World Bank Group- IFC should divest from for-profit healthcare facilities

The undersigned members of the <u>Africa Public Services Coalition</u> call on the International Finance Corporation (IFC), a private sector arm of the World Bank Group to end its investment in for-profit healthcare facilities. These investments are perpetuating gross inequities and undermining the fundamental right to health for all.

A recent <u>Bloomberg investigation</u> (January 16, 2025) exposed the devastating impact of the IFC's financing model. It revealed how these investments have "exacerbated a two-tier system in which wealthier patients get first-class care in hospitals that sometimes resemble high end hotels, while low-income patients face abusive debt-collection tactics or denial of life-saving care altogether."

"The continued funding of these hospitals by the IFC exacerbates health disparities and further entrenches a system that denies healthcare to low-income patients. The poor are experiments in this extractive model where funds are raised by International Financial Institutions in their name and they are excluded from the services those funds should provide." Angella Kasule Nabwowe, Executive Director, ISER.

For years, civil society organisations like <u>Oxfam</u>, the Center for Health, Human Rights and Development (<u>CEHURD</u>), the <u>Initiative for Social and Economic Rights</u> (ISER), have raised alarms over unethical practices such as unlawful patient detention and denial of emergency care. Yet, the IFC has failed to address these violations effectively.

"The continued financing of private entities by IFC and World Bank is a sign that these organisations do not care about elimination of inequalities which is quite paradoxical considering that SDGs supported by all countries talk about elimination of inequalities. Essential health care is a basic right that should not be associated with profitability." Daniel Oberko and Everline A. Aketch, Public Services International.

The Bloomberg article is a reminder that our demands for increased public health system financing is an urgent and necessary demand. Development funds should not fund for-profit healthcare! We call on the IFC to divest from those hospitals, and the World Bank Group more broadly should redirect resources toward publicly provided health services.

"It is disheartening that public funds—intended to promote development and alleviate poverty—are instead being used to perpetuate exclusion and deny life-saving healthcare to those who need it the most." Labila Sumaya Musoke, ISER's right to health program officer and Africa Public Services coalition coordinator.

The recent article also poses significant questions about the broader for-profit model in health perpetuated by the World Bank Group.

As noted in the <u>Africa Public Services Manifesto</u>, the privatisation of health services disproportionately affects women and other vulnerable groups. The African Commission on Human and People's Rights in <u>General Comment 7 on State obligations under the African Charter on Human and Peoples' Rights in the context of private provision of social services, reiterated that private actors providing public services have a public service obligation "with</u>

the primary overarching objective being the public interest." Essential public services like healthcare must not cannot be left to the whims of the market.

The IFC and broader World Bank Group should not delay to act until it is too late, recalling the IFC's inaction with <u>Bridge International Academies</u> where children were harmed.

We call on the IFC to;

- halt all new investments until violations are investigated and findings are made public.
- **Divest from** hospitals involved in patient abuse and extortion, while providing effective remedy.
- Strengthen IFC sustainability framework to promote and protect patient rights.
- Ensure that IFC funded hospitals adhere to Ethical Principles in Health Care (EPiHC).

Lastly, we call on the **World Bank Board to instruct the Independent Evaluation Group** to undertake a thorough evaluation of the IFC healthcare provision portfolio, to determine the extent to which financial support to private actors in LMIC health systems have affected health equity in relation to SDG3 and Universal Health Coverage.

Signed by;

Institutions

- 1. ActionAid International
- 2. Africa Center for Health Systems and Gender Justice, Kenya
- 3. Akina Mama wa Afrika
- 4. Association for Promotion Sustainable Development from India
- 5. Center for Economic and Social Rights (CESR)
- 6. Center for Health, Human Rights and Development (CEHURD)
- 7. Center for Human Rights, University of Pretoria
- 8. CEO, MPR INTERNATIONAL
- 9. East Africa Center for Human Rights (EACHRights), Kenya
- 10. Faith for Family Health Initiative-3FHI
- 11. Fem Justice Uganda
- 12. Girl Rescue Foundation (GRF)
- 13. Global Coalition of Women Against AIDS in Uganda (GCOWAU)
- 14. Good Health Community Programmes. Kenya
- 15. Human Rights Research Documentation Centre (HURIC Uganda)
- 16. Initiative for Social and Economic Rights (ISER), Uganda
- 17. Institute of Sustainable Development -ISD Malawi
- 18. Jay Mallow Foundation, Uganda
- 19. Karamoja Humanitarian Organization for Rural Development Foundation (KHORD Foundation)
- 20. Lerwa-Land and Environmental Rights Watch Africa Ltd, Uganda
- 21. Local Sustainable Communities Organisation Ltd (Losco) Uganda
- 22. Madhira Institute, Nairobi, Kenya
- 23. National forum of People Living with HIV/AIDS Network Uganda (NAFOPHANU)
- 24. National Forum of People Living with HIV/AIDS Networks Uganda (NAFOPHANU)
- 25. Oxfam in Uganda
- 26. People's Health Movement Uganda (PHM Uganda)
- 27. Plan for Hope Initiative Uganda
- 28. Public Services International (PSI)
- 29. Resource Rights Africa (RRA)

- 30. RMNCAH+N CSO platform-Uganda
- 31. The Pat Raolane Foundation: For Promotion Sustainable Development
- 32. Uganda Consortium on Corporate Accountability (UCCA)
- 33. Uganda Female Lawyers Association (FIDA) Uganda
- 34. Uganda Key Populations Consortium (UKPC)
- 35. Women Leadership Development WLEDE
- 36. Women Pro bono Initiative (WPI), Uganda

Individuals

- 37. Allana Kembabazi, Uganda.
- 38. Denis Joseph Bukenya, Uganda
- 39. Dr. Olive Kobusingye, surgeon, injury epidemiologist, author of 'The Patient'
- 40. Innocent Turyahikayo, Community Activist, Uganda
- 41. Jimmy Spire Ssentongo, Senior Lecturer, Makerere University
- 42. Kibowa Ausi, Health Economist, Uganda
- 43. Kyomukama Flavia, Health Rights Activist, Uganda
- 44. Labila Sumaya Musoke, Human Rights Lawyer and Activist, Uganda
- 45. Loretta Owino Okeny- Human Rights Activist Uganda.
- 46. Lynn Edinance Olepus, Human Rights Advocate
- 47. Micheal Aboneka, Human Rights lawyer and activist, Uganda
- 48. Mwebe John, Business and Human Rights Activist, Uganda
- 49. Odongo Santo Mali, Human Rights Defender, National Coalition of Human Rights Defenders Uganda
- 50. Pat Raolane, MPR INTERNATIONAL SOUTH AFRICA
- 51. Ronah Tusiime, Uganda
- 52. Rossette Ainepurani, Plan for Hope Initiative Uganda
- 53. Samuel Ntale Isabirye, Uganda