Public Funding is Not Enough for Achieving SDG 3

- $371 Billion: Additional financing needed per year to transform health systems in low- and middle-income countries to achieve the SDG 3 targets by 2030
- 5M: Children die under five annually
- 97M: Premature deaths can be prevented by increasing investment
- 71%: Noncommunicable diseases (NCDs) kill 41 million people each year, equivalent to 71% of all deaths globally
- $500B: Economic loss in low- and middle-income countries if NCDs are not addressed

Private Investors are Deterred by High Perceived & Real Risk

- Low Return compared to high perceived and real risks
- Knowledge and capability gap in local markets
- Challenging investment climate

BLENDED FINANCE

strategic use of development finance and philanthropic funds to mobilize additional private investments towards social and economic impacts in developing countries

Blended Finance Instruments for Global Health Financing

FIRST-LOSS CAPITAL
- Equity: Catalytic fund provider takes the most junior equity position in the overall capital structure
- Debt: Catalytic fund provider takes the most junior debt position in a distribution waterfall

GUARANTEE
- Catalytic fund provider underwrites full or part of the risk to protect the private investors against financial and business risks.

TECHNICAL ASSISTANCE
- Non-financial assistance that includes equipment, infrastructure, training to healthworkers, etc. to close the knowledge gap and improve operational capacity for launching a new business in LMCs

ADVANCE MARKET COMMITMENT
- A legally-binding agreement for an amount of funds to subsidize the purchase, at a given price, of an as-yet unavailable medical product or vaccine against a specific disease

Case Study: Medical Credit Fund (MCF)
- Application: Creates leveraging effect by utilizing first-loss capital to mobilize greater debt financing in LMCs towards SDG3, thus multiplying the financing scale to benefit more people’s health

Case Study: Stretch Fund
- Application: Incentivize the investment in riskier and more innovative health projects, such as vaccine, artificial intelligence, digital health

Case Study: The Microfinance Initiative for Asia (MIFA) Debt Fund
- Application: Build capacity and enhance governance in a relatively short period, especially during epidemic and global pandemic

Case Study: SAVI/World Bank Pneumococcal Vaccines
- Application: Provide upfront financing in emerging and frontier markets to help countries access more affordable vaccines
Health Finance Institute & Blended Finance

The Health Finance Institute (HFI) is a non-profit organization creating blended finance partnerships to achieve global health and well-being (Social Development Goals 3).

HFI has a vision of shared prosperity - to eliminate suffering and increase human potential by tackling diseases with the largest burden worldwide. In optimizing the health, economic, and financial impacts in our partnerships, we ensure a win-win situation for all through the multiplication of health and wealth where we work.

HFI has the heart of a non-profit and the engine of an investment bank. We work with partners to connect capital to need for investments that reduce suffering, compress morbidity and create healthier societies - instilling human potential and prosperity where we work.

We have a proven track record of success in two countries, and we’re ready to scale up and expand to new countries with increased investment in our core.

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