

**Healthcare Investments in Africa:**  
Mobilizing Private Sector to Drive Healthcare Investments  
in Africa

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## CONCEPT NOTE

### “Healthcare Investments in Africa - Mobilizing Private Sector to Drive Healthcare Investments in Africa”

An international partnership between Informa Markets and the African Business Coalition for Health (ABCHealth) to explore the dynamics of private sector health investments and its impact in Africa, whilst catalyzing partnerships and impact investments that will improve Africa's health outcomes. **The aim of this partnership is to bring together businesses, governments, development institutions and investors to share insights that would significantly transform the continent's healthcare space across the African Health markets.**

## BACKGROUND

Critical stakeholders in Africa's health space have shifted focus to adopting a holistic approach to solving the continent's healthcare challenges and a key action over the last few years is the active mobilization of corporates, businesses and philanthropists to work together with a specific focus on health as a sustainable and profitable investment at continental, regional, national and sub-national levels.

This shift has resulted in Africa increasingly becoming a priority market for international investors eager to capitalize on the opportunities in the healthcare sector occasioned by the rising demand for health services across the continent. While challenges remain, this rise in investor sentiment is being driven by the rapid expansion of Africa's middle class, even faster population growth, and the continent's stubbornly high disease burden – especially in non-communicable diseases.

Africa remains in need of significant healthcare investments to address the challenges and disparities in the healthcare sector. Mobilizing the private sector to drive healthcare investments in Africa can be a transformative approach to improving healthcare access and outcomes. This is buttressed in numerous reports detailing the impact of private-sector driven involvement in healthcare resulting in improved health outcomes via:

Capital Investment: The private sector can provide much-needed capital investment in the healthcare sector in Africa. This investment can be in the form of building new hospitals and healthcare facilities, upgrading existing infrastructure, and investing in medical equipment and technology. These investments can increase the capacity of the healthcare system and improve access to quality care.

Public-Private Partnerships (PPPs): Collaborations between the public and private sectors through PPPs can leverage the strengths of both sectors to drive healthcare investments. Governments can provide incentives and a supportive policy environment, while the private sector can bring in financial resources, expertise, and efficiency in healthcare service delivery. PPPs can be especially effective in addressing infrastructure gaps, implementing innovative healthcare solutions, and scaling up successful healthcare models.

Health Insurance and Financing: Private health insurance companies and financial institutions can play a vital role in mobilizing healthcare investments. By offering health insurance products and services, the private sector can contribute to the financial sustainability of the healthcare system and ensure access to affordable healthcare for individuals and families. Private financing institutions can also provide loans and investment capital for healthcare infrastructure development and expansion.

Technology and Innovation: The private sector is often at the forefront of technological advancements and innovation in healthcare. By investing in research and development, digital health solutions, telemedicine, and mobile health technologies, the private sector can drive improvements in healthcare delivery, diagnostics, data management, and monitoring. These innovations can improve access to healthcare, enhance efficiency, and lead to better health outcomes in Africa.

Capacity Building and Human Resources: Private sector investments can support capacity building initiatives in the healthcare workforce. This can include providing scholarships, training programs, and support for medical education institutions. By investing in the training and development of healthcare

professionals, the private sector can ensure a skilled and competent workforce that can effectively address healthcare needs and challenges in Africa.

Social Impact Investments: Increasingly, private investors are focusing on social impact investments in sectors such as healthcare. Impact investors seek to generate both financial returns and positive social and environmental outcomes. Mobilizing these impact investments in healthcare can attract private sector funding while addressing critical healthcare needs in Africa.

### **The Case for Mobilizing Private Sector to Transform Africa's Healthcare Space**

Investor appetite for the continent is growing, with global corporations seeking opportunities to address the rising demand for health services. The rise in non-communicable diseases across the continent – including diabetes, cancer, and cardiovascular disease – due in part to changing lifestyles and urbanization has been one trigger of this shift, along with an uptick in the demand for private health services fueled by Africa's fast-growing middle class.

Governments are taking note: across the continent, countries are trialing public-private partnerships (e.g. Rwanda) and streamlining regulations (e.g. Kenya) to attract investment into key subsectors and facilitate the construction of key health infrastructure.

A recent Fitch Solutions report hints that the African Continental Free Trade Area could have a major role to play here as well – harmonizing regulations across Africa's health sector and facilitating smoother cross-border trade and investment in health services and products.

### **Investment Opportunities in the Health Sector**

Africa's health sector has been witnessing increased investment and growth opportunities due to the continent's growing population, rising middle class, and increasing demand for health services. Subsectors of interest include, but are not limited to:

- **Pharmaceuticals**: At present, Africa's pharmaceutical manufacturing comprises a mere 3% of the global output, while approximately 70-80% of medicines across the continent are imported. As the demand for pharmaceutical products on the continent continues to rise, lucrative investment opportunities emerge in the production, distribution, or marketing of essential medicines.

- **Telemedicine and Digital Health:** With the widespread adoption of mobile technology, telemedicine platforms and services can bridge the gap in healthcare access, especially in rural and remote areas. British International Investment, the UK's development finance institution and impact investor, recently invested \$100 million in Alfa Medical Group (AMG), one of Egypt's leading medical care companies.
- **Diagnostics and Laboratories:** Laboratories are vital to health systems, playing a crucial role in disease surveillance and health services. Investing in laboratories enables countries to build integrated and resilient health systems, but there has been chronic underinvestment in laboratories across African markets, which, in turn, has exposed vulnerabilities. This was particularly evident during COVID-19 when policymakers were ill-equipped to accurately track epidemics within their borders.

To further deepen understanding of the impact of unleashing the potential of private health in Africa's health space, ABCHealth – an African-led Coalition of businesses, corporates and philanthropists – is hosting a panel session at the Medic West Africa event holding in Lagos, Nigeria in April 17-19, 2024.

The event convenes critical stakeholders including government officials, senior business executives, health experts, healthcare service providers, health entrepreneurs and investors from across the world to explore the latest innovations, forge meaningful connections, and stay ahead in the dynamic healthcare landscape.

## **OBJECTIVES**

1. Deepen participants' insights on investment opportunities in health as well as the implications for Africa's healthcare industry especially in the context of deploying technology to enhance PPPs in Africa's health space
2. Explore innovative approaches and best practices in the global health investment space within the African context as well as examining case studies of improved health outcomes through private sector participation
3. Dissect the multi-layered challenges and explore solutions and opportunities that will provide impetus to driving private sector participation in Africa's health industry

4. Network with government officials, investors, health development experts, health professionals, and organizations dedicated to improving health outcomes across Africa

## **PANEL DISCUSSION**

The vigor of the private health sector in Sub-Saharan Africa will rely on the commitment, creativity, and integrity of the people of Africa; as such, ABCHealth is hosting a panel session during the event and will feature subject-matter experts with global and regional insights, sharing same with the session's participants which will include senior government officials, global business leaders, health professionals and health entrepreneurs as well as investors and development institutions.

## **FORMAT**

The panel session will be an in-person event taking place at the Landmark Centre, Victoria Island, Lagos and will have an interactive feature allowing for online viewing and participation.

For further information, please contact the CEO of ABCHealth **Dr. Mories Atoki** via email [matoki@abchealth.com](mailto:matoki@abchealth.com) or on mobile +234 803 714 3251 or the Communications Lead of ABCHealth, Mr. Adekunle Dalton-Oke via email [adaltonoke@abchealth.com](mailto:adaltonoke@abchealth.com) or on mobile +234 802 478 2021.

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