

# DUTCH AID & TRADE IN HEALTH

## SUMMARY BRIEF BASED ON TWO DISCUSSION PAPERS

Pursuing a combined *Aid and Trade* (A&T) agenda, the Dutch government increasingly uses official development assistance (ODA) instruments and other official instruments to strengthen and engage the private for-profit sector in development, through grants, loans, guarantees and equity. This way the government (implicitly or explicitly) furthers Dutch business interests in diverse sectors. Including in the healthcare sector.

Prompted by critical questions from African civil society and health professionals' organisations, we studied Dutch A&T in the context of healthcare in Africa, both its characteristics and (potential) impact from a health equity and [Universal Health Coverage](#) point of view.

Two discussion papers show our findings and recommendations:

1. [In the interest of health for all](#) (2020) describes the Dutch A&T policy implementation in healthcare in sub-Saharan Africa in the past five years. It also zooms in on projects aimed at market development for the Dutch Life Sciences and Health top sector in Kenya.
2. [Best public value for public money](#) (2019) zooms in on Dutch A&T instruments for public infrastructure development through the case of a multi-hospital infrastructure development project in Tanzania.

## OUR MAIN FINDINGS

1. **There has been a notable increase in the number of Dutch A&T instruments - and corresponding volumes of money - used in the context of healthcare in sub-Saharan Africa in the past five years.** It concerns mostly ODA and some non-ODA instruments.
2. **The primary A&T objectives of private sector development and business climate improvement are also the dominant objectives in the healthcare context.** A&T in health in Africa stimulates private (enterprises in) healthcare and health insurance, research & development of health products, innovations in public or private healthcare infrastructure, and technical assistance for private sector contracting in the public sector.
3. A&T match funds for development of public infrastructure in healthcare **favour relatively comprehensive turn-key<sup>1</sup> projects in the higher levels of the healthcare referral system.** These projects are more suitable for big (multinational) companies and relatively expensive. Tanzania, a country with a limited purse for health, finances its half through deferred payments to the contracted company.
4. Diverse A&T financing modalities are **used with the explicit purpose of furthering Dutch business interests in the healthcare sector, including through the promotion of public-private partnerships (PPPs).** In Kenya, we see this in the form of financial support for the start-up of Dutch companies' business, and the promotion of the Dutch Life Sciences and Health top sector as a whole. Moreover, we see funding for technical assistance and studies for the fast realisation of PPPs in public health care (with a role for Dutch companies).
5. Most A&T projects in healthcare **lack an evidence-based Theory of Change as to how to reach universal and equitable access to health services,** or lack any health-related Theory of Change. This is also reflected in a lack of monitoring, evaluation and impact assessment in terms of progress towards universal access to health without financial barriers.

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<sup>1</sup> With turn-key projects in this context we mean projects with a comprehensive package of works, transactions and services left in the hands of one contractor. Such a package may include design and construction works, export, transaction (or leasing) and installation of devices, technical assistance, maintenance & repair services, and financing contracts.

## INFORMED DISCUSSION POINTS

Our discussions with civil society organisations and organisations of health professionals in Africa, combined with desk review, brought forward the following positive notes and critical concerns:

### Positive notes

- Dutch A&T contributes to the quality of digital and physical infrastructure and (medical) products in healthcare in sub-Saharan Africa; more recently also in primary health care instead of solely in referral and specialised healthcare.
- Information on A&T expenditure - though superficial and hard to retrieve - is (online) available to the public.

### Critical concerns

- In the health sector in sub-Saharan Africa, Dutch A&T's strong focus on private healthcare, private health insurance and healthcare PPPs fails to address, and may even exacerbate, known obstacles in countries' progress towards Universal Health Coverage and health equity, such as user fees, other regressive forms of revenue raising, and fragmentation of the health (financing) system.
- Large, long-term contracts with companies in public healthcare (including PPP contracts) lock in relatively large shares of local scarce public resources for health, diverting them from more urgent needs in the health system. By supporting the fast realisation of PPP contracts through technical assistance, the Dutch government seems to ignore evidence pointing at serious (fiscal) risks.
- Commercial contracts exacerbate transparency and accountability problems in public spending.
- The direct or indirect promotion of Dutch commercial interests through ODA, in healthcare or other sectors, is at odds with the untying of aid.
- Through financial and technical support A&T aims to increase the influence of (Dutch) business interests on public decision-making in health at (sub-)national level. This risks crowding out of citizens' voices and needs.

*“Foreign trade propositions are fine. But we don't need foreigners to teach our government that what our country's health system most needs is commercial fixes or schemes. We shouldn't let our government off the hook. They have a social contract with us. The right to health for everyone is a public responsibility.”* – Civil society representative in Kenya.

## MAIN RECOMMENDATIONS TO THE DUTCH GOVERNMENT

1. Make sure development support in the health sector enhances universal and equitable access to quality health services (Universal Health Coverage), and is free of business interests.
2. Adopt a cautious stance towards PPPs in health. Only support PPPs in healthcare delivery or financing when they prove to contribute to Universal Health Coverage in *all* its dimensions.
3. Avoid support to ventures that are at odds with Universal Health Coverage, such as those that introduce or maintain user fees for essential health services or lock in a relatively large share of scarce public resources.
4. Interventions should benefit equity and ensure access of those farthest behind, including marginalised groups and individuals. To this end, develop key indicators for *ex ante* and *ex post* assessment and due diligence procedures.
5. Through truly independent expertise, stimulate capacity building of national and local authority to 1) effectively interact with private actors in healthcare in the public interest, and 2) avoid risks to the public interest in contracts with private actors.
6. Make sure ODA support and development finance is aligned with the recipient country's democratic ownership, including a broad representation of civil society voices.

Policy action implied in our recommendations may not always lie fully within the Dutch government's sphere of influence. We call on our government's active collaboration with governments of recipient countries and/or with multilateral (donor) organisations to ensure that ODA and other official development resources in the healthcare context work for the appropriate goal: to protect and realise the right to health for all - without vested interests.