduces to the development of medical technology to support avoidance of cataract, wherewith over one million operations are planned. Furthermore, GHIF invests into a company which supports process improvements for bio technology platforms.

Impact

The GHIF established itself as an overly innovative and successful financing instrument, which consequently and effectively pursues its aims and especially is supporting projects that address public health challenges in developing countries. Furthermore GHIF investments so far address global health issues that affect approximately 85 million people annually, particularly women and children.

Two GHIF-financed products are already making a difference in resource-limited settings. GHIF-backed Eu-Biologics is supplying the worlds least expensive WHO prequalified oral cholera vaccine, and its availability has ended a long-standing shortage of this important preventative tool. Likely, the twelve projects will improve the life of twelve million humans worldwide. Affordable products play an important role in strengthening health systems in poor countries, and access to these products can make a meaningful difference in the effort to achieve the ultimate goal of UHC. A resumption of this innovative financing instrument with KfW funds is planned for 2019 (GHIF II).



Contact

KfW Group
KfW Development Bank
Palmengartenstrasse 5-9
60325 Frankfurt am Main, Germany
Phone +49 69 7431 0

Health, Education, Social Protection Eastern Africa & AU
saskia.berling@kfw.de