

BANKING ON HEALTH

The World Bank is considering more extensive funding for health care in developing countries

BY JULIE ANN MILLER

Disease in the world's poorest countries is a double problem. On one level its solution requires discovery of new vaccines, drugs and pesticides that are potent and practical. But fighting the diseases of the Third World also demands systems for better health care, drug distribution and pest control.

Surprisingly, at the recent meeting on Pharmaceuticals for Developing Countries (SN: 2/10/79, p. 86), both the predominant concern and a major promise centered on the second aspect of disease control. Speakers lamented the lack of an infrastructure in poor countries to channel medical progress to those most in need. Millions of children do not receive immunizations that are routine in industrial nations; thus, more than 2 million die each year. Several research scientists expressed frustration at working to discover drugs that probably would never reach the people in greatest need.

Financing of extensive health projects in developing countries comes from channels different than those that pay for laboratory research. Wise funding in the field requires skillful economic analyses, as well as technical expertise. A ripple of optimism at the recent pharmaceutical meeting arose from the expectation that soon an additional financial resource will join the fight. James F. Henry of the Center for Public Resources Inc. in New York called the World Bank "the sleeping giant in the health area." Now the bank may throw its hat, or perhaps one should say its sizable wallet, directly into the health ring. The bank is considering a policy change that would be the final step toward an explicit commitment to health improvement in the Third World.

In the last decade the World Bank has looked more and more at the health of people in the countries where it finances development projects, although the bank hasn't financed health projects directly. James Lee, the director of Environmental and Health Affairs recently explained in an interview in his spacious Washington office. As the world's largest economic development institution, the bank (with its affiliates) lent and invested more than \$8.7 billion last year.

Now Lee and his colleagues have recommended to the bank's managers and board of directors that the investment institution make loans specifically for health projects—as it does for dams and airports and irrigation systems. Studies by the bank and by the World Health Organiza-

tion have illustrated that ill health reduces the availability of labor, impairs workers' productivity, wastes resources, restricts settlement in fertile areas and undermines tourism. Thus, health loans could meet the stipulation of the bank's charter that loans stimulate a developing country's economic growth. Lee and others are convinced that such loans could make a concrete contribution to health, and thus to economic development.

Lee's conviction that bank loans can be effective health promoters is based on his experience with health issues associated with recent development projects. Problems created or exacerbated by development first drew the bank into the health field. In 1970, when Lee joined the bank staff, he was charged with examining what the bank might do to be mindful of the environment. He immediately observed the impact of development projects on personal and community health.

One example of a disease clearly exacerbated by development is schistosomiasis, the parasite disease transmitted by aquatic snails. Hydroelectric plant reservoirs, irrigation systems and other surface water manipulations can create new habitats for the snails. So, in an approach that was purely preventative medicine, the World Bank began to include drugs and snail-killing chemicals in plans for the relevant development programs. The bank now has financed schistosomiasis control in 15 projects, is studying another and has persuaded the borrowing countries to undertake control in 9 more. The expense of control activities, \$63 million, amounts to 2 percent of the projects' total costs.

Once health was under consideration, the bank's activities broadened. Policy set in 1974 recommends that the bank build into proposals not only specific disease preventative aspects but opportunities for generally improving health care of the people affected by a development project. For example, the bank began to include in its rural development projects money to strengthen local health care systems. However, because a health project, in itself, is still not eligible for funding, health problems requiring a mixture of environmental measures, medical treatment and community health promotion cannot be handled directly through current lending patterns.

Still, more than 70 projects in more than 30 countries have contained health components since 1975, Lee points out. These components, which cost a total of about

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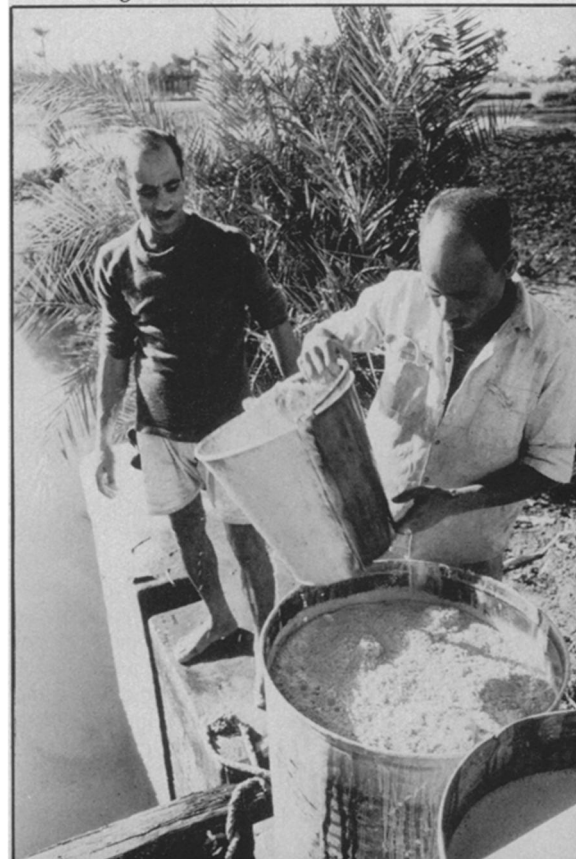
Health worker examines netted snails.



Julie Ann Miller

Lee: It's difficult to see development going forward successfully in the absence of health.

Health officials in Egypt prepare snail-killing chemical.



APRIL 7, 1979

... World Bank

\$440 million, have focused on primary health care and include disease surveillance, immunization, family planning, nutrition and control of disease-carrying pests. Lee explains that the bank chose the health programs — in Indonesia and the Philippines, in East and West Africa and in Central and South America — to provide a blend of cultural and geographic experiences.

"After consulting with colleagues at the World Health Organization and others, we are of the opinion that this experience shows that the bank can make a very important and sizable contribution to improvements in the health of Third World peoples," Lee says. "The health sector is a sector that is very worthy of financing and support."

The World Bank has traditionally been concerned with transferring funds from wealthy countries to developing nations for what Lee calls "the physical elements of development" — power, transportation and communication. However, the institution has begun to look at basic human needs — "what poor people need to put them in the position to make the best use of whatever development tools are going to be provided to them," Lee says. Since 1970 the World Bank has made loans in several new areas, including nutrition, fertility reduction and urban services.

If health is added as a sector in its own

right, Lee expects loans to be made largely for implementing primary health care programs. Once the bank's board of directors agrees to finance health projects, the bank will write guidelines to inform member governments of the type of program that will be eligible. A nation, city or institution may borrow money from the World Bank, but the loan must be guaranteed by the country's government. The terms of the loan depend on the borrowing country's economy. A very poor country may get a long-term loan at less than 1 percent interest, whereas a more advanced country will borrow money on terms more similar to a conventional bank. The loan is repayed from profits, taxes or a country's general revenue. The bank's financial base rests on subscriptions, computed from relative economic strength, of its 132 members.

The planning of a project is a joint undertaking of the borrower and the bank, Lee says. The bank's technical and financial staff work with their counterparts in the borrowing government. "A project is the result of detailed, in-depth, extensive planning between bank staff and government," Lee says. In some cases financial and advisory input also comes from the U.S. Agency for International Development or European institutions.

With grants, rather than loans, the bank has already joined in specific health projects. For instance, it has mobilized inter-

national resources and contributed to a comprehensive campaign against river blindness in West Africa, where about a million people have the incurable disease.

The World Bank has also contributed to a special international program on tropical diseases. The bank joined with the United Nations Development Programme and the World Health Organization to sponsor a global program for research and training of researchers to combat the six most important tropical diseases: malaria, schistosomiasis, filariasis, trypanosomiasis, leishmaniasis and leprosy. Those diseases affect many hundred million people and have no vaccine or adequate control methods. "They do act as a threat and deterrent and obstacle to development," Lee says. "We're anxious, along with the WHO, to see it we can't develop some preventative measures and some more effective control measures."

The bank's ventures into health and the other "soft" or "social" sectors have arisen from a realization that the poorest people in the world are caught in what Lee calls a catch-22. He says, "It's difficult to see development going forward successfully in the absence of health, and there can't be much health unless you have development." People within the bank have come to believe an infusion of money and expertise can overcome that catch. And, they believe, overall it will be a wise investment. □

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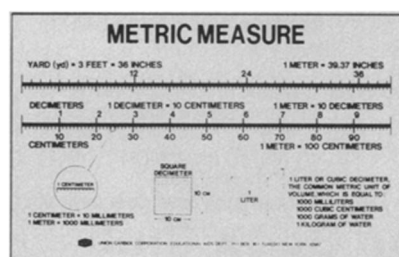
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