Stop spending development funds on for-profit private healthcare providers

We, the undersigned, are calling for a stop to funding from Development Finance Institutions to private for-profit healthcare providers.

Mounting evidence shows that this funding is going to expensive out-of-reach private hospitals and clinics in low- and middle-income countries that are widening healthcare inequalities, exacerbating poverty and gender-based discrimination and violating human rights. Far from advancing progress towards Universal Health Coverage as governments have committed, this form of development finance is undermining it.

Research from organisations including Oxfam,[1] Global Justice Now,[2] SATHI,[3] Wemos,[4] Akina Mama wa Afrika,[5] Center for Human Rights & Global Justice at New York University and Hakijami,[6] as well as from several academics,[7] has found that Development Finance Institutions (DFIs) including the World Bank Group's International Finance Corporation, the European Investment Bank, the UK's British International Investment, France's Proparco and Germany's DEG are investing in private, for-profit healthcare providers in low- and middle-income countries that are:[8]

- too expensive and out-of-reach for the majority of ordinary citizens in countries where they operate and are driving up catastrophic and impoverishing out-of-pocket health spending whilst increasing women's unpaid care loads;
- violating patient rights, including reportedly denying emergency care and even imprisoning patients, including new-born babies and the bodies of the deceased, for non-payment of medical bills;
- prioritising profit at the expense of quality ethical healthcare, demonstrated through cases of both alleged and confirmed medical negligence, false diagnosis, price rigging and collusion, overcharging - including during the COVID-19 pandemic[9] - and failure to prevent other exploitation and abuse including alleged organ trafficking;

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[1] Oxfam (2023) Sick Development: How rich-country government and World Bank funding to for-profit private hospitals causes harm, and why it should be stopped; Oxfam (2023) First, Do No Harm: Examining the impact of the IFC's support to private healthcare in India; Oxfam (2014) Investing for the Few: The IFC's Health in Africa Initiative

[2] Global Justice Now (2021) Healthcare for all? How UK aid undermines universal public healthcare

[3] SATHI (2023) Supporting patients or profits? Analysing Engagement of German Developmental Agencies in the Indian Private Healthcare Sector

[4] Wemos (2022) Improving healthcare, but for whom? Inventory study on the International Finance Corporation's investments in healthcare

[5] Akina Mama wa Afrika and Wemos (2022) The Africa Medical Equipment Facility in Kenya: Does this new blended finance facility contribute to equitable access to healthcare services?

[6] Center for Human Rights and Global Justice, New York University School of Law, and Economic and Social Rights Centre - Hakijami (2021) Wrong Prescription: The Impact of Privatizing Healthcare in Kenya

[7] For example, Hunter, B (2023) Investor States: Global Health at The End of Aid Cambridge University Press; Chakravarthi, I., B. Roy, I. Mukhopadhyay, and S. Barria (2017) Investing in Health: Healthcare Industry in India; Engel, S. and D. Pederson (2022) More debtfare than healthcare: business as usual in the Multilateral Development Banks' COVID-19 response in India, Review of International Political Economy, Hunter, B. and A. Marriott (2018) Development Finance Institutions: The (in)coherence of their investments in private healthcare companies.

[8] Evidence of one or more of the listed actions were found in several hospitals where one or more of the above-mentioned DFIs invested

[9] Several reports have documented the challenges and failures of for-profit private healthcare providers more broadly during the COVID-19 pandemic, including Williams, D. et al (2021) The failure of private health services: COVID-19 induced crises in low- and middle-income country health systems; S. Marathe (2023) Overcharging during the Pandemic: Private Hospitals in Maharashtra. The Global Initiative for Economic, Social and Cultural Rights (2022) Patients or customers? The impacts of commercialised healthcare on the right to health in Kenya during the COVID-19 pandemic; The failure of commercialised healthcare in Nigeria during the COVID-19 pandemic, and (2021) Italy's experience during COVID-19: the limits of privatisation in healthcare; Centre for Health and the Public Interest (2021) For whose benefit? NHS England's contract with the private hospital sector in the first year of the pandemic; Kondilis. E, and A. Benos A. (2023) The COVID-19 Pandemic and the Private Health Sector: Profiting without Socially Contributing.

- failing to reach geographical areas and populations with the highest healthcare need and least access, especially people on low-incomes and living in poverty, notably women, people living in rural areas, and other marginalised population groups.
- reportedly exploiting and profiteering from government health insurance and other publicly subsidised financing schemes resulting in the diversion of desperately needed public budgets for health.

In a recent letter[10] to the World Bank Group President, the UN Special Rapporteur on the right to health[11] and the UN Independent Expert on foreign debt, financing and human rights[12] raised their concern about the impact of IFC private health investments on achieving UHC and questioned why a full public account of abuse cases at IFC-funded hospitals and clinics have not been addressed.

The DFI model of investing in private healthcare ignores the dangerously inadequate regulation of private healthcare providers in the countries where they invest. Risks to patients, communities and health systems are further exacerbated by the arms-length DFI approach to investment, which is both nontransparent and unaccountable.

Most DFI investments in private healthcare are made indirectly via a complex web of tax-avoiding financial intermediaries. These out-of-sight investments are mostly undisclosed and certainly unscrutinised.[13] DFI governance and oversight of these investments is wildly insufficient. Any individual or community seeking remedy for harm related to these investments faces the near-impossible task of identifying DFI involvement.

DFIs are silent on the proven failures of commercialised approaches to deliver equitable, gender-responsive quality healthcare to those most in need. Evidence demonstrates a clear correlation globally that the higher the share of private financing for health, the higher the rate of women's deaths;[14] the greater the inequality in life expectancy between rich and poor people;[15] and the higher the rate of COVID-19 infection and deaths during the pandemic (after controlling for other factors).[16]

The DFIs' favoured model of investing in private healthcare facilities via private equity funds also neglects a growing global evidence base that private equity ownership of healthcare and nursing care facilities is associated with harmful impacts on costs to patients or payers and mixed to harmful impacts on quality and patient outcomes.[17]

DFI investments in private healthcare providers also fuel the expansion of corporate healthcare chains and augment their influence, jeopardising inclusive healthcare now and into the future.[18]

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[10] https://spcommreports.ohchr.org/TMResultsBase/DownLoadPublicCommunicationFile?gId=28657
[11] https://www.ohchr.org/en/special-procedures/sr-health
[12] https://www.ohchr.org/en/special-procedures/ie-foreign-debt
[13] Shockingly, some of the DFIs have indicated they are not even aware of some of the healthcare investments they have made via this route.
[14] Data spanning 153 countries over a 14-year period from 1995 to 2008, after controlling for other factors. R. Moreno-Serra and P. Smith. (2011). The Effects of Health Coverage on Population Outcomes: A Country-Level Panel Data Analysis. Results for Development Institute Working Paper. https://www.r4d.org/resources/effects-health-coveragepopulation-outcomes/
[15] 6 J. Assa and C. Calderon. (2020). Privatization and Pandemic: A Cross-Country Analysis of COVID-19 Rates and Health-Care Financing Structures. The New School for Social Research, Department of Economics Working Paper 08/2020 http://www.economicpolicyresearch.org/econ/2020/NSSR_WP_082020.pdf
[16] Ibid.
[17] Borsa A, Bejarano G, Ellen M, Bruch J D. Evaluating trends in private equity ownership and impacts on health outcomes, costs, and quality: systematic review *BMJ* 2023; 382 https://www.bmj.com/content/382/bmj-2023-075244
[18] Hunter, B. (2022) 'Stop. Look. Listen. Why it is Time to Re-Examine Government Investments in Overseas Private Healthcare Providers' https://warwick.ac.uk/fac/soc/law/research/projects/nefdef/policy/nef_def_benjamin_hunter.pdf

Finally, as evidenced by Oxfam's research, despite multi-million dollar investments in private healthcare facilities over the last fifteen years, the DFIs they studied[19] have published no evidence over this period to back up their claims they are helping to advance Universal Health Coverage. Oxfam was unable to find any disclosed impact evaluation or any substantiated impact data for the healthcare investments in relation to healthcare access for people on low incomes, or for women and girls.[20]

The arms-length, unaccountable and opaque approach to healthcare investing by both the DFIs and the governments that own them is unsafe and unacceptable. Using funds earmarked for development on expensive, out-of-reach private healthcare in contexts of extreme inequality with inadequate regulation and no robust safeguards does not fight health poverty or gender inequality and goes against the principles of social justice.

We reject approaches that put profit before patients and wealth before people's health. We are calling for:

- An end to new funding from development finance institutions (DFIs) to for-profit commercial private healthcare, including funding channelled via commercial intermediaries such as private equity funds;
- An independent and comprehensive evaluation into active and historic DFIs healthcare investments with emphasis on impacts on healthcare inequality, impoverishment, gender, and patient and worker rights;
- Action to remedy any harm resulting from these investments;
- A redirection of government efforts to increase funding for free, inclusive and equitable universal publicly delivered and financed healthcare.

Signatory organizations

Action for Global Health Network, United Kingdom
ActionAid International, International
Akina Mama wa Afrika,Africa, International
Bank Information Center, United States
Bretton Woods Project, United Kingdom
BUKO Pharma-Kampagne, Germany
Center for Economic and Social Rights (CESR), International
Centre for Community Water Management and Sanitation, Malawi
Centre for Environment, Human Rights & Development Forum – CEHRDF Bangladesh
CEPH, Greece
CNCD-11.11.11, Belgium
Consejo de Jóvenes de Oaxaca, Mexico
Development Alternatives with Women for a New Era, Fiji
Economic & Social Rights Centre – Hakijamii, Kenya
European Network on Debt and Development (Eurodad), International
Fair Finance International, Netherlands
Free Trade Union Development Center, Sri Lanka
Frente Nacional por la Salud de los Pueblos del Ecuador, Ecuador
Gender Action, United States
German NGO Forum on Environment & Development, Germany
Global Health Advocates, France
Global Humanitarian Progress,Colombia

[19] Oxfam searched for impact evidence for the healthcare investments made by the European Investment Bank, British International Investment, Proparco and DEG across all LMICs since 2010, and for all healthcare investments made by the IFC in India since 2005. https://policy-practice.oxfam.org/resources/sick-development-how-rich-country-government-and-world-bank-funding-to-for-prof-621529/ and https://www.oxfam.org/en/research/first-do-no-harm-examining-impact-ifcs-support-private-healthcare-india
[20] Ibid.

Global Initiative for Economic, Social and Cultural Rights, United States
Global Justice Now, United Kingdom
Global Social Justice, Switzerland
Health Advocacy International, International
Health Global Access Project, International
Health poverty action, United Kingdom
Help Initiative for Social Justice and Humanitarian Development Nigeria, Nigeria
HelpAge International, International
Housing and Land Rights Network - Habitat International Coalition, Egypt
Human Rights and Privatization Project, New York University School of Law, United States
Human Rights Research Documentation Centre (HURIC), Uganda
Initiative for Social and Economic Rights, Uganda
Innovations for Development, Uganda
Institute for Economic Justice, South Africa
Jamaa Resource Initiatives, Kenya
Kamukunji Paralegal Trust (KAPLET), Kenya
Madhira Institute, Kenya
Medico International, Germany
Medicus Mundi, Spain
National Campaign for Sustainable Development, Nepal
Oxfam, International
Oyu Tolgoi Watch, Mongolia
Pakistan Fisherfolk Forum, Pakistan
Peace Point Development Foundation-PPDF, Nigeria
People´s Health Movement, Colombia
People's Health Movement, Nepal
People's Health Movement, Uganda
People's Health Movement, Canada
People’s Health Movement, Ghana
Platform for UHC, Ghana
Private Equity Stakeholder Project, United States
Public Foundation NASH VEK, Kyrgyzstan
Public Services International (PSI), International
Recourse, Netherlands
Society for International Development (SID), Italy
STOPAIDS, United Kingdom
SUKAAR WELFARE ORGANIZATION, Pakistan
Tax Justice Network, United Kingdom
Trote Gerês, Cooperativa de Ocupação de Tempos Livres, Portugal
The Democracy Collaborative, United States
The Integrated Social Development Centre- ISODEC, Ghana
Tuna Fisheries Alliance of Kenya, Kenya
UAEM Europe, Europe
Umande Trust, Kenya
UNISON, United Kingdom
Viva Salud, Belgium
WEED - World Economy, Ecology & Development, Germany
Wemos, Netherlands
Witness Radio, Uganda

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