“Impact First” investment fund ‘Transform Health Fund’ will help to improve access to healthcare in Africa

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BY PHILIPS

The Transform Health Fund, a fund aimed at bridging the financing gap for small and medium enterprises in the healthcare industry in Africa of which Philips has been one of the main driving forces [1], has closed its first round of financing in May 2023. This allows the fund to start providing financial support to help scale high-impact health enterprises serving vulnerable communities, while offering the fund’s investors sustainable returns on investment.

The fund’s focus is on improving access, affordability, resilience, and quality of healthcare in Africa, particularly within supply chain transformation, innovative care delivery, and digital innovation, three areas that all serve low-income patients.

Examples of initiatives that the fund will invest in can range from a clinic that provides healthcare services to people with a lower income and/or in more remote areas, to supporting healthcare providers that offer "telehealth" services via mobile phones, and companies addressing supply chain challenges, with a specific focus on the last mile.

The fund, which was announced in Washington, DC on December 14, 2022 as part of the US-Africa Leader Summit, brings together commercial, government, and donor investments under the management of AfricInvest, a leading pan-African investment platform active across private equity, venture capital and private debt, and the Health Finance Coalition, a group of leading global health funders hosted by Malaria No More.

Africa is facing an enormous gap in terms of health conditions, and health financing. The vast continent is home to 16% of the more than

8 billion people that inhabit planet earth today [2], but is subject to almost a quarter (23%) of the world's disease burden. And to make things worse, only 1.6% of the USD 1.16 trillion impact investments that are awarded every year benefit the healthcare sector in Sub-Sharan Africa, with small and medium enterprises generally being left out, illustrating the need for an increase in investments.

> Increasing access to care in Africa is crucial, and we need a resilient healthcare ecosystem to support this. Through the inception of the Transform Health Fund, Philips helps to increase the access to quality and affordable care in underserved communities in Africa," said Marnix van Ginneken, Philips' Chief ESG & Legal Officer. "This supports our ambition to improve the lives of 2.5 billion people per year by 2030 and in particular the health and well-being of 400 million people in underserved communities. This is why we have been such a strong proponent of the creation of this fund and support it wholeheartedly.

In addition to fostering access to quality and affordable care, Philips' involvement in the fund should help inspiring its corporate peers by showing that it's possible to have a positive impact on such a pressing issue. As such, Philips serves as a catalyst, resulting in more Corporates, Foundations and Development Finance Institutions to support the Transform Health Fund. [1] In addition to Philips, Transform Health Fund's group of investors includes Merck & Co., Inc. (known as MSD outside of the United States and Canada), the U.S. International Development Finance Corporation (DFC), International Finance Corporation (IFC), Swedfund, FSD Africa Investments, Grand Challenges Canada (with funding from Global Affairs Canada), U.S. Agency for International Development (USAID), Netri Foundation, Anesvad Foundation, Chemonics International, and MCJ Amelior Foundation.

> Private capital can be the critical catalyst, especially when having a higher risk appetite. It demonstrates that private return-seeking capital can catalyze health system improvements at scale,

Annette Jung, Impact Finance Lead at Philips, emphasizes.

For more information about the Transform Health Fund, its activities, and its supporters, and to become an investor, visit this website:

Health Finance Coalition.

[2] World Population Clock: 8 Billion People (LIVE, 2023) - Worldometer (worldometers.info)

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