

invest4health

WEBINAR SERIES

Webinar 2: Driving Change: Impact Investing in Global Health

17 September 2024

Rules of Engagement

Instructions:

- Please type your name, organization and country where you are joining from in the chat box
- Please ensure your microphone and camera remain off during the webinar
- Please use the Q&A feature to submit your questions.
- Where possible, please direct questions to a specific speaker
- All remaining questions will be addressed during a dedicated question and answer session after all presentations have been delivered.

Please be informed that this webinar is being recorded. The webinar recording and presentations will be made available on invest4health.samrc.ac.za after the event.



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Building a community of interest in outcomes-based financing approaches for health and development

The **invest4health** Learning and Action Network aims to:

- Facilitate **learning** including peer-to-peer learning and knowledge sharing.
- Provide an African-centric **knowledge hub** for OBAs, that comprises virtual and live learning events, publications, data sets, toolkits and guidelines.
- Provide a **platform** for professionals to exchange ideas, share best practices, and collaborate on research and projects.

investh4health is run by the SAMRC, in collaboration with **trusted partners**, and guided by an experienced advisory group of independent experts.

G:ENESIS
UNLOCKING VALUE

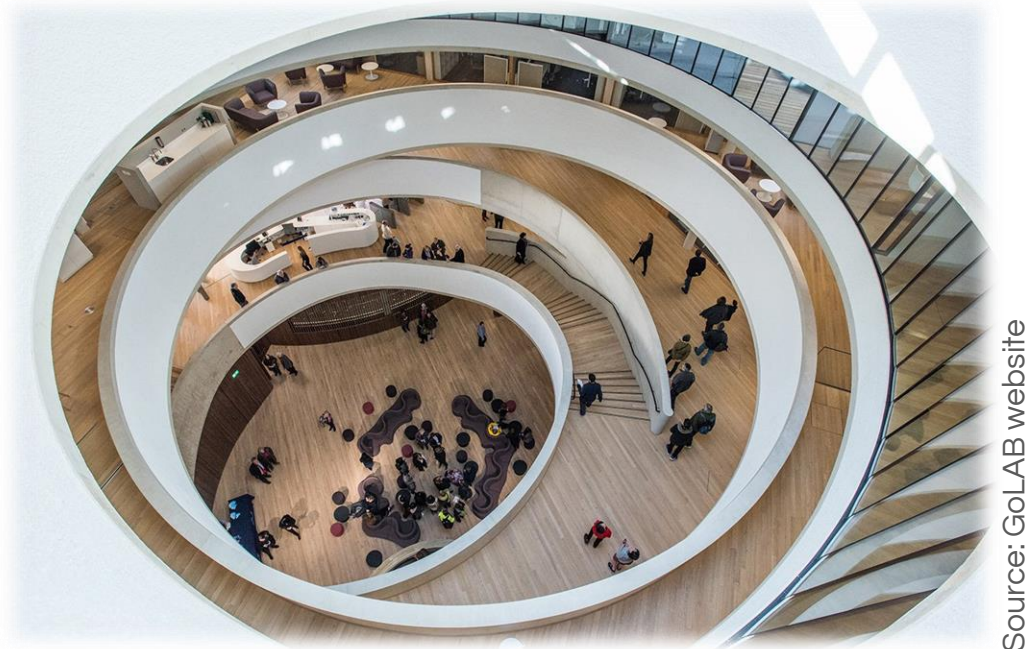
B BERTHA
CENTRE
UCT GRADUATE SCHOOL OF BUSINESS

BLAVATNIK
SCHOOL OF
GOVERNMENT
UNIVERSITY OF
OXFORD
**GOVERNMENT
OUTCOMES
LAB**

GoLAB Social Outcomes Conference (5-6 Sept 2024)

“Accountability, transparency, & trust in cross-sector partnerships”

The Social Outcomes Conference is the annual convening of the world's leading researchers, policymakers and practitioners working to improve social outcomes, hosted by the Government Outcomes Lab in Oxford, UK.



Source: GoLAB website

Read more here: <https://golab.bsg.ox.ac.uk/community/events/soc24/>

A timely discussion on innovative financing for health

The Presidential Health Compact 2024-2029 which was signed by the President of South Africa and other stakeholders on the 22 August 2024 stated the following:

“The government and other stakeholders commit to creating the necessary **regulatory environment** for **innovative financing instruments** and a **pathway for approvals** of innovative financing transactions.

Driving Change: Impact Investing in Global Health

Webinar Agenda

Topic	Presenter
Overview of the Impact Investing Ecosystem	Peter Hinton (Saïd Business School, University of Oxford)
Impact Investing for Global Health	Cliff Prior (GSG Impact)
The Private Sector in Impact Investing	John Fairhurst (Global Fund to Fight AIDS, Tuberculosis and Malaria)
Impact Investors in Africa: AVPA's catalytic pooled fund	Dr. Frank Aswani (African Venture Philanthropy Alliance (AVPA))
The Role of Government as Outcome Funders in Social Impact Bonds in Africa	Dr. Petro Rousseau (Innovation Guru)
Q&A session	

Peter Hinton

(Saïd Business School, University of Oxford)



Peter is an Associate Fellow at the **Saïd Business School, University of Oxford**. His research interests are in impact investing, African development, small and medium-sized enterprises (SMEs) and low-cost education in Africa.

As **CEO of the Summit Development Group**, Peter works with impact investors and financial institutions in sub-Saharan Africa. He is the Senior Advisor on the Cambridge Education-managed **DEEPEN programme** in Lagos where 70% of children are educated by low-cost schools. He is also co-lead of the **Affordable Education Finance with Capital Plus Exchange of Chicago, USA**.

Peter has **over 25 years of commercial experience** in the UK and he has worked for the Enterprise Banking Group (Botswana), BancABC (Botswana), CDC, Africa Trading (South Africa), BhS plc and Mazars. Peter is an **experienced international speaker** and a **Board member** of various social enterprises and charities including South Africa and the UK.

Overview of the Impact Investing ecosystem

Peter Hinton (Oxford)

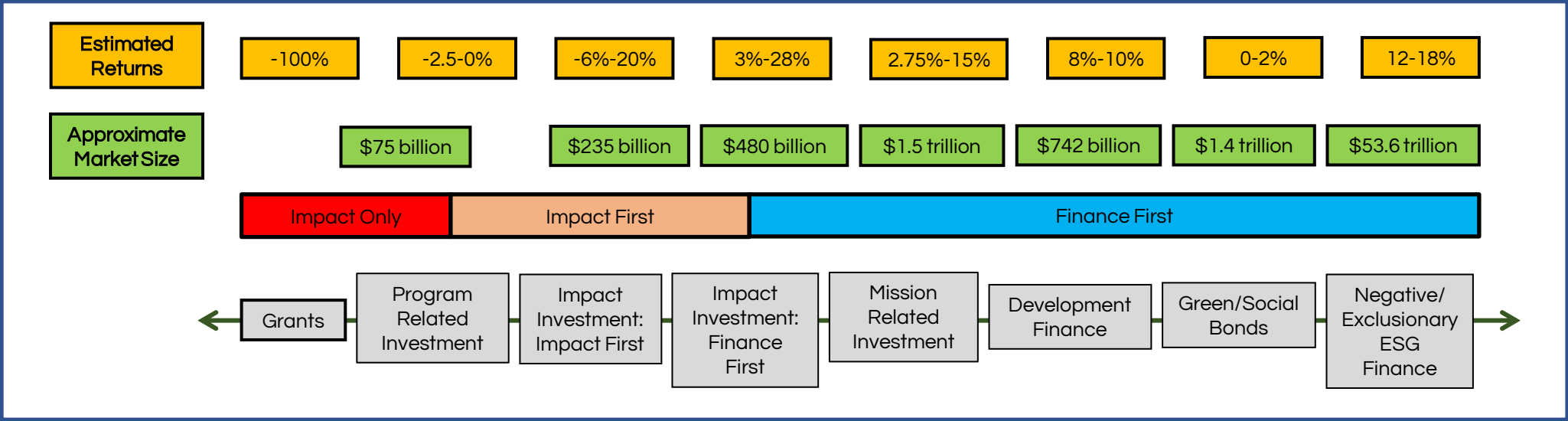
Overview

- Definition
- Spectrum of Finance
- Blended Finance
- DIBs & SIBs
- Trends
- Challenges
- Medical Credit Fund
- Conclusion

Impact investing - definition



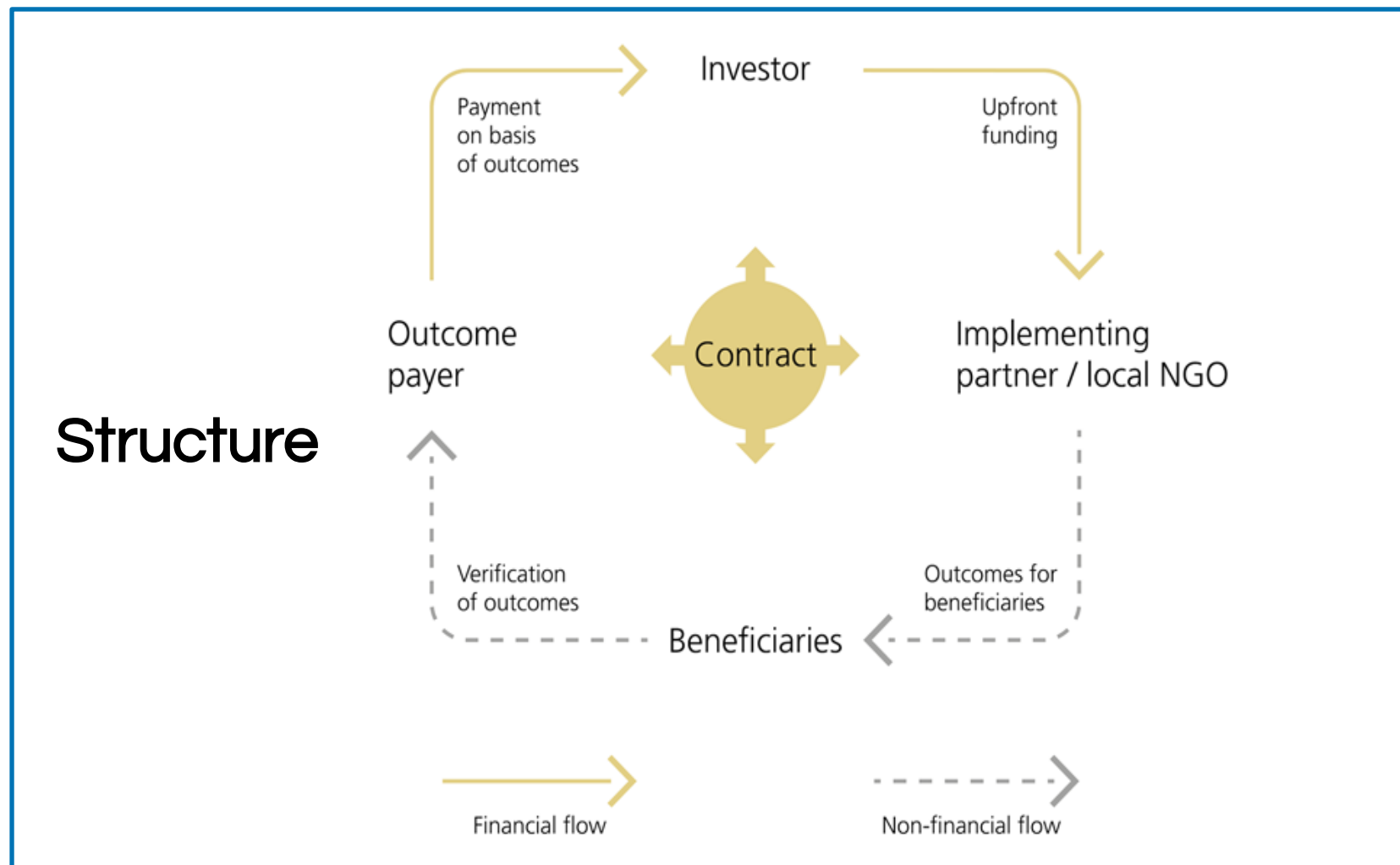
Spectrum of Finance



Impact investing & blended finance

- **Impact investing sources** – Funds, Family offices, DFIs, Multilaterals, Foundations, Aid agencies
- **Blended Finance** – 2023 Convergence – “The use of catalytic capital from public or philanthropic sources to increase private sector investment in developing countries to realize the SDGs”
- Uses the entire capital spectrum to create impact
 - Grants, endowments, impact investments, ESG/sustainable investments
- Distinctive fund and deal structures
 - Blended deals and funds
 - Catalytic capital
- Distinctive instruments
 - Venture philanthropy, Program Related Investments, Mission Related Investment
- 2022:117 deals, US\$8b (2021 - US\$15b)

DIBs & SIBs



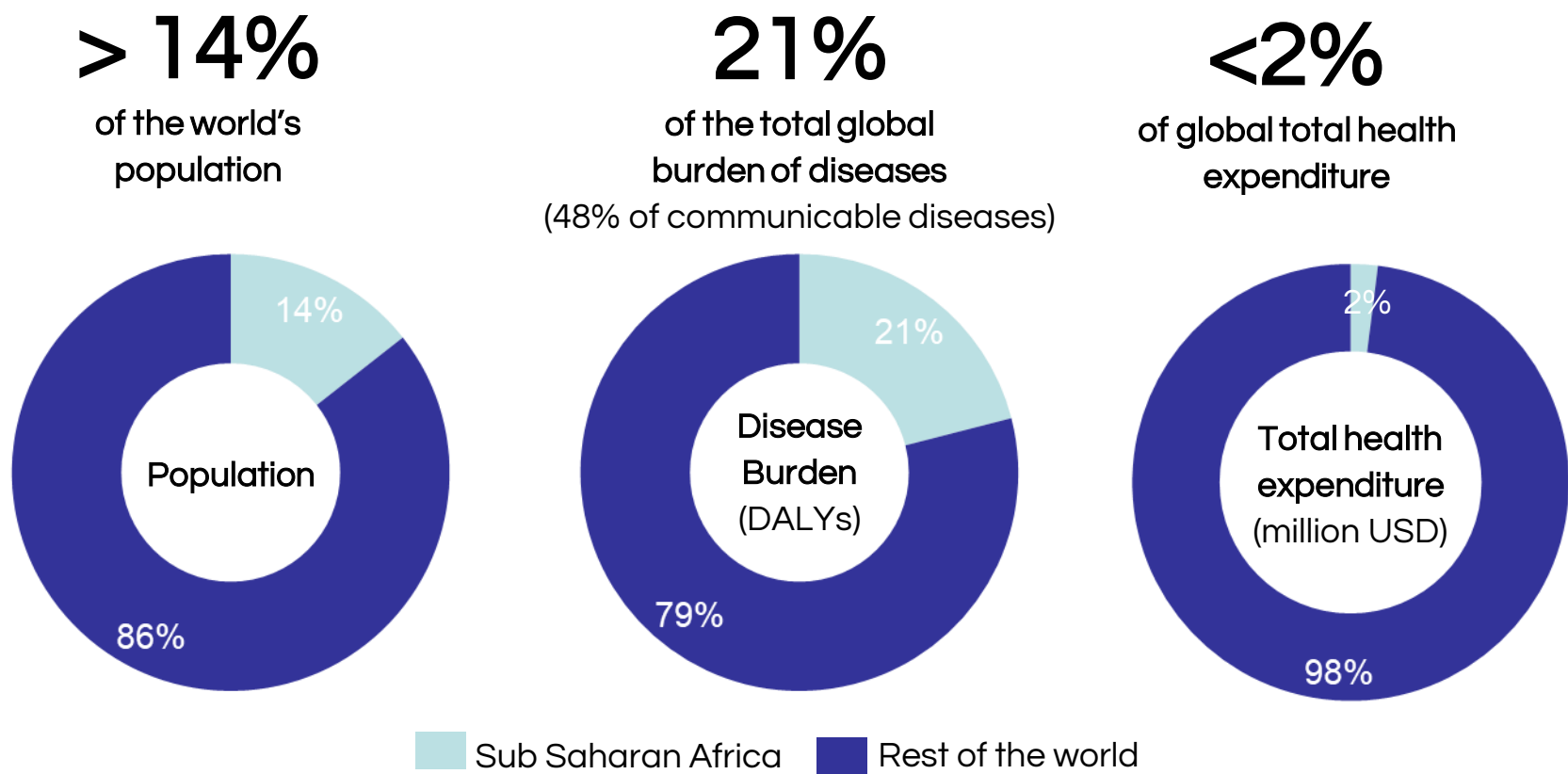
Sources of impact investing & challenges

- Currency challenge – risk sharing
- Currency challenge - repayment
- Power challenge
- Local voice and definition of priorities
- Local sources of finance
- Domestic capital markets
- T bills and Gov't fiscal policy
- Regulation of pension funds etc

Trends

- DAFs US\$500b
- Faith based sources - US\$3trillion Islamic, US\$576b Christian / Jewish (Nicolls and Peterson, 2022)
- Brightlight (2023) equities 50% and mutuals 30%
- Green bonds, blue bonds
- NGOs eg STC
- NGOs - Potential - World Vision, CARE, BFW, C Aid, Ripple Effect, Oxfam, Cafod
- Litigation settlements
- Targeted central bank lending through local Fis eg Nigeria SMEDF

Sub Saharan Africa carries 21% of the global disease burden, yet has only 2% of global health care financing



Source: [Our World in Data](#); WHO

Medical Credit Fund – the why

IFC: Around 50% of healthcare in sub-Saharan Africa is provided by the private sector.

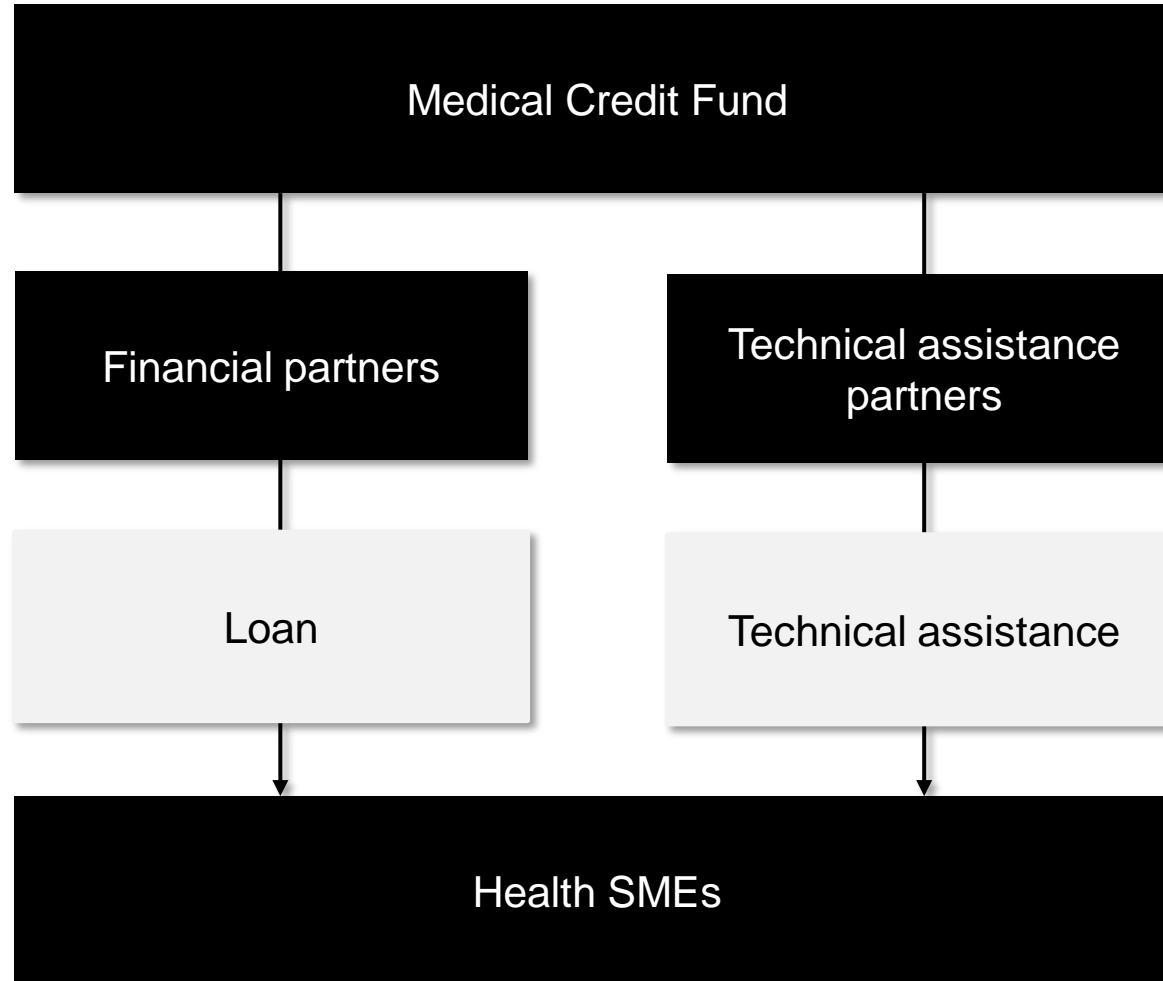
- Chronic under investment
- AfDB: only 20% of SMEs in SSA have access to credit
- Even worse for health SME sector
 - No or wrong collateral
 - inadequate administration
 - perceived as risky by banks

Credit need:

- Working capital
 - Gap expenses – income
 - Supply chain
- Equipment
- Expansion/construction

Medical Credit Fund

Structure



Medical Credit Fund I: a triple blended fund dedicated to financing health SMEs

- Launched in 2009 by PharmAccess Group
- First and only debt fund for health in Africa
- GIIN: only 1.6% of global impact investments are invested in healthcare in Africa.
 - due to the low margins healthcare businesses usually have
 - the (perceived) high risk of investing in Africa
 - High volatility in local currencies.

Triple blended

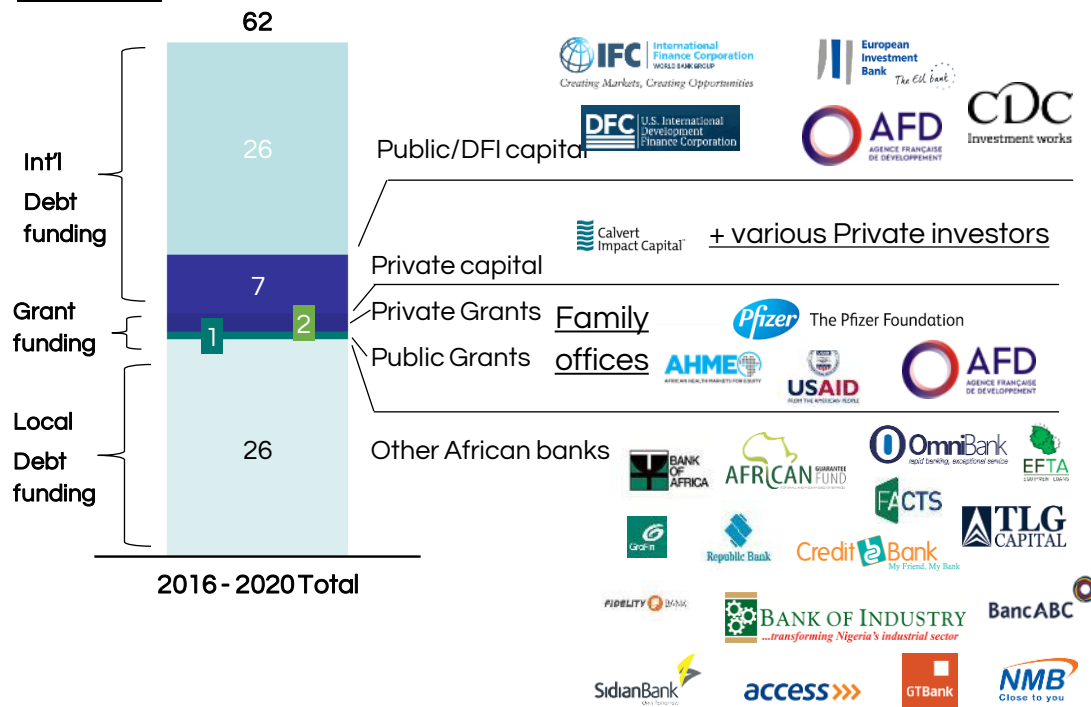
- MCF mobilizes capital: first loss grants and debt funding
- Leverages funding with local commercial bank funding
- Leverage impact through TA to strengthen operations and enhance access to affordable quality healthcare. TA grants leveraged with co-payments from beneficiaries

Wide range of loan amounts and tenures

- Local currency lending
- Loan amounts from USD 100 to USD 5 million
- Loan tenures from 1 month to 10 years
- Active in Tanzania, Kenya, Uganda, Ghana, Nigeria

MCF Capital Sources for loans

USD mln

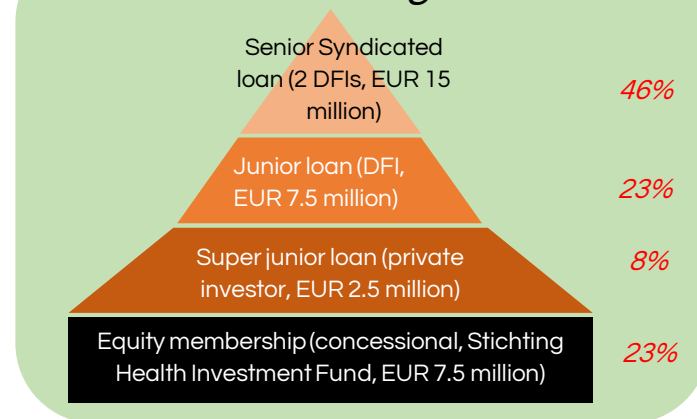


MCF II - structure

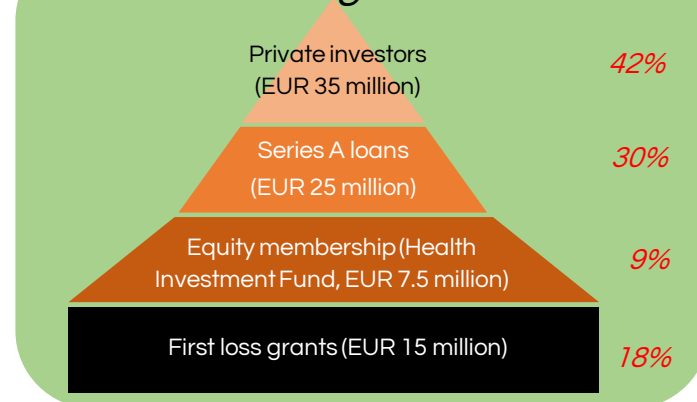
Structure

- MCFII is set up as a **cooperative** in the Netherlands with possible subsidiaries in the African countries. This addresses increased African regulation around foreign lending and digital lending
- Cooperative allows for **more layers in capital stack** than just first loss and debt as in MCF1. Equity membership (common / preferred), junior debt, senior debt, credit guarantees
- **Equity 20%** to enable no forced hedging of FX risk due to adequate capital junior to investments of DFIs and private investors
- Also **equity needed for investment in wholly** – owned subsidiaries (otherwise high tax pressure through thin capitalization rules)
- MCF I as the **not-for-profit fund manager** of MCF II
- Initial funding of EUR 7.5 million from the Dutch Government
- Series A funding of EUR 25 million closed in October 2021
- Further fund raising when needed

Series A funding - 2021



Final funding structure



Conclusion

- Impact investing \$1tr but long way to go
- Blended finance
- Challenges to address especially bottom up not top down
- Trends to take advantage of
- Sustainability versus donor dependency and gov't
- Evidence needed & disseminated
- Capital markets have a role e.g. Green bonds, health bonds
- Regulation to enable

“That great purpose of human life which we call bettering our condition” - Adam Smith, 1759

Contact: peter.hinton@sbs.ox.ac.uk

Cliff Prior

(Global Steering Group for Impact Investing - GSG Impact)



Cliff Prior CBE is the **CEO of GSG Impact**– the independent agency catalysing impact investment to benefit all people and our planet, with a growing movement across 70 countries. The GSG recently developed the **G7 UK Impact Taskforce**, making powerful recommendations across standards, reporting and impact valuation, and mobilisation of private capital into emerging economies with a Just Transition approach.

Previously, Cliff was **CEO of Big Society Capital**, the UK's wholesale social impact investor and market developer, of **UnLtd the UK foundation** for social entrepreneurs and of **Rethink** for people affected by severe mental ill health. Cliff has also worked in healthcare, elder care, social housing and homelessness.

Impact Investing for Global Health

Cliff Prior (GSG Impact)

Creating a better future for
people and the planet by
putting *impact* at the heart of
every investment decision

2024



GSG Impact and the GSG Impact Partnership exist to accelerate progress towards the SDGs and climate goals.

We aim to contribute to a transformative shift towards effective capital and resource allocation to deliver positive impact at scale and solve the \$4 trillion annual funding gap for the SDGs

Our objective is that the GSG Impact Partnership has influence on national and global strategies to accelerate impact transparency and the allocation of money and resources for positive impact



The Problem

People and organisations do not have sufficient **incentives** or **know-how** to prioritise investment that has a sustained, positive, and measurable impact on the SDGs and climate goals

Vision

Impact becomes a **core factor** in every investment, business, and government **spending decision**

Mission

Accelerate **meaningful impact transparency** and a **transformative shift of money and resources** to deliver positive impact on the SDGs and climate goals

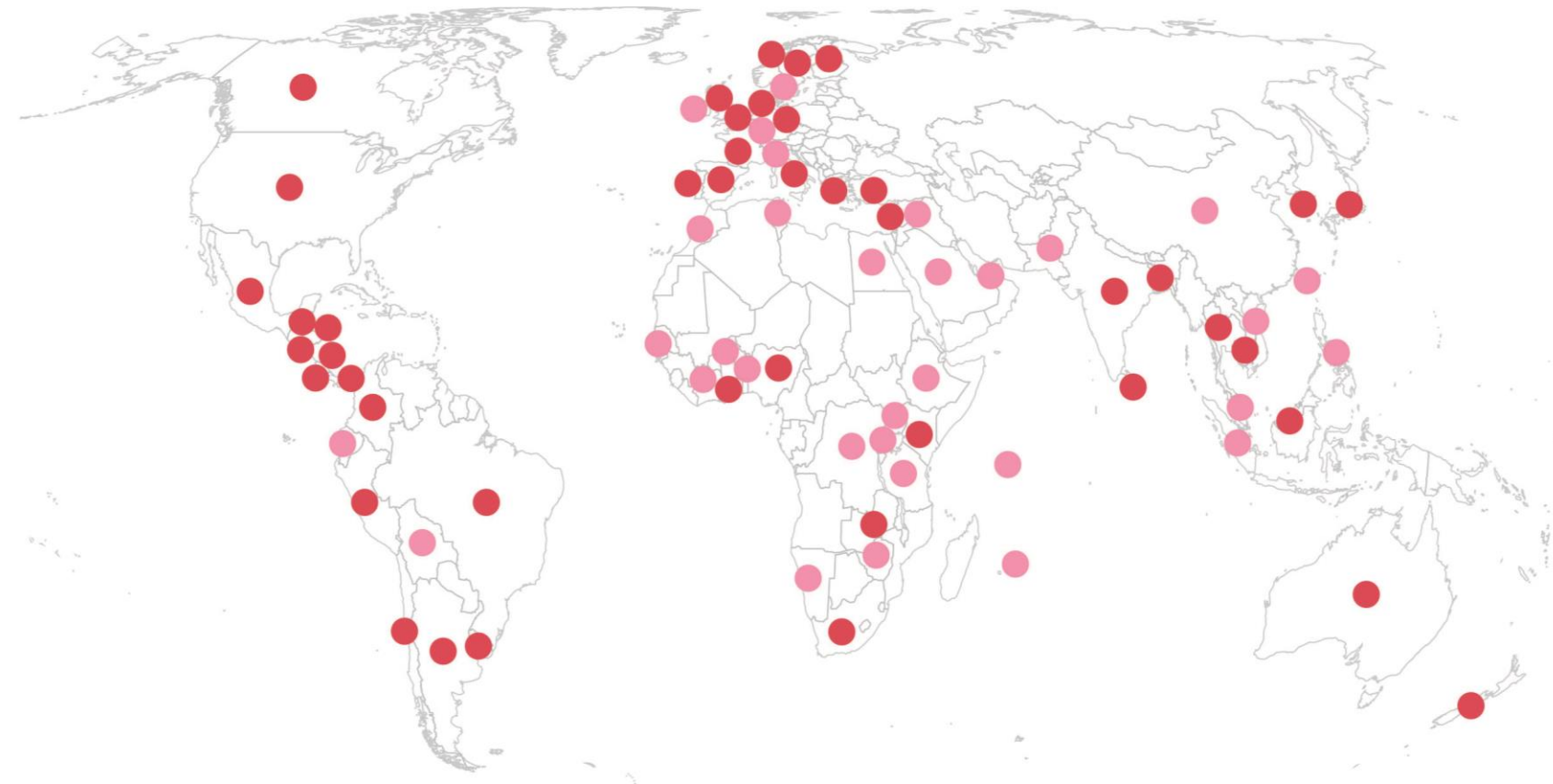


Global partnership innovating and advocating for impact

GSG National Partners represent nearly 50 countries, c 50% EMDE (red dots)

Many further countries are advancing local impact taskforces (pink dots)

Strong momentum globally in demand for impact system change



Global Initiatives & Strategic Partnerships

itf impact taskforce

IFVI

 **EOF**



Impact Investment Initiative (Triple I) for Global Health

Partners **84**

Invest in Global Health. Make an Impact.

Triple I is an ambitious initiative endorsed at the G7 Hiroshima Summit 2023, connecting various stakeholders and mobilizing private capital through impact investment to address global health issues in LMICs.

Governance

Co-Chairs



Mr. Ken Shibusawa

CEO, Shibusawa & Company, Inc.
CEO and Founder, &Capital Inc.
Chairman, Commons Asset
Management
Member of the Council on "The New
Form of Capitalism"
GSG Japan NAB Chair



Mr. Steve Davis

Senior Advisor with McKinsey &
Company,
Stanford Graduate School of
Business Lecturer and Global
Health Faculty Fellow,
Member of the Council on Foreign
Relations



Dr. Ayoade Alakija

The board chair of FIND,
the World Health Organization
(WHO) Special Envoy for the
Access to COVID-19 Tools (ACT)
Accelerator, and co-chairs the
Principals Group.

Partners

Advisory & Advocacy Partners



As of September 4, 2024





























































Implementation / knowledge Partners

Bill & Melinda Gates Foundation



Secretariat

Cabinet Secretariat of Japan

Partners as of April 25 th 2024					
1	&Capital Inc.		23	Impact Capital	
2	AAIC Investment Pte. Ltd.		24	Innovations in healthcare	
3	Ajinomoto Co., Inc.		25	Instalimb Inc.	
4	Aliath Bioventures		26	IPE Global Limited	
5	Apposite Capital		27	Jaza Rift (Jaza Rift Ventures)	
6	APG Investments Asia Ltd		28	Japan International Cooperation Agency (JICA)	
7	Asian Development Bank		29	Japan Post Insurance Co., Ltd.	
8	Asset Management One Co.,Ltd.		30	Japan Social Innovation and Investment Foundation (SIIF)	
9	AXA Investment Managers UK Limited		31	Kibow Foundation	
10	Baraka Impact Finance LLC		32	KOIS Advisory	
11	Bridges Outcomes Partnerships		33	LeapFrog Investments	
12	CarePoint		34	Levoca LLC	
13	Crosspoint Advisors, Inc.		35	MedAccess	
14	Developing World Markets/DWM Asset Management, LLC		36	Medical Credit Fund	
15	DNDi		37	Medicines Patent Pool (MPP)	
16	East African Private equity and Venture Capital Association		38	Mizuho Financial Group, Inc.	
17	Eisai Co., Ltd.		39	mothers2mothers	
18	Founders Factory Africa Ltd		40	Music Securities, Inc.	
19	GHO Capital		41	Nomura Asset Management	
20	GLIN Impact Capital		42	Nippon Life Insurance Company	
21	Health Finance Coalition		43	Phenix Capital Group	
22	Hugh Green Foundaion		44	Private Infrastructure Development Group	
			45	Quadria Capital	
			46	Riverr Pte Ltd	
			47	SAMRIDH Healthcare Blended Finance Facility	
			48	SASAL,INC	
			49	Sattva	
			50	SDG Impact Japan	
			51	Shinsei Impact Investment Limited	
			52	Shionogi Co., Ltd.	
			53	Sonen Capital	
			54	South African Medical Research Council (SAMRC)	
			55	South Saharan Social Development Organization (SSDO)	
			56	SORA Technology Co.,Ltd.	
			57	Sumitomo Mitsui Financial Group	
			58	Sysmex Corporation	
			59	Stop TB Partnership	
			60	THE GLOBAL FUND	
			61	Total Impact Capital	
			62	TVM Capital healthcare	
			63	U.S. International Development Finance Corporation (DFC)	
			64	United Nations Development Programme (UNDP)	
			65	United Nations Population Fund (UNFPA)	
			66	Verge Capital Management Pte Ltd	

1. Existing efforts of governments etc.

- ◆ Research and analysis on the current status, challenges and their possible solutions of major tools such as blended finance schemes and programmes implemented by development finance institutions, multilateral development banks, governments, and international organizations.

2. Country Deep Dive

- ◆ **Potential Target countries:** Ghana, Malaysia
- ◆ Research and analysis on the current status of private investment in the field of global health, financing gaps and challenges to private investment, challenges in promoting impact investment, and others.
- ◆ Research and analysis on thematic opportunities in global health (e.g. target areas, target health fields, target technologies and projects, etc.)

Possible WG Outputs

- Develop the Impact Management Project (IMP) principles in Global Health areas for investors to showcase key outputs, outcomes, and impacts in a digestible format that can facilitate engagement with donors, financiers, LPs, etc.
- Develop IMM playbook for new global health impact investors that outlines measurement best practices, but also how to integrate impact considerations into all stages of the investment lifecycle

Possible Meeting Agendas for Phase 2 -3('24 Q2-'25Q1)

Meeting 1-2 Identify challenges and issues	Meeting 3 –5 Discussions on identified challenges and issues	Meeting 6 Prepare and review output drafts
<ul style="list-style-type: none"> • Presentation on Case study analysis results • Presentation by relevant stakeholders such as GIIN (on health-related impact metrics in IRIS+), BMGF etc. • Identify challenges and issues to be discussed. 	<ul style="list-style-type: none"> • Discuss and prioritize WG outputs • Discuss format/structure of outputs and discuss potential applications and opportunities for testing outputs 	<ul style="list-style-type: none"> • Draft report and recommendations and identify the way forward • Discussion on potential Partners to test outputs • External organizations (governmental, institutional investors, etc.) that Triple I should target for dissemination

Pillar 3 – the best enabling environments

- Educating and providing recommendations to governments
- How policy makers and leaders can influence the growth of impact investing
- Making the best enabling environments in LMIC countries
- Crowding in more impact investment into health and healthcare

Low- and Middle-Income Countries – What do we need?

31bn annually to achieve health spending in LMIC countries by 2030

One third is expected through international financing

Rising costs, increasing health challenges (both communicable and NCDs), and a decrease in development aid due to the macro economic and geopolitical challenges

Solutions - Investors are increasingly exploring **new tools** for impact investing:

- blended finance
- concessional capital
- technical assistance
- guarantees and insurance
- advance market commitments
- debt swaps
- development impact bonds
- volume guarantees

Example: \$229 bn in capital towards development using blended finance

Challenges and opportunities for investors into LMICs

Challenges in LMICs

- fewer local entrepreneurs identifying the investable opportunities
- regulatory challenges
- unequal distribution of health services
- big disparities in healthcare services between public and private sectors, urban and rural
- forex currency challenges

Opportunities

- retaining and reentry of LMIC talent
- identifying cross functional management teams - medical, investor, business
- target sizes
- structures to address longer repayment timelines
- aggregating demand eg for vaccines
- encouraging entrance of regional and international investors
- creating impact investing networks like GSG Impact
- building the capacity of in market investment managers
- providing debt facilities for the local market
- DFI backed loan guarantees
- streamlining the process of starting a business
- solutions for forex
- **most of all - digital solutions**

Malaysia



4.4% GDP on health vs
average 7% for countries of this
income

Public health system at
very low cost to citizens

Long waits and limited budget

Very expensive private
hospitals

Overwhelm with ageing society
and NCDs (74% of deaths)

Rapid growth of mental health
issues

Substantial medical devices,
pharmaceuticals, and medical
tourism industries



***We believe people should have access to
effective medical innovations
when they need them,
no matter where they live.***

Our impact

Since 2017, MedAccess-supported products have...

reached

539m

people

We believe people should have access to effective medical innovations when they need them, no matter where they live.

But for millions of people in low- and middle-income countries, these innovations are either unavailable or unaffordable.

We broker partnerships to remove barriers stopping lifesaving medical innovations reaching people who need them.

Our agreements speed up access, shouldering financial risk to create a viable market.

Our Portfolio

Healthcare

Investments with Impact

Working toward the SDGs 

LeapFrog adopts a distinct and differentiated strategy that targets asset-light, scalable service plays in companies that specialise in particular areas of emerging consumer healthcare delivery.

We focus on providing critical health services to underserved consumers such as primary healthcare, diagnostics, pharmaceuticals, and prevention and chronic illness management tools. These tools provide safety nets for low-income people, enabling them to avoid or better treat health shocks, as well as springboards, being healthier enables emerging consumers to improve their economic productivity and overall financial and social well-being

Our Healthcare Portfolio



HealthifyMe

India & Southeast Asia's largest digital wellness platform

Goodlife Pharmacy

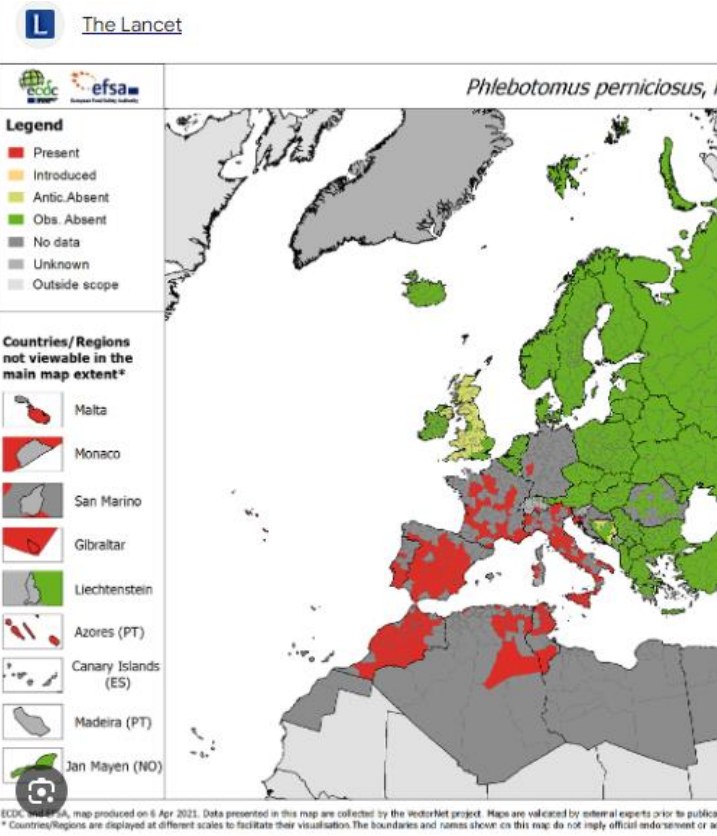
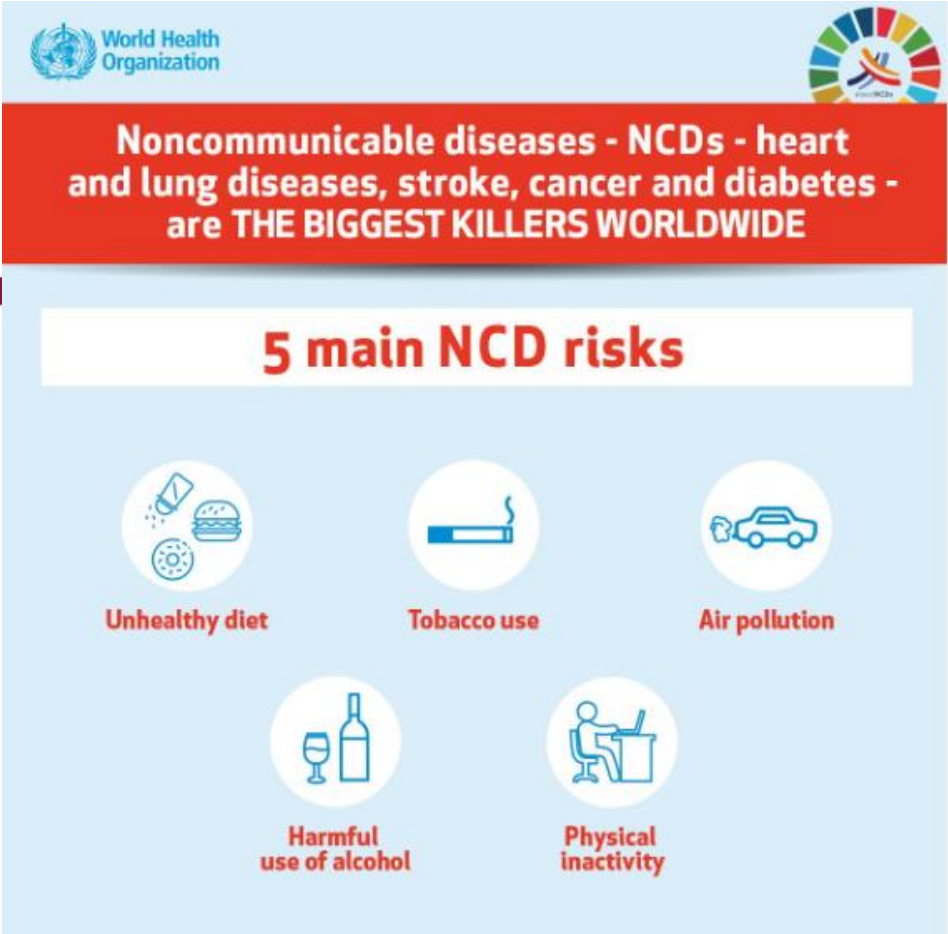
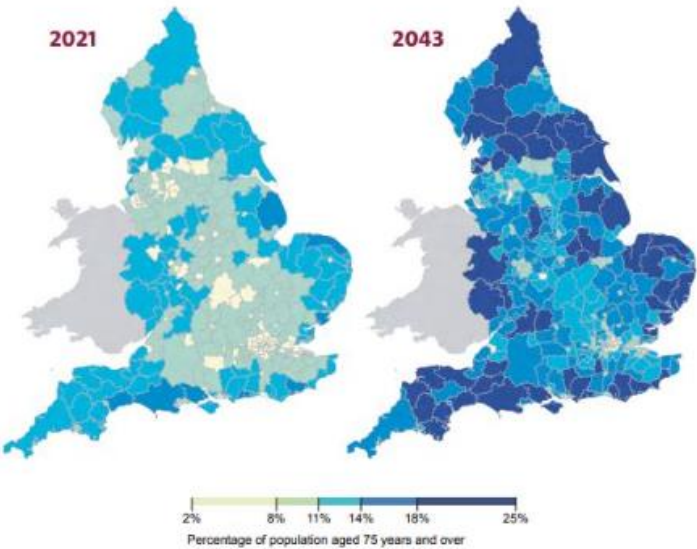
East Africa's hub for low-cost healthcare

What is working in LMICs?

- Asset light, scalable solutions such as digital health
- Collaborations with public private partnerships eg in vaccine manufacturing
- Leasing to overcome capital costs of expensive medical tools
- Retaining and reentry of talented doctors and nurses
- Support for entrepreneurs, startups, and scale up s
- Streamlining processes to start a business
- Local pools of capital in forex
- Solutions that solve for equity issues

Where next in impacting for global health?

Chief Medical Officer's Annual Report 2023 Health in an Ageing Society



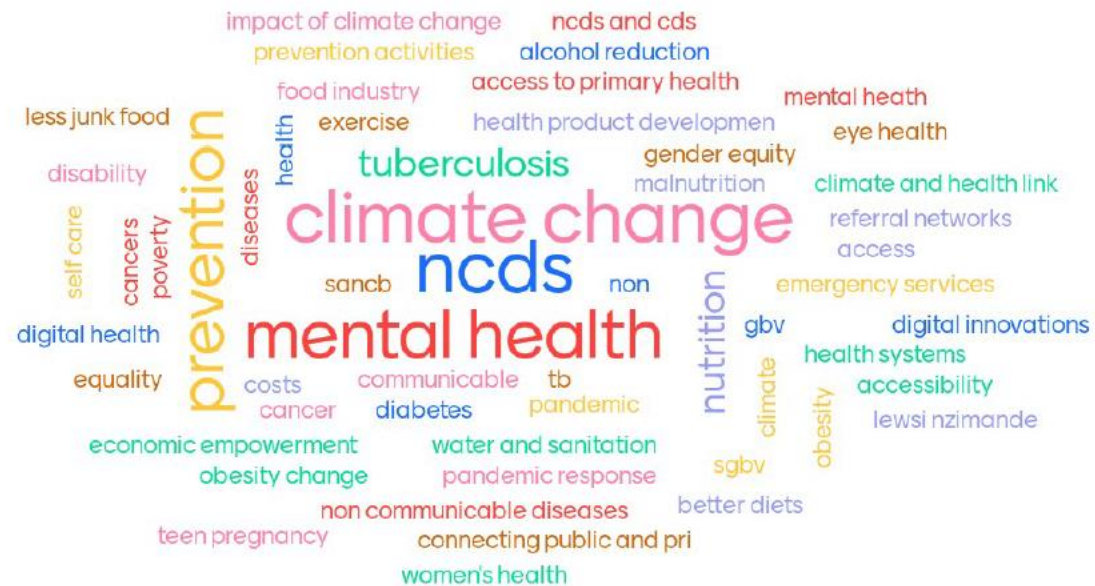
Climate change and infectious disease in Europe

Our shared future

- Climate change is happening faster than originally thought
- Plenty of words about action, but few actual actions
- Populations refuse to accept actions which reduce their livelihoods
- Technological solutions will be vital to make change and better lives
- Along with Just Transition programmes and impact investment into LMICs
- You as investors for health, will be crucial

What public health concern or threat would you prioritise for an impact investment?

79 responses



Why do you think impact investing is important for global health?

73 responses



John Fairhurst

(Global Fund)



At the Global Fund John **leads work to engage the private sector** in supporting the Global Funds mission to eliminate HIV, Malaria and TB. This includes driving catalytic impact initiatives, including on community health workers, digital health, climate and health and behavior change, through engaging private sector resources, philanthropy, and innovative finance.

Prior to this John was a **Director at UBS** Optimus innovative financing instruments, and he was the **COO at the Global Alliance for Improved Nutrition (GAIN)**. He worked in the finance and pharmaceuticals sectors supporting mergers, acquisitions, and public listings. He **helped start up the Children's Investment Fund Foundation (CIFF)**. He worked for **Oxfam in East and Central Africa**, as Country Director in Afghanistan and Northern Sri Lanka.

The private sector in Impact Investing

John Fairhurst, Head of private sector engagement, Global Fund

The context – now more than ever, we need to engage all stakeholders

Colliding crises: A challenging global context

- Geopolitical tensions and fragmentation
- Climate change & resulting crises
- Conflicts, displacements & growing humanitarian needs
- Economic turmoil, fiscal pressures & growing inequalities within and between countries
- Threats to human rights and civil society space
- SDG targets increasingly at risk
- Stagnating ODA with growing demands
- Increasingly complex global health landscape
- Political transitions & volatility



Financing Needs are high – but so is the opportunity

How can private sector play a role in unlocking financing, expertise and investment for health?

➡ SDG Financing Gap – estimated at \$4.2 Trillion+

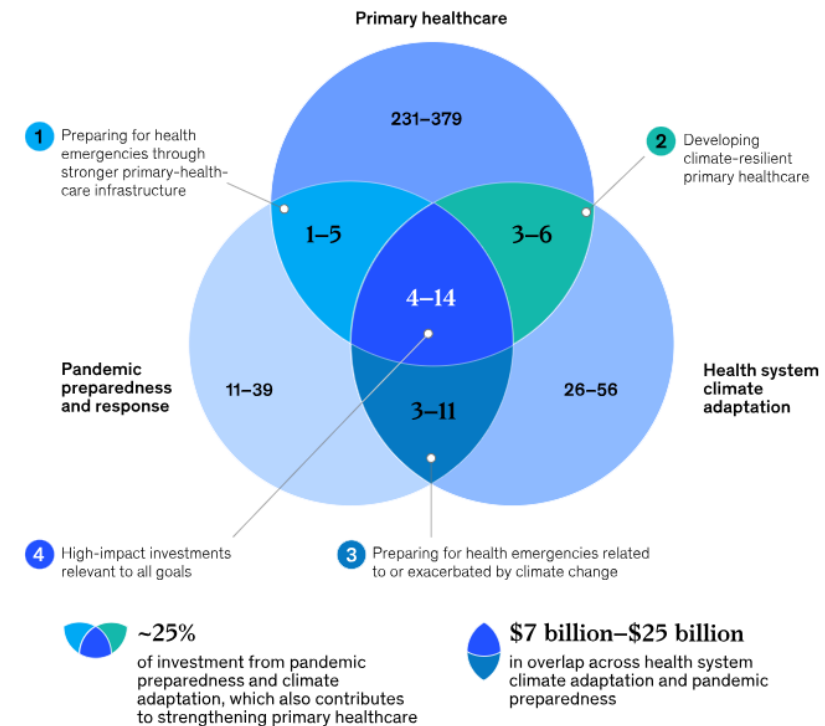
➡ Annual gap in healthcare budgets for 54 poorest countries - \$176 billion per year

➡ Annual community health funding gap in Africa - \$4.4 Billion

➡ \$7 billion - \$25 billion annual funding gap in overlap across health system climate adaption and pandemic preparedness

Opportunities to address investment gaps in global health highlight synergies across primary care, climate adaptation, and pandemic preparedness.

Healthcare incremental investment gaps by goal, \$ billion annually



McKinsey & Company

Link: <https://www.mckinsey.com/industries/social-sector/our-insights/future-proofing-health-systems-for-climate-risks-and-pandemics>

The Global Fund's experience in mobilising the private sector

Fueling Our Work—Partnerships

The Global Fund's Seventh Replenishment Conference — hosted by President Biden and the United States in September 2022 — was the single largest replenishment campaign in global health, ever, raising US\$15.7 billion to provide life-saving services to 120 low- and middle-income countries.

Given the outsized impact and proven results from recent Global Fund partnerships, the private sector is committing more funding, in-kind support and catalytic investment than ever before - \$1.4bn.

BILL & MELINDA
GATES foundation



(RED)



skoll

Coca-Cola

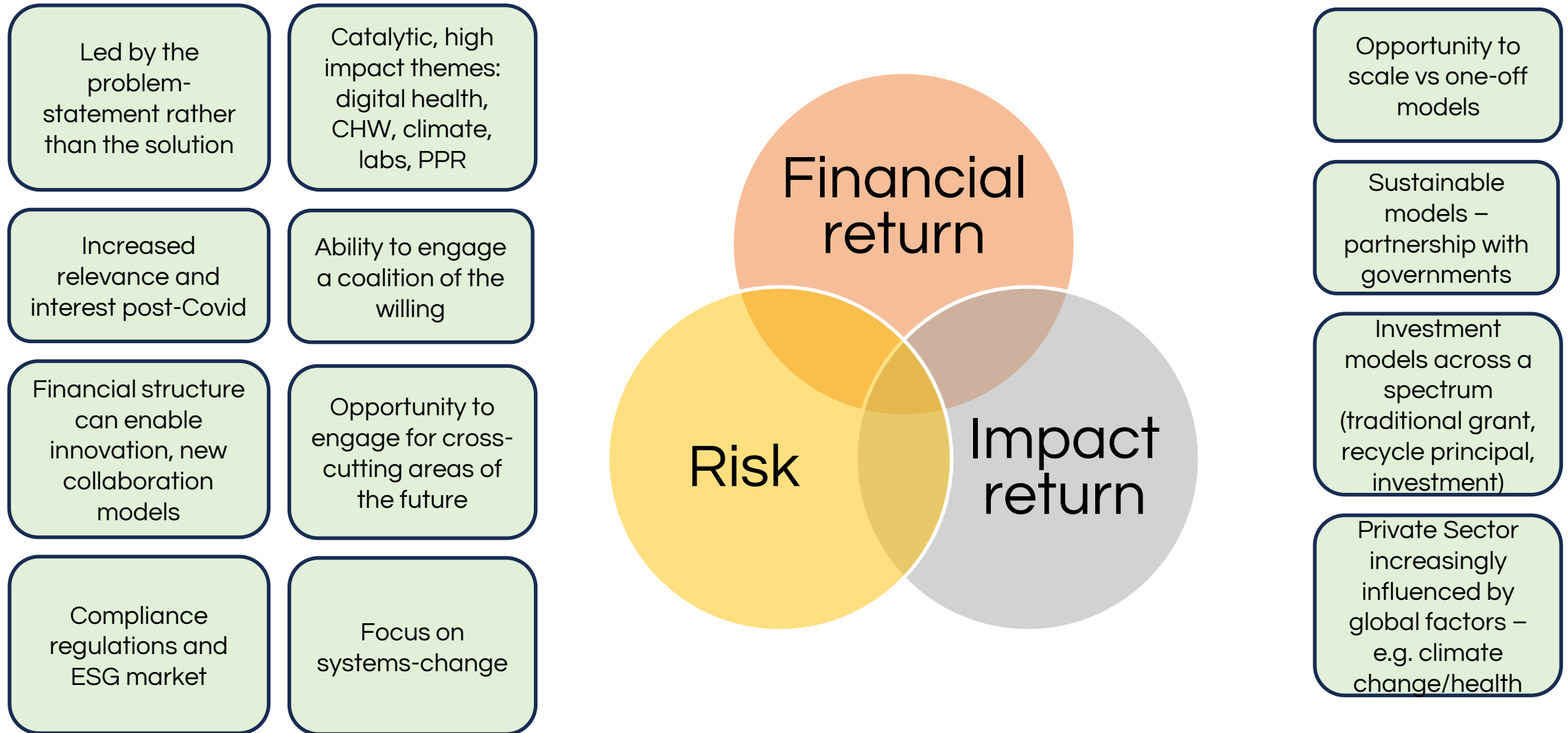
J&J

SIEMENS
Healthineers

THE
MCJ AMELIOR
FOUNDATION



What motivates the private sector to invest in social outcomes?

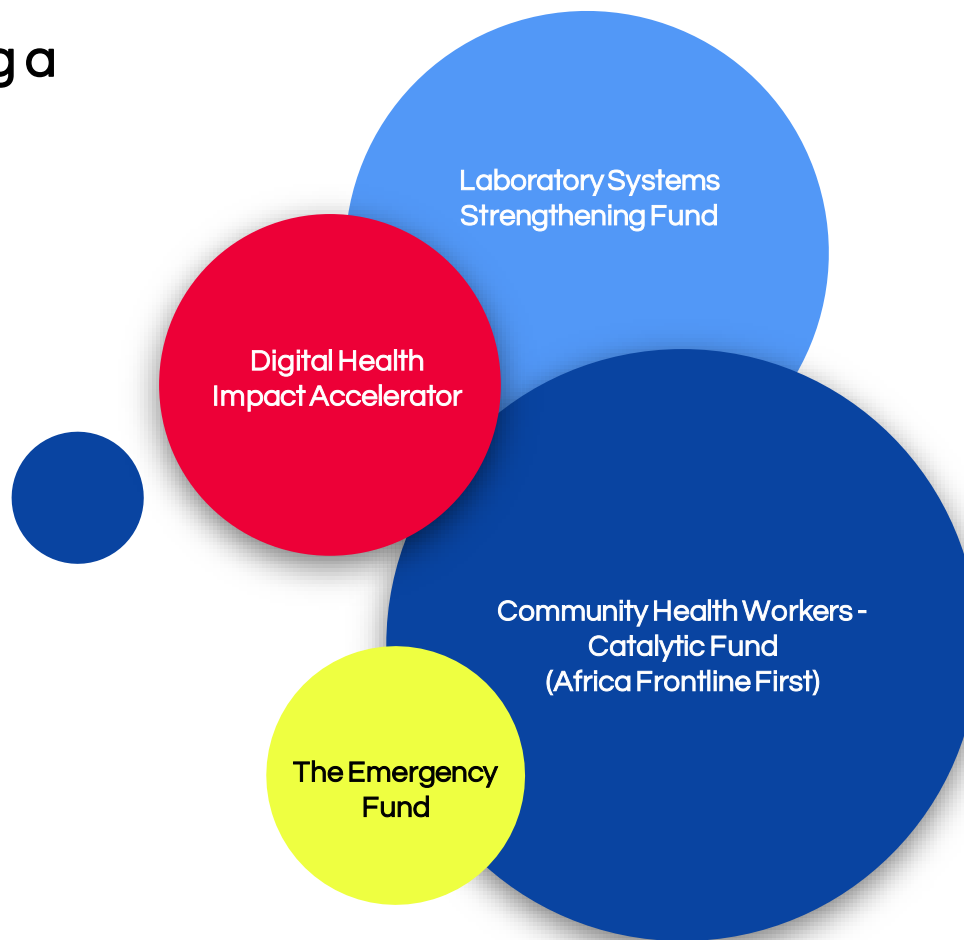


Case Study 1 - Global Fund experience: Catalytic Funds

Pure Impact Investment - mobilizing a coalition of diverse partners

Catalytic Funds drive additional investment in specific strategic areas, complementing funding allocations and incentivizing countries to actively focus on key growth areas.

By extension, Catalytic Funds provide platforms to innovate together with Governments and create demand, enabling environments for job creation and markets for entrepreneurs.



GENDER EQUALITY

CLIMATE CHANGE

DIGITAL HEALTH

HEALTHCARE
WORKERS

HEALTH / LAB
SYSTEMS

PANDEMIC
PREPAREDNESS

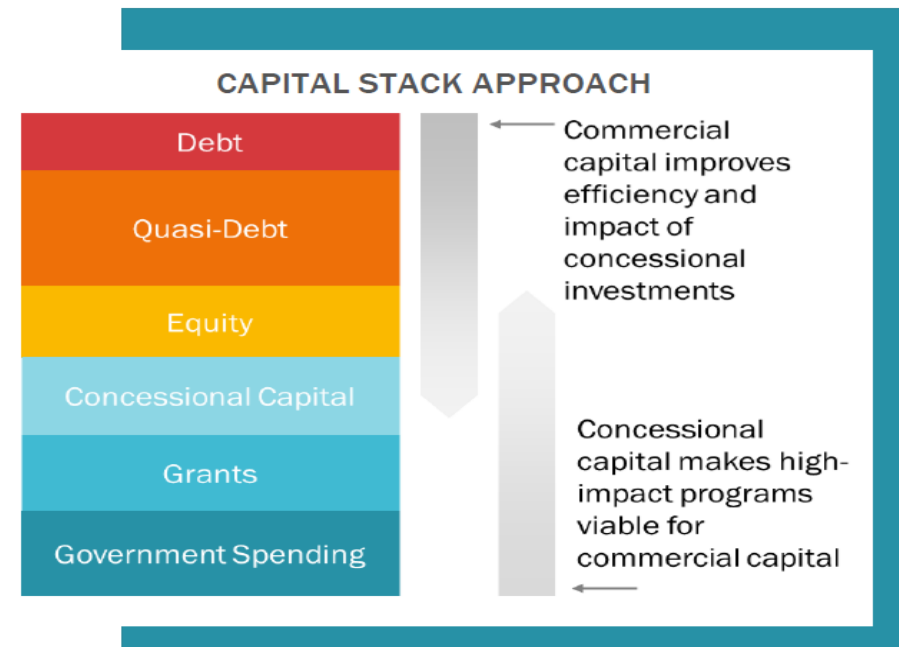
Case Study 2: Health Finance Coalition: a capital-stack approach

A successful first close of \$50 million for HFC's Transform Health Fund investing in proven innovative delivery models across Sub-Saharan Africa. Investors include Royal Philips, Merck & Co. (MSD), US International Development Finance Corporation (DFC), IFC, Swedfund, FSD Africa Investments, Grand Challenges Canada (with funding from Global Affairs Canada), USAID and others

The Health Finance Coalition

- We are a coalition of leading philanthropies, donors, technical partners, and institutional investors creating a path to scale for blended finance solutions for global health
- Convened by WHO Ambassador for Global strategy and Health Finance Ray Chambers
- We are scaling health investment using a “capital stack” approach to generate transformative impact in Africa and help achieve SDG3

HFC Partners



Illustrative Opportunity

Anon Pharmacy

Integrated distribution & pharmacy network for underserved communities

Objective: Scale integrated distribution and quality pharmacy network serving low-income communities

Enterprise Overview

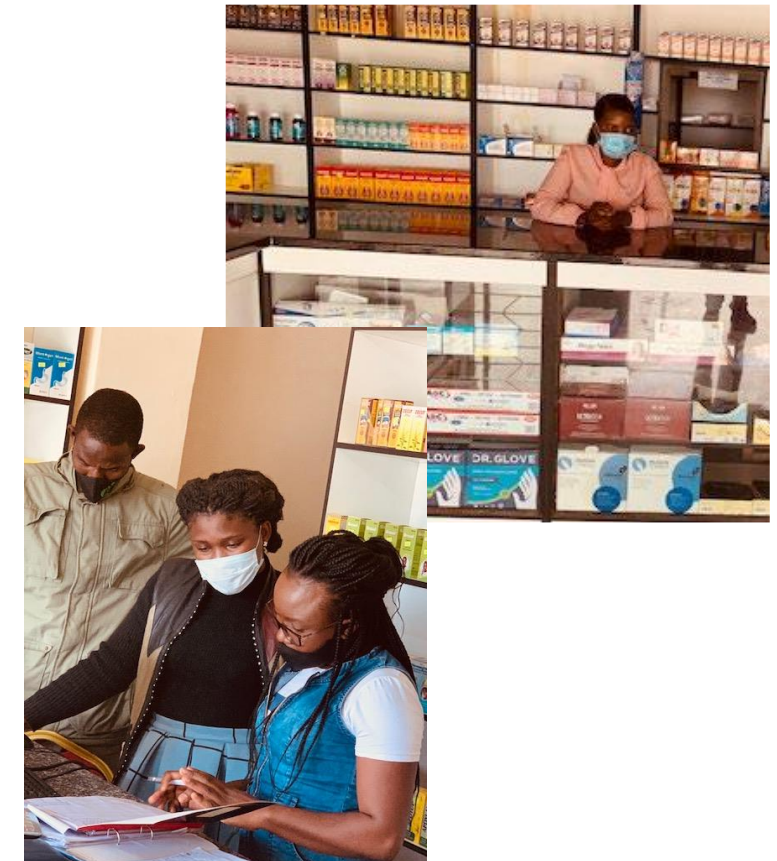
- Network of 14 pharmacies , reaching 857,000 people
- Provides high quality pharmaceutical products and services in under-served communities.
- Anon is embarking on an expansion strategy: scaling the number of locations in Zambia, expanding to Malawi; entering the distribution business by acquiring a pharmaceutical wholesaler.

Opportunity for Impact

- Plans to scale to **Zambia and Malawi by 2025**, covering 15% of the market and reaching **6M people**, and **5M** and respectively

Impact Integration

- Seeking to pioneer point-of-care data innovations with **“Maisha Meds”** technologies, enabling subsidies for quality malaria testing and treatment.



Case Study 3: Triple I for Global Health

Need to increase advocacy, showcase best practices and create an enabling environment to attract more private capital to global health

- The Global Fund has joined the Triple I (Impact Investment Initiative) for Global Health, an initiative endorsed by the G7 leaders,
- The Triple I for Global Health was launched by the Government of Japan at the United Nations General Assembly High Level Meetings in September 2023.



Goals

- Raise awareness of impact investment in Global Health by showcasing best practices
- Increase transparency of impact investment in Global Health by promoting discussions and building up expertise on measurement, verification and disclosure
- Increase investment opportunities in Global Health by facilitating networking and knowledge exchange as well as identifying the thematic opportunities

Members include: Bridges Outcomes Partnerships, Grand Challenges Canada, Global Fund, Jaza Rift Ventures, KOIS, LeapFrog Investments, Levoca, MCF, MedAccess, Nomura Asset Management, SA MRC, Unitaaid, WHO Foundation, Total Impact Capital and others

Dr. Frank Aswani (AVPA)



Dr. Aswani is the **CEO of the African Venture Philanthropy Alliance (AVPA)**, a network of social investors working to increase capital flow into social investments in Africa to address the SDG financing gap. Prior to this he spent 14 years in healthcare with Eli Lilly serving as Sales Director for South Africa and later Regional Directors for Sub-Saharan Africa.

He also led corporate partnerships and fundraising at **the African Leadership Academy** and has worked with ARK and in innovation consultancy. He is a visiting faculty member at **Oxford Saïd Business School** and sits on the investment committee of the **MasterCard Foundation Africa Growth Fund**. Dr Aswan holds a Veterinary Medicine Degree from the University of Nairobi and an MBA from GIBS, University of Pretoria.

Impact investors in Africa: AVPA's catalytic pooled fund

***Frank Aswani– African Venture Philanthropy Alliance
(AVPA)***

Overview

- About AVPA
- AVPA's catalytic pooled fund
- AVPA conference

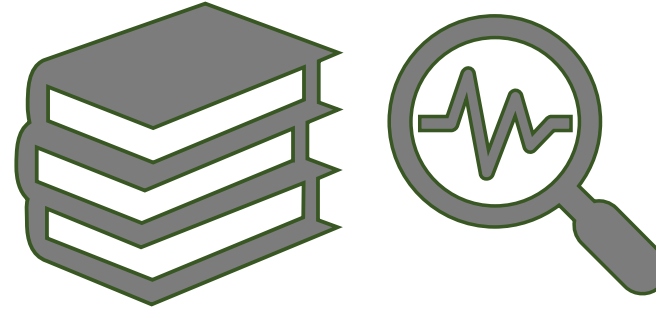
AVPA – Who we are

- Pan African Network of social investors investing in Africa.
- Investor only network (80% financial capital , 20% non-financial capital)
- **Mission** – Increase flow of capital towards impact
- **Vision** - An African continent where collaborative and effective social investment results in transformational and sustainable social impact and achievement of the SDGs.

AVPA – How we support Investors.



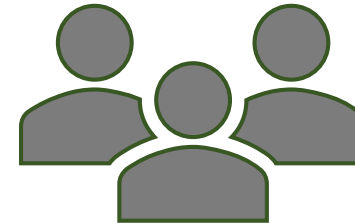
Training and capacity building-
AVPA Leadership development Centre



Research and knowledge-
AVPA Knowledge Centre



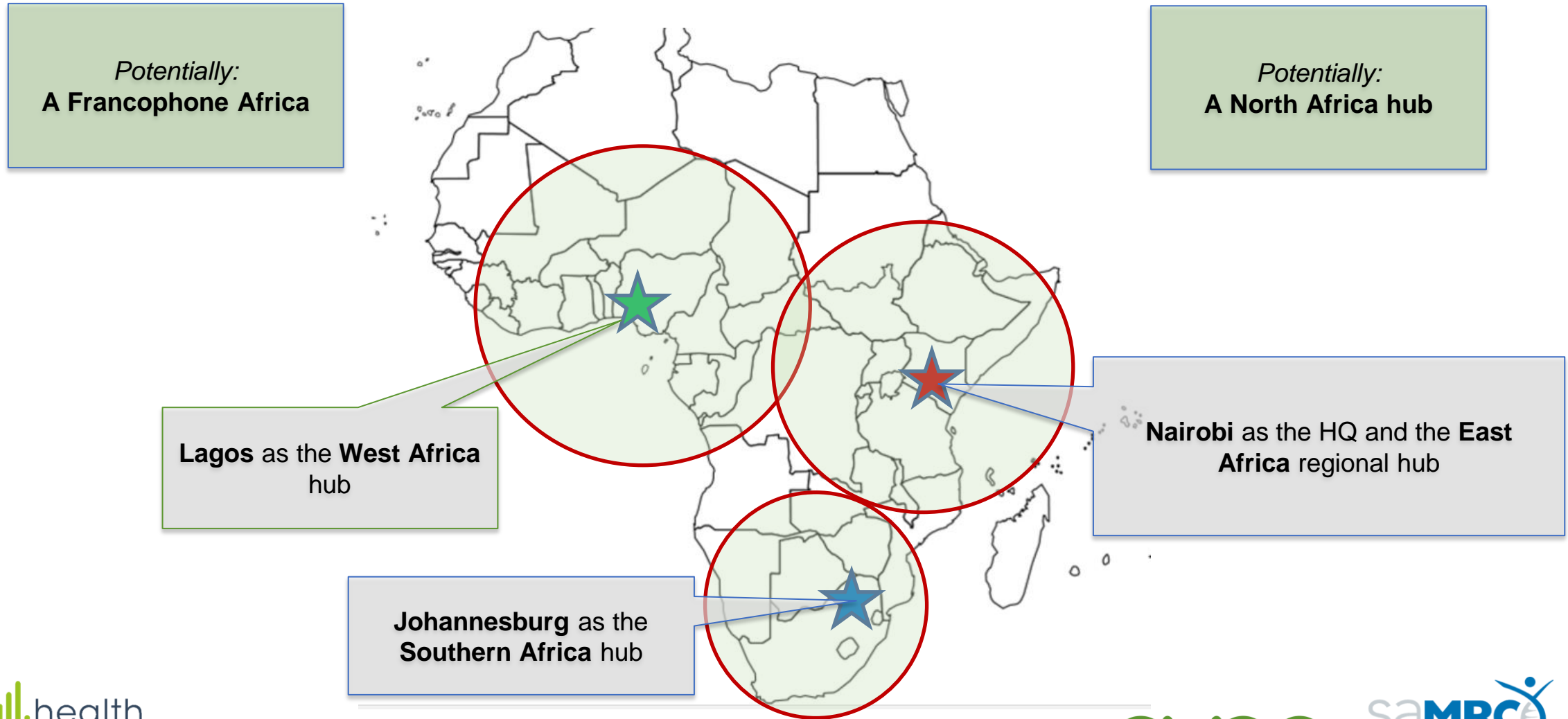
Convening investors & connecting
them to investable impact pipeline-
AVPA Deal Share Platform



Communities of Impact/Practice-
AVPA thematic platforms

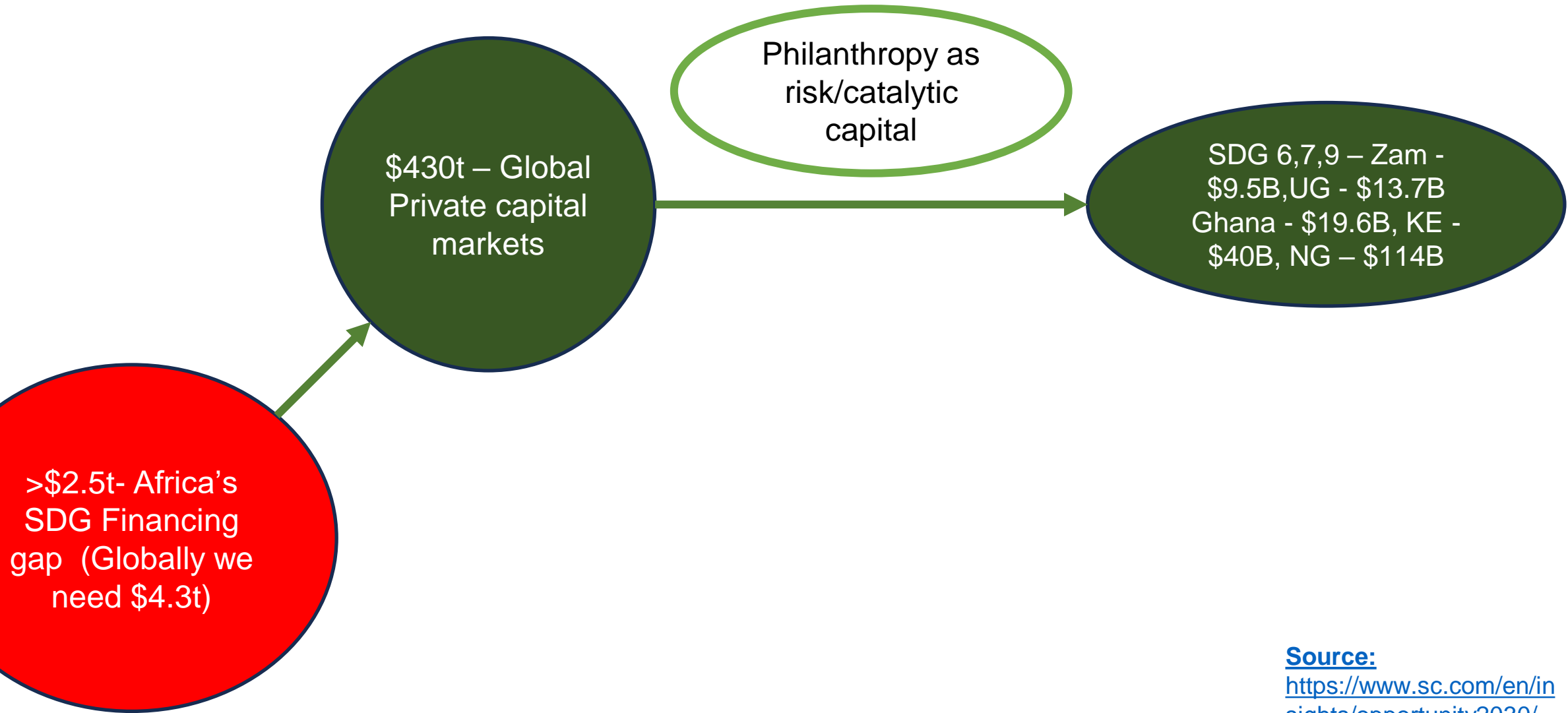
Pan African Network Model

AVPA has three legal entities across the continent



AVPA's CATALYTIC POOLED FUND

The Problem



Source:

<https://www.sc.com/en/in-sights/opportunity2030/>

03 Investment and Impact Focus

The **Africa Social Impact PIV** will assess all opportunities with clear development outcomes but will focus on 5 priority sectors and 5 thematic development areas



Agriculture – USD 300 B+ e.g. mechanization, food processing, irrigation, high yield inputs



Healthcare – USD 127 B+ e.g. digital consultation for last mile, self-reliant pharma manufacturing, bio-gene



Water, Sanitation and Hygiene (WASH) – USD 113 Bn+ e.g. water treatment technologies, bio-digestion tools



Renewable Energy – USD 5 B+ e.g. off-energy financing, smart storage, recycled batteries, hybrid cold chain



Education – USD 20 B+ e.g. e-learning, skill-based learning, financial aid providers

Women's Economic Empowerment

Youth Empowerment

Inclusive Supply Chains

Climate Change Mitigation and Adaptation

Large-Scale Job Creation

04 Innovative finance mechanisms examples

The Platform will provide **catalytic capital** and **technical assistance** to high-impact investment opportunities to take on disproportionate risk and leverage additional domestic and international commercial capital for development through **outcomes-linked financing instruments**.



Equity
Impact Linked Carry or Redeemable Equity



Debt
Impact Linked Carry or Redeemable Equity

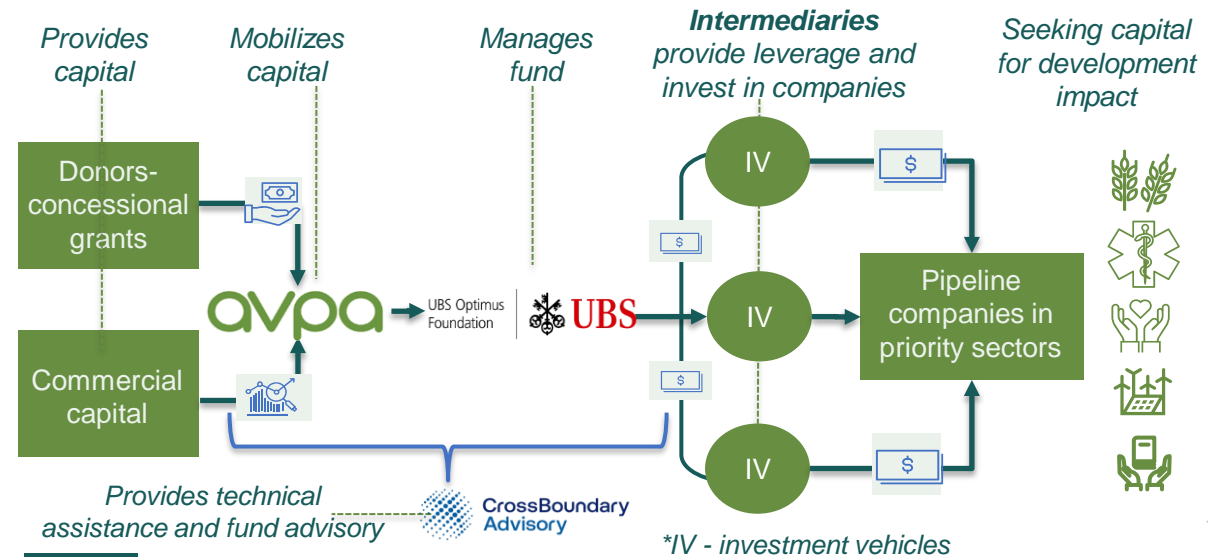


De-risking Tools
Catalytic First Loss Capital, Impact-Linked Guarantees



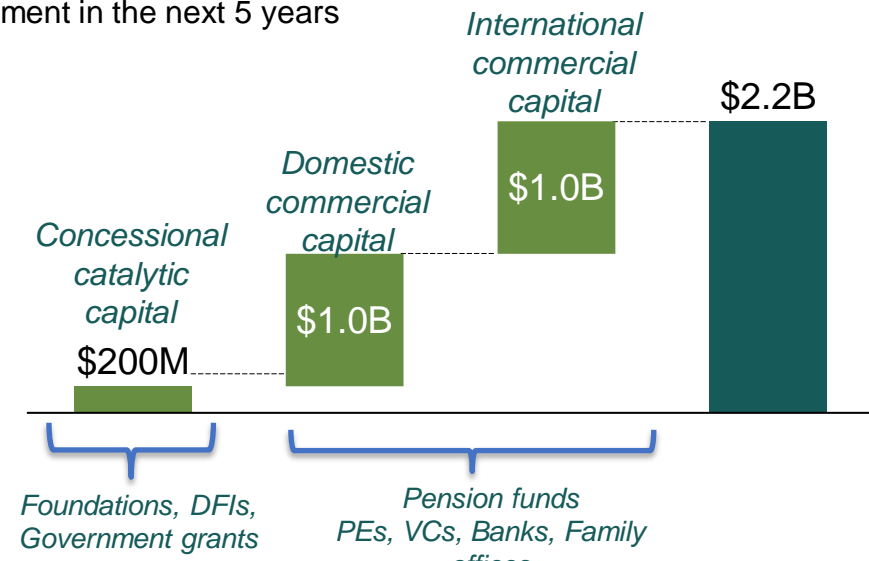
Grants
Social Impact Incentives (SIINC), Results-Based Grants, Technical Assistance

02 Investment Vehicle Structure



01 Investment Capital Mobilization Target

AVPA is raising **USD 200M** that will realize **~10x leverage** unlocking **USD 2B** for development in the next 5 years



Other considerations

- Enable African foundations
- Training and capacity building – CC training program
- Data to inform practice and policy
- Play to the African Advantage



WELCOME TO THE **2024 AVPA CONFERENCE**



4-6 NOVEMBER



TRADEMARK HOTEL, NAIROBI



Catalysing Africa's Sustainable Growth

Thank You

Contact: FASWANI@AVPA.AFRICA

Dr. Petro Rousseau

(Innovation Guru)



Dr Rousseau is a **seasoned health professional** with extensive experience across the health sector, including public, private, and non-governmental spheres. She is known for her **strategic, people-centric approach**, emphasizing co-created solutions for health and well-being.

She served as **Data Steward** for the **SAMRC** and the **Oxford University Government Outcomes Lab** and now leads the **Performance Manager** team for the **Imagine Social Impact Bond**. She holds a PhD in Transdisciplinary Health Sciences.

The Role of Government as Outcome Funders in Social Impact Bonds in Africa

Petro Rousseau (Innovation Guru)

Overview

1. Introduction to Social Impact Bonds (SIBs) in Africa
2. The Role of Government as Outcome Funders
3. Key Findings from the Study
4. Challenges and Enablers for SIBs in Africa
5. Policy considerations
6. Conclusion

Introduction to Social Impact Bonds (SIBs)

Context in Africa: Many governments face limited resources and fragmented public services, making SIBs appealing (Strid et al., 2021).

SAMRC/GO Lab Collaboration: Explored whether SIBs could help African governments tackle developmental challenges, based on interviews and reports from 11 SIBs partially funded by domestic or international governments.

Findings: Policy considerations are provided to help governments decide if SIBs could drive sustainable social improvements and enhance well-being

The African Context – Social Challenges

Key Development Challenges (UNAIDS, World Bank):

- High poverty levels (many live on less than \$2.15/day).
- Limited access to essential services (healthcare, education)
- Climate risks, food insecurity, poor infrastructure.

Relevance for SIBs

- These deep-rooted issues require innovative approaches like SIBs, which foster collaboration and efficiency to address complex challenges.

Current SIB Projects in Africa

Overview: Study focused on 11 SIBs across Africa, funded partially or fully by domestic governments (INDIGO Impact Bond Dataset accessed in July 2023).

Countries and Projects:

- Cameroon: Kangaroo Mother Care DIB
- South Africa: ECD DIB Innovation Fund, Bonds 4 Jobs, Imagine SOBC
- Sierra Leone: EducAid Innovation Fund, Street Child Innovation Fund, Rising Academy Network
- Kenya and Uganda: Village Enterprise DIB
- Mali, Nigeria, DRC: Humanitarian Impact Bond
- Ethiopia: Menstrual Health and Hygiene Impact Bond

Data Source: Qualitative data derived from interviews and end-of-term reports from identified SIBs.

The Role of Governments as Outcome Funders

- **Key Role of Government:** Governments in Africa serve as crucial outcome funders, aligning SIB projects with national priorities and policies.
- **Varied Government Involvement:** Some governments fully engage in SIBs (South Africa's Bonds 4 Jobs), while others only provide technical assistance (Sierra Leone).
- **Challenges:** Legal and regulatory gaps, capacity issues, and slow governmental readiness to adopt innovative funding models hinder SIB implementation.

"SIBs lack a clear legal framework and have complex relationships between outcomes funders and providers"

Key Findings – SIB Structure and Sustainability

- **Perceptions of SIBs:** Stakeholders viewed SIBs as promising but complex, requiring clearly defined roles for impact funders and government
- **Sustainability Concerns:** High costs for monitoring, evaluation, and contract management create challenges for long-term sustainability in routine government programs.

“Yes, innovation is more expensive, but are we talking about innovation within the realm of public sector affordability?”

Key Findings – Risk Management and Outcomes Focus

- **Risk Management:** SIBs can induce systemic changes, but challenges like delayed disbursements and difficulty aligning stakeholder priorities can arise.
“What would have been spent on training is now being spent on putting young people into jobs”
- **Outcomes Focus:** The success of SIBs hinges on clearly defining measurable outcomes at the start, but some projects still revert to measuring activities rather than true outcomes

Challenges and Enablers for Success

Challenges:

- Governments' reluctance to adopt new funding models.
- Legal and regulatory barriers.
- Complex contracts and misalignment of funder and local priorities.
- Shortage of trained staff and access to commodities.

"The biggest barriers are provision of personnel and commodity access"

Enablers:

- Strong stakeholder engagement and private sector involvement.
- Identifying government "champions" to advocate for SIBs and effect change

Policy considerations

1. Enhance Understanding

- Train public officials on SIBs vs. traditional funding models.
- Simplify processes to reduce administrative burdens.

2. Strengthen Government Engagement

- Align SIBs with national priorities and policies.
- Continuous government involvement throughout projects.

3. Develop Legal and Regulatory Frameworks

- Close legal gaps that hinder SIB implementation.
- Boost government capacity to manage and oversee SIBs.

4. Address Implementation Barriers

- Involve all stakeholders early - from the design process.
- Adapt SIBs to local cultural, social, and economic contexts.

Policy considerations

5. Promote Enablers for Success

- Identify government champions to advocate for SIBs.
- Clearly define roles and responsibilities for all stakeholders.

6. Broaden Funding Strategies

- Integrate SIBs within a diverse range of funding mechanisms.
- Design longer-term SIBs to better measure social impact.

7. Focus on Outcomes

- Prioritise clear, measurable outcomes in SIB contracts.
- Ensure contracts focus on outcomes, not just activities or outputs.

Conclusion

Summary:

- SIBs offer a promising but complex mechanism for addressing Africa's developmental challenges. Success depends on government alignment, robust regulatory frameworks, and strong stakeholder engagement.

Future Directions:

- Ongoing research is needed to assess the long-term impacts and sustainability of SIBs compared to traditional funding methods.

Detail included in the **INDIGO Impact Bond Insights Report – Sixth edition**, Government Outcomes Lab, University of Oxford, Blavatnik School of Government. Publication date: August 2024. [Access here](#)

Q & A

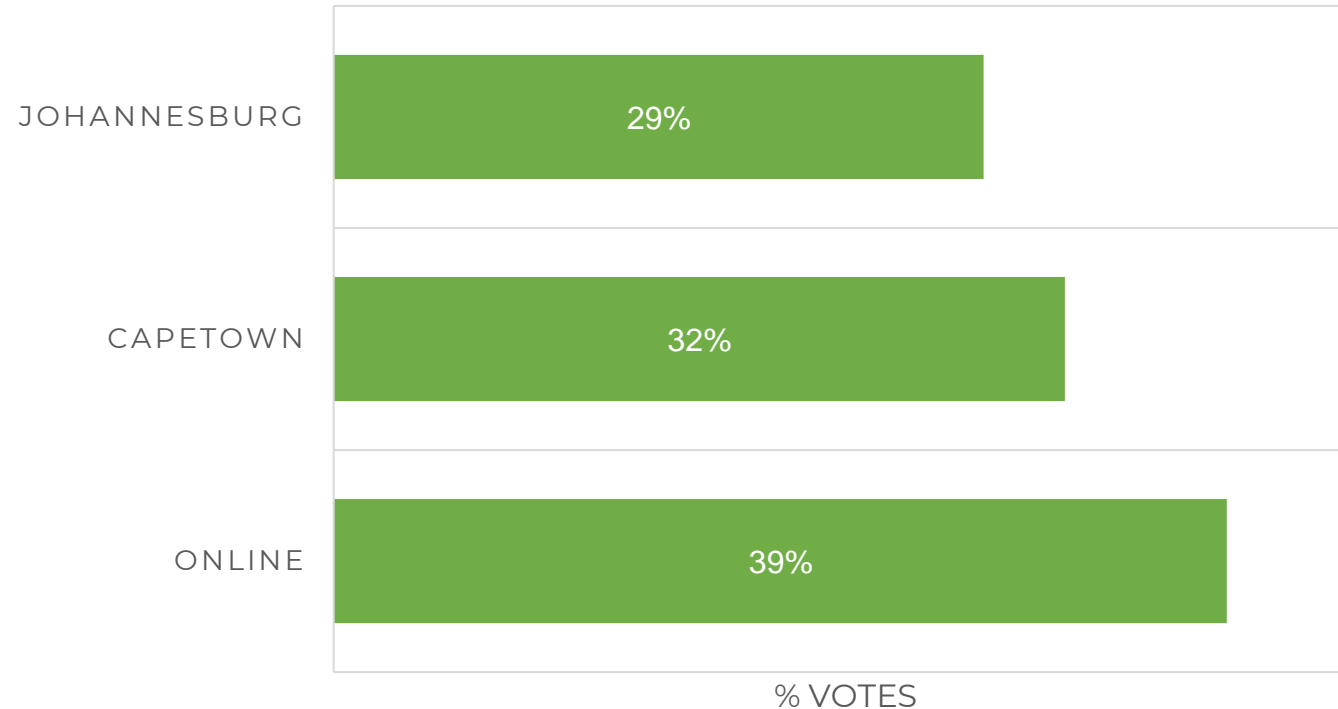
Please address questions to the speakers using the Q&A function

Poll: Location of November engagement

For the final session of this series, we are offering a hybrid engagement with the option to join either in person or online.

Which option are you most likely to choose?

POLL RESULTS



Interested in becoming part of a **community of practice** to exchange ideas, share best practices, and collaborate on research and projects around **outcomes-based approaches for health in Africa?**



Sign up to become part of the invest4health learning and action network and stay up to date with future events.



For further inquiries, please email nevilene.Slingers@mrc.ac.za
We appreciate your participation and engagement!