



Amref Ventures

Developing bankable health solutions that contribute to Amref's mission 'Better health in Africa'



Health challenges in Africa

Sustainable Development Goal (SDG) 3 - *ensuring health and well-being for all at all ages* – is critical to achieving progress on the 2030 Agenda for Sustainable Development. Because health is an integral part of human capital and a precondition, driver and outcome of sustainable development, SDG 3 is linked to around 50 health-related targets across the SDGs and the pledge to leave no one behind. To achieve SDG 3, the fight against *malnutrition* (SDG 2); *gender-related violence* (SDG 5); and *providing access to drinking water and sanitation and hygiene systems* (SDG 6) are factors and determinants of health on which we act together, while revitalizing *partnerships* (SDG 17).



More than any other region in the world, Africa faces substantial challenges in achieving the SDGs. According to the 2019 African SDG dashboard, SDG 3 is facing the steepest challenges. With less than 1% of the global health expenditure and only 3% of the world's health workers, Africa accounts for almost half the world's deaths of children under five, has the highest maternal mortality rate, and bears a heavy toll from HIV/AIDS, tuberculosis, and malaria. At the same time, Africa's population is increasing rapidly, while the existing health systems are not expanding. Access to healthcare remains a major concern in Africa. It is projected that nearly 630 million years of healthy life are lost annually due to diseases afflicting its population, and at least 400 million people have no basic healthcare.

Also financing the SDGs remains a challenge: for all SDGs, the funding gap is large for Africa, estimated at between USD 500 billion and USD 1.2 trillion annually.

The way forward; financing innovation to accelerate progress

There is consensus on the need to attract more financing and invest in solutions to accelerate progress on the SDG indicators. The UN is calling for action on stepping up engagement with the private sector, and making the most of innovative solutions to finance the SDGs.

According to the GIIN Annual Impact Investor Survey 2020, the aggregate impact assets under management (AUM) of 79 *impact investors* grew at a compound annual growth rate (CAGR) of 17% in the period 2015-2019 (from USD 52 billion to USD 98 billion). Investments in the healthcare sector rank 3rd out of 12 sectors (CAGR of 23%) and investments in Africa rank last of 9 regions (CAGR of 7%). To enhance the scale and effectiveness of impact investing, the GIIN defined 6 categories of actions (The GIIN Roadmap for the Future of Impact Investing, 2018). The development of products suitable for the full spectrum of investors and to accommodate the capital needs of various types of investees (including innovative early-stage businesses operating in frontier markets) encompasses actions related to building institutional-quality investment products and blended-finance vehicles.

In 2019, 12 multilateral agencies launched a joint plan to better support countries over the next 10 years to accelerate progress towards the health-related SDGs: 'Stronger collaboration, Better Health: the Global Action Plan for Healthy Lives and Well-being for All'. Joint actions are defined under 7 *accelerator themes*, namely: 1) Primary healthcare 2) Sustainable health financing 3) Community and civil society engagement 4) Determinants of health 5) Innovative programming in fragile and vulnerable settings and for disease outbreak responses 6) Research and development, innovation and access, and 7) Data and digital health. They will also work together to advance gender equality and support the delivery of global public goods.

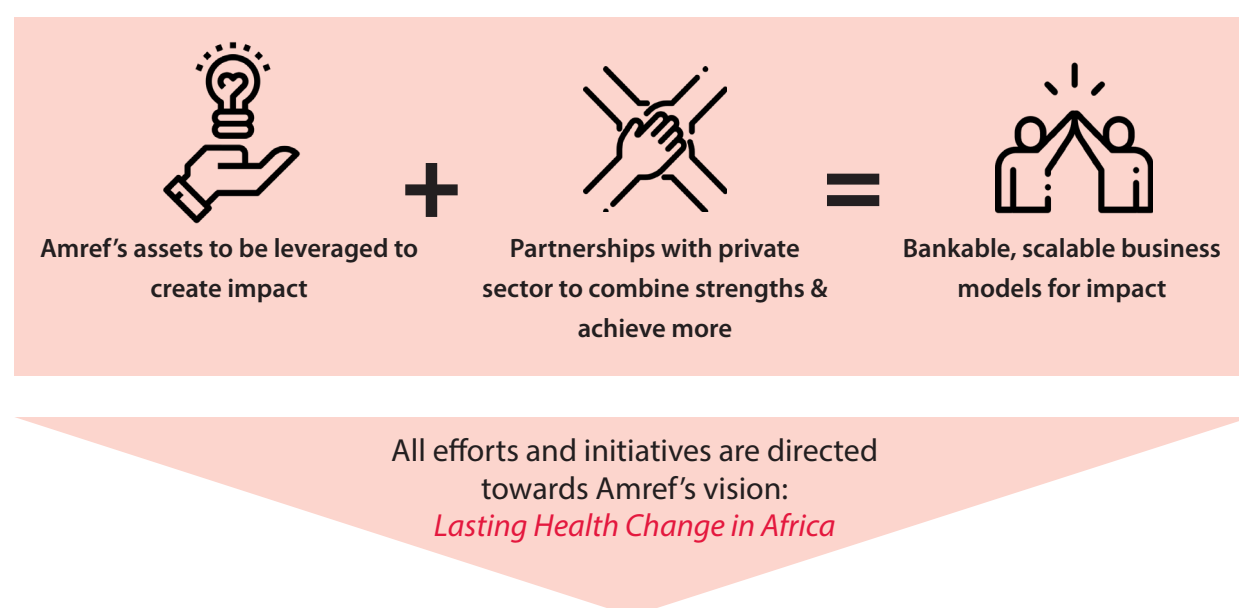
Amref Ventures; in the lead to co-create scalable business models

Along with the UN, the WHO and other leaders in health around the world, Amref recognises that healthcare organisations face unprecedented challenges to improve quality, increase access and efficiency, and lower costs. Especially in Africa where the health systems are overburdened while the population is rapidly increasing. Amref also acknowledges that innovative approaches are needed to achieve its vision of 'Lasting Health Change in Africa'. A solution to realise its vision is *building scalable business models that are bankable to investors seeking impact.*

In June 2016, Amref decided to explore a more entrepreneurial and commercial approach to achieve its mission. In the four years that followed a team was developed in the Netherlands that ventured into innovative initiatives, partnerships and financial models for better health in Africa, based on shared value and a combination of strengths. The mission of Amref Ventures (AV) is:

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The key to success of AV is summarized as follows



& Leveraging assets Amref Health Africa

For many entrepreneurs and corporates, Amref has been key to unlocking the African market for healthcare solutions. In its ventures, AV has been able to leverage the assets of Amref Health Africa (AHA), a recognized leader in achieving lasting health change in Africa for over 60 years. AHA is present in 11 countries, manages projects in 35 African countries, and the group includes amongst other a University, Institute for Capacity Development, and a laboratory. The uniqueness of AHA is built around three pillars:

1. Deep outreach in local communities and their Community Health Workers (CHWs);
2. Strong relationships with governments on national and regional level;
3. Extensive expertise on primary care and system changes.

The 'broker role' that AV plays for (Dutch) enterprises and corporates is appreciated by many sector players.

& Partnerships to combine strengths and achieve more

Solving healthcare problems in Africa is an impossible task to achieve alone. A successful venture is built by partners that share values and complement each other (e.g. on expertise, experiences, presence, networks). A successful venture is defined by a shared mission. One of the key strengths of AV is the ability to build, invest and work in partnerships. AV intensified outreach to corporate partners; from partnering on Corporate Social Responsibility (CSR) to exploring co-creation of impact ventures. Current partners include corporates, impact investors and the public sector, such as Royal Philips, Unilever, FMO (Dutch Development Bank), DOB Equity, Accenture, ASM, Intellectap, and Deloitte.

& Developing bankable, scalable business models for health impact

AV's team operates with an entrepreneurial mind-set, is result driven, and pro-active. It is in the lead of the ventures it undertakes and it takes (co-)ownership. This has enabled AV to venture into new areas (e.g. impact investing), build relationships with new type of organizations (e.g. FMO), develop new products with impact and financial feasibility (e.g. Development Impact Bonds), as well as execute on scale (e.g. P4PC pilot scaling to Makueni County). Moreover, in the past four years AV has built up a track record in strategically allocating scarce resources to pilot, adjust and develop investable, scalable business models for health impact. All with the aim to strengthen innovative ways to work towards Amref's vision; *Lasting Health Change in Africa*.

Summary

- Health challenges in Africa are enormous. And so is the challenge of channelling impact investments to solve these challenges (*i.e. money is available, investment opportunities are lacking*).
- Health solutions in Africa can start with venturing into partnerships based on shared value with ambitious targets (*investment opportunities can be built*).
- Amref Ventures takes the lead to co-create scalable business models for better health in Africa (*please refer to our portfolio of 'impact ventures'*).

We welcome any party with relevant experience and expertise that shares our vision.

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