

**Medicines for Afghanistan -  
A Swiss-based Non-Profit Association joins other partners to provide help**

PRESS RELEASE

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The Business Humanitarian Forum (BHF), a Swiss-based non-profit association, is developing an Afghan-owned generic medicines production company in Kabul, Afghanistan, to provide badly-needed medical supplies for the Afghan population. An agreement providing for the final steps in this project was signed in Bonn, Germany, on June 14, 2005.

This Public-Private-Partnership (PPP) project brings together a variety of partners, each of which has made an important contribution: the European Generic medicines Association (EGA), the UN Development Programme (UNDP), Deutsche Post World Net (DPWN) and its subsidiary, DHL, as well as the Deutsche Investitions- und Entwicklungsgesellschaft (DEG), a member of the KfW banking network. General support has been provided to the BHF by the Russell Family Foundation, the Karl Popper Foundation, and the Swiss Agency for Development and Cooperation (SDC).

**Lack of adequate medical supplies in Afghanistan has created a dramatic situation**

After 23 years of successive wars, Afghanistan is one of the world's poorest countries. Four years after the Taliban were overthrown in late 2001, the country still has virtually no primary medical care system. Even seriously ill patients seldom have access to medicines, and the few products that are available are often counterfeit and substandard duplicates. The infant mortality rate, an important social indicator, is among the highest on the globe. Many deaths are directly related to infectious diseases which cannot be cured due to a lack of basic medicines.

**An ambitious plan to construct a generic medicines plant in Kabul**

The Business Humanitarian Forum (BHF), an international non-profit association based in Geneva, is pursuing the ambitious plan of improving the medical supply situation in Afghanistan with a major and unique project. In 2002, the BHF initiated discussions to construct a generic medicines plant in Kabul. Two years later, the ceremonial foundation stone for the factory was laid at the plant site. The construction of the factory is now scheduled to be completed at the end of August. The plant will provide jobs for approximately 45 Afghan employees, including 15 technicians, who will be trained in Europe. By December, the plant will be producing 16 types of medicines, mainly antibiotics, which are on the World Health Organization's essential medicines list. It is estimated that the plant will produce between 300 and 400 million compressed tablets in its first year of production. Thus, a large part of the population in and around Kabul will have access to high-quality medicines.

## **A company for Afghans and owned by Afghans**

The BHF, in collaboration with representatives of the United Nations Development Programme and the Afghan Ministry of Public Health, started discussions three years ago regarding the ownership of the plant. After a long selection process, the choice fell on Dr. Karim Baz, a respected Afghan medical doctor and entrepreneur. He has become the main investor in the plant, covering at least 20% of the overall project costs of 2 million Swiss francs, and he will be the company's future director. The new company will take the name "Baz International Pharmaceutical Company Ltd."

## **A strong team of project partners**

Given the importance and uniqueness of the project, and in view of the excellent reputation of the BHF, four key partners joined this Public-Private-Partnership project:

- European Generic medicines Association (EGA), Brussels, Belgium
- Deutsche Post World Net (DPWN), and its subsidiary, DHL, Bonn, Germany
- Deutsche Investitions- und Entwicklungsgesellschaft (DEG), Cologne, Germany
- United Nations Development Programme (UNDP), Kabul, Afghanistan

The EGA represents more than 500 generic medicines producers which do business in Europe. This organization has donated the machines and equipment necessary for the production of the medicines and will provide training to 15 Afghan technicians. Furthermore, the EGA will provide the ingredients for the initial production of the medicines free of charge.

As a specialist in logistics, DPWN's subsidiary DHL will handle the delivery of the machinery to Kabul, and will also make a financial contribution. It will organize the transportation via cargo ship to the United Arab Emirates, and from there on to Kabul by special cargo planes. The arrival of the production machinery in Kabul is expected in early July.

The DEG is a subsidiary of the KfW Bankengruppe. It will, among other things, co-finance the considerable transportation costs.

The UNDP is the UN's global development network. The UNDP office in Kabul has provided general support and will assist in the customs formalities when the machinery arrives in Kabul.

## **Widespread support for the generic medicines project**

The project to construct a generic medicines plant in Kabul stirred considerable interest from the very start. The project was awarded a "Certificate of Recognition" in 2003 as part of the "Global Development Marketplace" competition organized by the World Bank. It was also presented at a conference on development aid in Bonn on March 8, 2005. Articles on the project have appeared in the "UN Chronicle" (2004) and the

"Journal of Generic Medicines" (2005). Many experts see it as a groundbreaking initiative, since it represents a concrete manifestation of how the private sector, NGOs and public institutions can successfully cooperate within the framework of a Public-Private-Partnership to achieve key economic development goals.

The BHF has focused on developing innovative models for specific development projects in the field of private sector reconstruction in post-conflict and least developed countries.

More information on the BHF and its activities can be found on [www.bhforum.org](http://www.bhforum.org).

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