



Wilton Park

Provisional Programme

Private capital to achieve public health goals in Africa

Reenvisaging private sector capital for health in Africa: the capital stack approach

Tuesday 16 November 2021 | 1400-1700 GMT | WP1996

Context and key policy issues

Wilton Park, in partnership with the Global Business Coalition for Health (GBCHealth), Malaria No More, the Health Finance Coalition (HFC) and Amref Health Africa is developing a three-part series of interactive dialogues that aim to mobilize private capital and private enterprise to help achieve and accelerate public health goals for Africa.

Sub-Saharan Africa is home to 16% of the world's population and 23% of the global disease burden, yet it claims only 1% of total health spending. This extraordinary gap between health needs and resourcing presents a major development challenge for the continent.

To achieve Africa's health goals a new approach is needed. This approach positions private, return-seeking capital to co-invest alongside domestic and donor resources as a means of scaling transformative health solutions through private enterprise or public-private partnerships; this has been termed the Capital Stack Approach.

Blended finance encourages actors who share the same mission but have varying risk-tolerance and objectives to invest alongside one another. For this approach to work at the scale of the need, we need to overcome some fundamental challenges: 1) deal flow, 2) risk adjusted returns, 3) aligned co-investment.

Currently, there is a lack of coordination among concessional and commercial actors investing in healthcare in Africa, which prevents "blending" through co-investment. Additionally, because many health enterprises are not financially sustainable, investment opportunities that offer risk adjusted returns are limited, cutting private sector healthcare enterprises off from scalable financing. As a result, there is a critical lack of large-scale, socially oriented investment opportunities within the African healthcare sector that meet commercial risk-adjusted return requirements. In addition, there is a perception within the market that investing in healthcare at scale to reach patients at the bottom of the pyramid is too risky and difficult.

In partnership with:



This series will bring together high-level stakeholders with the aim of “making the capital stack real”, providing concrete opportunities for investment and action which supports a larger vision of transforming health financing in Africa. This first series dialogue will focus on the conditions needed for scaling blended finance investments where they are needed most, both thematically and geographically.

Goal and objectives

- The goal of this series is to convene high-level decision makers from the private, public, and NGO sectors to catalyse action and investments in key priority health areas in Africa using the capital stack financing model.
- The objectives for the first dialogue in this series are:
- Outline the need for new thinking and approaches to financing health initiatives, with a particular focus on sub-Saharan Africa
- Provide a space for innovative thinking around financing for health in Africa and beyond, and introduce the capital stack approach as a new, scalable model
- Explore the conditions required for scaling blended finance investments where they are needed most, both thematically and geographically
- Explore the opportunities and challenges for the capital stack approach to substantially increase healthcare investments in Africa.

Speakers invited and themes proposed *denotes confirmed

Tuesday 16 November 2021 | 1400-1700 GMT

Orientation session

Technical check ahead of the official start of the meeting.

1400-1410

Welcome, introductions & overview

Nancy Lee*

Programme Director, Wilton Park

Lesley-Anne Long*

President and CEO, GBCHealth

1410-1450

1. Health financing in sub-Saharan Africa

The gap between health needs and resourcing presents a major development challenge for sub-Saharan Africa. This session will explore the landscape for private capital investments in Africa, outlining the barriers and opportunities.

Tedros Adhanom Ghebreyesus*

Director-general, WHO (*video*)

Akin Abayomi*

Commissioner of Health of Lagos State

Githinji Gitahi*

CEO, AMREF Health Africa

1450-1535

2. A new approach to unleash private investment: the capital stack

To secure greater private capital investment in healthcare at the scale required, several fundamental challenges need to be overcome: 1) deal flow, 2) risk-adjusted returns, 3) aligned co-investment. This session will explore how the capital stack overcomes these barriers and how it can help to transform private capital investment.

Martin Edlund*

CEO, Malaria No More

Jan Willem Scheijgrond*

Vice President Global Government & Public Affairs, Philips

Daniel Marfo*

Senior Vice-President, Zipline Africa

John Fairhurst*

Head Private Sector Engagement, The Global Fund

Njide Ndili*

Country Director, PharmAccess Foundation/Medical Credit Fund

1535-1540

Break

1540-1625

3. Breakout: exploring the capital stack approach

The breakout sessions will explore and discuss demonstrative examples of Capital Stack 'structures' for healthcare investment in SSA.

Group 1: SME financing - Private healthcare delivery

Moderator: Alex Honjiyo*, Health Finance Coalition

Case study: Derrick Ewudie-Odoom, Medical Credit Fund

- HFC 'Open Doors' demonstration deal – example can engage public/philanthropic guarantee to unlock private impact
- Medical Credit Fund: blended finance to provide access to capital for healthcare SMEs
- Discuss how blended finance can mitigate risks and enhance impact

Group 2: Public private partnership model for primary care delivery

Moderator: Femke Smeets*, Total Impact Capital

Case study: Caroline Mbindyo*, AMREF Health Africa

- Makueni PPP: investing in the most vulnerable with the government as main payer
- Discuss how blended finance (including demand side financing strategy) can mitigate payer risk and enhance impact

Group 3: Performance-based financing for Malaria outcomes

Moderator: John Simon*, Total Impact Capital

Case study: Oliver Sabot, Wesray Capital

- Outcomes Fund for Malaria – Engagement from the Global Fund and private sector involvement in public health outcomes
- Discuss how the capital stack approach can crowd in new money, not just traditional donors, and can be a win-win for all parties involved

1625-1655

4. Breakout feedback

Feedback from the breakout discussions and further reflections on the issue raised.

Moderator: Rebecca Affolder*, Senior Advisor GBHealth

1655-1700

Conclusion and next steps

Nancy Lee*

Programme Director, Wilton Park

Martin Edlund*

CEO, Malaria No More