# Developing countries: health and poverty reduction

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PURPOSE : to propose an overall strategy on health and poverty reduction in developing countries.
CONTENT : this Communication is formulated in the context of the affirmation of poverty reduction as the central goal of the Community's overall development effort and evolving approaches to development assistance. It details the relationship between health and poverty; it outlines critical elements of a coherent development approach to improve health and well-being; and it establishes, for the first time, a single Community policy framework to guide investment in health, AIDS, and population within the context of overall European assistance to developing countries. Health targets feature prominently in the Millennium Development Goals to which the Community, the Member States and the global community are committed. There is increasing consensus on the key principles that promise more effective development assistance, sustainable development and better health outcomes for the poor with new approaches being undertaken at the country and global level to this end. Key principles include: greater ownership and participation of developing countries in framing aid policies; reducing the administrative burden on political and administrative systems through increasing donor coordination; use of common pooled funding approaches with partner countries responsible for designing their own development policy in consultation with all stakeholders (Poverty Reduction Strategy processes); the further untying of aid; decentralisation and the need for donor countries to move towards 0.7% GNP target. This health and poverty policy is built around these key principles and as such attempts to contribute to achieving the Millennium Development Goals. This Communication proposes four objectives of future Community support: 1) to improve health, AIDS and population outcomes at country level, especially among the poorest; 2) to maximise health benefits and minimise potential negative health effects of EC support for other sectors; 3) to protect the most vulnerable from poverty through support for equitable and fair health financing mechanisms; and 4) to invest in the development of specific global public goods. Past EC investment to improve health outcomes has been substantial and the present portfolio exceeds Euro 1.4 billion. The clear link between improved health and poverty reduction warrants further investment building on this extensive experience. The country level will remain the focus of future health investment while the EC will engage at the regional and global level where it can add particular value. At the country level the Community will employ a range of complementary interventions including: macroeconomic support linked to improved health outcomes; support to sectors that have a wider impact on health outcomes, and direct support to the health sector. The Community will aim to speak with one voice at all levels and will identify more effective ways of working with all development partners including the private sector. Particular challenges include the implementation of pro-poor health policies, making health systems more equitable, assuringan environment that is compatible with a high standard of human health, expanding social protection, the operationalisation of new public/private partnerships for health, the need for greater investment in specific global public goods and the monitoring of performance, results and outcomes. The Council and the European Parliament are invited to work with the Commission to take forward the directions set out in this Communication to contribute to sustained support for health and poverty in developing countries. This Communication will be supplemented with a comprehensive work programme, detailing the priorities for action and the required human and financial resources, compatible with the existing financial programming and instruments. The need for human and administrative resources shall be covered within the allocation granted to the managing DG in the framework of the annual allocation procedure.