

Health Finance & Investment Forum

Investing for a healthy future



Strathmore
UNIVERSITY
BUSINESS SCHOOL



NAIROBI
CITY COUNTY
— Lets Make Nairobi Work —



MEETING REPORT

EAST AFRICA EDITION – THOUGHT LEADER ROUNDTABLE

Nairobi, February 26th, 2025

ABOUT THE HFIF

The Health Finance and Investment Forum (HFIF) manifested itself based on the conviction that an increased collaboration between the finance and healthcare communities and creating public private dialogue are the most promising ways to empower the healthcare sector. By creating opportunities for interdisciplinary encounters and information exchange, the HFIF strives to offer a platform for win-win-scenarios that empower socially responsible finance and investment in the healthcare industry and interconnects different stakeholders from the healthcare and finance sectors guaranteeing collective actions and business opportunities. An integrated multi-stakeholder approach would advance the healthcare industry, empower self-sustainable finance, and enable economic growth and development.

Founded in 2011, the HFIF understands itself as a facilitator of that process. After the success of the MENA Edition in Egypt with a series of events that catalysed transformations of organizations and ecosystems, the HFIF launched a limited edition for Eastern Europe held in Croatia in a critical time of transition. Now, the HFIF powered by Health Governance International (HGI), aims to initiate the dialogue for the realization of business opportunities in another promising region: East Africa.



WHY THE HFIF

Health represents the real wealth of any society and is a definite measure for social and economic development. Increased appetite over recent years from the financial community to invest in the healthcare sector has become very apparent, however, there is still a massive lack of coordination and communication between both industries with a lack of mutual understanding of the needs, interests and resources of each party.

Increasing the **collaboration between the finance and healthcare communities** would unleash the potentials of the healthcare industry and thus contribute to overall economic growth and development. Advancing responsible investment in the healthcare industry is extremely beneficial in terms of **job creation, upgrading healthcare infrastructure, improving quality and access to health services, mobilizing foreign investments, attracting tourism, localizing industries, and growing small and medium enterprises.**

Moreover, there is an **international trend towards more constructive engagement of the private sector and increasing public private partnerships (PPPs) in healthcare.** The private sector is no longer seen as only profit generating but rather also as a partner for development and value creation. By convening private sector actors with public decision makers, common grounds could emerge on which innovative solutions for present problems can arise, fuelling economic growth and healthcare development.

HFIF EAST AFRICA EDITION

East Africa stands at a pivotal moment in its development trajectory. With its diverse economies, growing populations, and dynamic social landscapes, the region is emerging as a **promising hub for investment**, particularly in the healthcare sector. Over the past decade, **several East African nations have embarked on significant reforms to improve healthcare services**, focusing on increasing accessibility, enhancing quality, and fostering innovation. As the region continues to stabilize politically and economically, there is a **growing recognition of the potential for public-private collaboration** to drive sustainable growth. Such collaboration, coupled with shared value creation, is increasingly seen as a vital component in the quest to achieve universal health coverage and improve public health outcomes.

Standing as a regional economic powerhouse and a leading hub for innovation in Africa, **Kenya could play a critical role as a driver for advancing private investment and the growth of the private health sector** in the East Africa region. Hence, **Nairobi is considered as the optimal location for the launch of the East African Edition of the HFIF.** Nairobi hosts numerous multinational corporations, international organizations, and regional offices, making it a central meeting point for key stakeholders in the health and investment sectors. The city's well-developed infrastructure, connectivity and vibrant business environment make it a strategic choice for hosting a forum that aims to drive investment and collaboration across East Africa's healthcare sector and investment communities. Additionally, Kenya's progressive healthcare reforms provide a unique opportunity for sustainable growth.

HFIF THOUGHT LEADER ROUNDTABLE - NAIROBI

The HFIF Thought Leader Roundtable in Nairobi brought 30 key leaders and stakeholders together to exchange ideas, insights and inspirations to mobilise increased private capital investment.

The event was organized by Health Governance International in collaboration with Strathmore Business School, Nairobi City County Government and Kenya Health Federation.

The roundtable was designed in an open format, as the focus was fostering productive discussions between attendees and facilitating constructive dialogue among diverse stakeholders.

Participants agreed that Kenya has a great opportunity to attract private capital, and that increased private sector investment is crucial for the realisation of Universal Health Coverage.

The outcomes of the discussions could be clustered into six domains.

Bridging Fiscal Gaps: Increasing Flow of Private Capital

Multi-stakeholder Engagement and Inclusive Policies

Private Sector Investment in Technological Advancement

Medical Tourism as a Driver for Investment

De-risking Private Sector Investment into Health

Building Relationships and Nurturing Trust Amongst Stakeholders

Bridging Fiscal Gaps: Increasing Flow of Private Capital

All of the attendees agreed that **increased private sector investment into the healthcare sector in Kenya is crucial** to address key challenges and improve healthcare service provision and outcomes. While governments have historically increased spending on essential sectors like healthcare due to public demand, this funding has been traditionally sourced from taxes and/or borrowing. Currently, citizens oppose both of these options, leaving **a limited fiscal space for healthcare** with limitations to increase it. Inefficient use of available public resources exacerbates funding shortfalls. While funding deficits has been partly filled by external donors, this source is also decreasing quickly. Consequently, Kenya's changing healthcare system **necessitates building stronger partnerships with the private sector and mobilizing capital from private sources**. The private sector complements the public healthcare sector by filling the gaps left by inadequate funds.

Participants emphasized that the **private sector already exists and plays a major role in the provision of healthcare** in Kenya. It is essential to identify further opportunities for the private healthcare sector, such as leasing of public facilities, facility management, maintenance and biomedical engineering for diagnostic and therapeutic services, catering, security, and housekeeping.

"There should be no distinction between public and private patients – healthcare should be universal"

Multi-stakeholder Engagement and Inclusive Policies

In order to mobilise private sector investment in the healthcare industry in the region, **key stakeholders must be identified.** Participants recognised local and national governments as major stakeholders in private sector engagement in health. While attendees emphasised the necessity of bringing the highest level of elected government officials to the table for shared conversations, they also saw value in including the Council of Governors and county officials. Manufacturers, unions, universities and pharmaceutical suppliers and distributors were also highlighted as important stakeholders. Attendees saw an important role for the Kenyan Hospital Owners Association, Kenya Bank Association of Kenya and representation from the tech industry in public-private collaboration.



Private Sector Investment in Technological Advancement

Participants identified digital health, tele-health and artificial intelligence driven solutions as potential growth areas for the health sector in East Africa. The private sector can be engaged to spearhead technological innovation and advancement in healthcare. In Kenya, expansion is needed in medical technology as well as electronic payment systems. **Kenya is considered a digitally advanced country**, which can be used as a basis for further innovation. Utilisation of healthcare technology can lower costs. For example, telemedicine can be leveraged to lower provider and user costs, and artificial intelligence can play a role in optimising healthcare financing. Participants saw an opportunity for smaller pilot projects and digital startup initiatives to play a major role in the technological advancement.

Medical Tourism is a Driver for Investment

Attendees identified medical tourism as an area for growth, and saw potential for **Kenya to become a regional hub for medical travel**. Private healthcare facilities are in place to support medical tourism in Kenya, but the nation continues to lose patients to other healthcare destinations. Increasing private sector investment in healthcare would increase the level and quality of health services offered in Kenya retaining patients to receive treatment in Kenya and attracting foreign patients. There must be a coordinated effort and a clear strategy for medical tourism. Participants highlighted that co-ventures could be developed with the private sector to facilitate medical tourism in Kenya.

De-risking Private Sector Investment in Health

Private sector stakeholders may be dissuaded from investing in Kenya's healthcare sector due to real or perceived risks. **Participants highlighted that commercial banks would usually prioritise business sustainability, and would value capital preservation and profitability by applying standard financing principles.** There is a need for specialisation within banks to properly identify healthcare opportunities, develop reasonable risk assessments and design risk mitigation strategies in order to finance healthcare projects. Attendees pointed out that there is a focus in the international development space **on de-risking pre-investment healthcare projects to attract more investors.**

Stakeholders in the healthcare sector can take action to lower the risks of healthcare investment and encourage capital investment into Kenya's healthcare sector. Making information available, supporting healthcare organizations to be more bankable and encouraging mergers between small entities are some of the ideas that were discussed to lower the risk.

Governments can also play a role by forming partnerships with investors, eliminating waste which adds costs, and reviewing regulatory barriers to investment and other factors that erode trust. When collaborating with the government, it is crucial to build a case for policy makers and politicians to see the value in reducing the tax burden on service providers, therefore reducing costs for consumers and enhancing returns for sources of private capital.

Private investments could be encouraged by establishing a public-private partnerships framework which secures revenue streams and developing strategy papers on how to assess good investments and mitigate the risks of investing in the health sector. Stakeholders can work with bankers to create new capital funding models. Additionally, **private sector and governments should build a business case for expanded private sector investments that feature measurable quality outcomes.**

Building Relationships and Nurturing Trust

To galvanise private investment into Kenya's health sector, **it is crucial to build, earn and nurture trust.** Events and capacity building activities must be organized with a mix of industry actors from the public and private sectors in areas such as insurance, manufacturing, service provision and finance. Participants also stressed that shared data, resources and information will build trust between stakeholders and build investor confidence.

Finally, to effectively foster relationships, a memorandum of collaboration should be produced to build shared understanding and new vehicles for capital flows in the sector. All parties must openly share their interests and concerns in an open way.



Availability of Reliable Information

A trusted and transparent database must be invested in and developed to be available to public and private sector actors. This database should explain the scope and nature of Kenya's healthcare landscape, including service utilisation, quality of care and outcomes, costs of all major inputs and commodities for health services, insurance and health status improvement.

Additionally, participants suggested the development of a series of resources which will demystify investment into the healthcare sector and guide public-private collaboration. A strategic framework should be assembled which explains the need and rationale for private sector engagement in Kenya's healthcare sector and describes the nature of private sector engagements that have been made in private sector initiatives over the past decade. Easily digestible case studies on how other countries and industries address new capital flows should be prepared, as well as a map of the landscape of Kenya's key stakeholders and opportunities for partnering for innovation. These case studies should include infographics of the capital flows and returns from the complex health industry.



THE WAY FORWARD

The launch of the East Africa Edition of the HFIF in Nairobi was a resounding success. The event convened key leaders and stakeholders from across Kenya's healthcare sector at a very senior level. Participants actively engaged in valuable discussions and expressed a desire for further activities to foster collaboration. The event highlighted that the concept of the HFIF fills a gap in the dialogue around private investment into healthcare. Based on the feedback from participants, the strategic partners agreed to move forward with advancing the HFIF through forming technical working groups structured around key thematic areas critical to enabling private capital flows into Kenya's healthcare sector.

Technical Working Groups

Capital for Growth

Addresses access to and flow of capital, and different forms of debt and equity

Information for Effective Decision-Making

Explores how data can be captured and synthesised to inform decisions

Synergetic Collaboration Models

Focuses on effective Public private collaboration and different forms of strategic partnerships

Leveraging Modern Digital Technology

Probes how to leverage digital technologies and AI to improve health outcomes and health businesses and investments in them

OUTLOOK

HFIF intends to plan and host an industry wide forum in late 2025 or early 2026. This forum is envisioned as a major national and regional conference of diverse stakeholders in a hybrid model that favours in person engagement. Beyond these events, HFIF intends to work with strategic partners to design frequent follow-up meetings and idea exchanges to share wisdom and build trust between stakeholders. HFIF will explore research collaboration and orientation and educational programs on languages, skills and methods needed for private sector investment and capital opportunities. HFIF will continue to foster a dialogue by circulating a discussion briefs on investments in healthcare. Finally, HFIF intends to continue to gather insights from stakeholders which will help tailor future events and discussions.



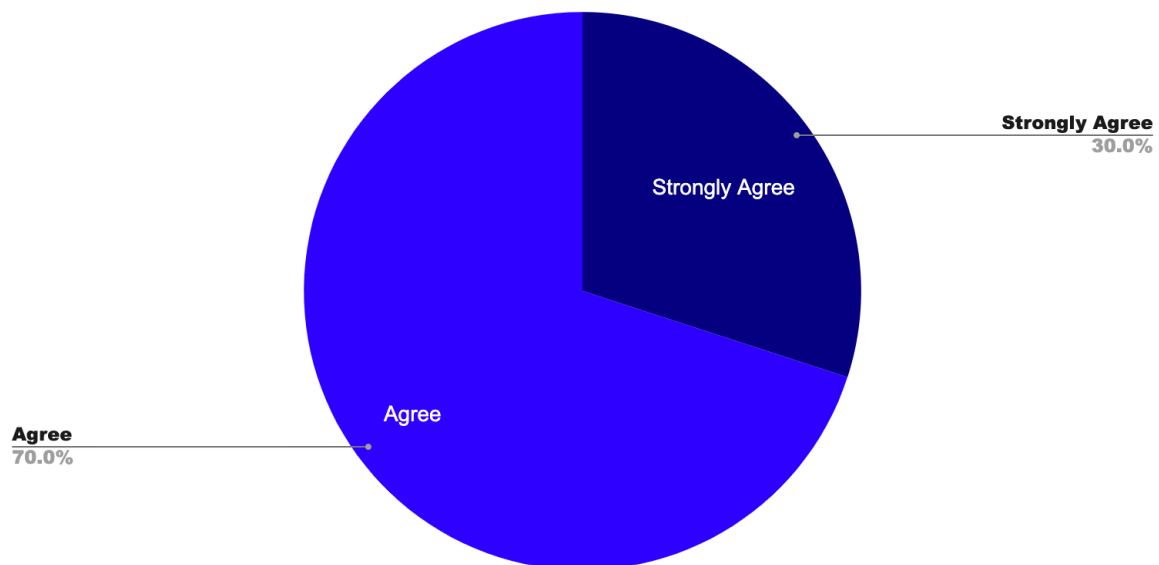
STRATEGIC PARTNERS

Health Governance International would like to thank Strathmore Business School, Nairobi City County Government, and the Kenya Healthcare Federation for their outstanding support to the HFIF East Africa Thought Leader Roundtable. Without their assistance and contributions, the event would not have been possible.

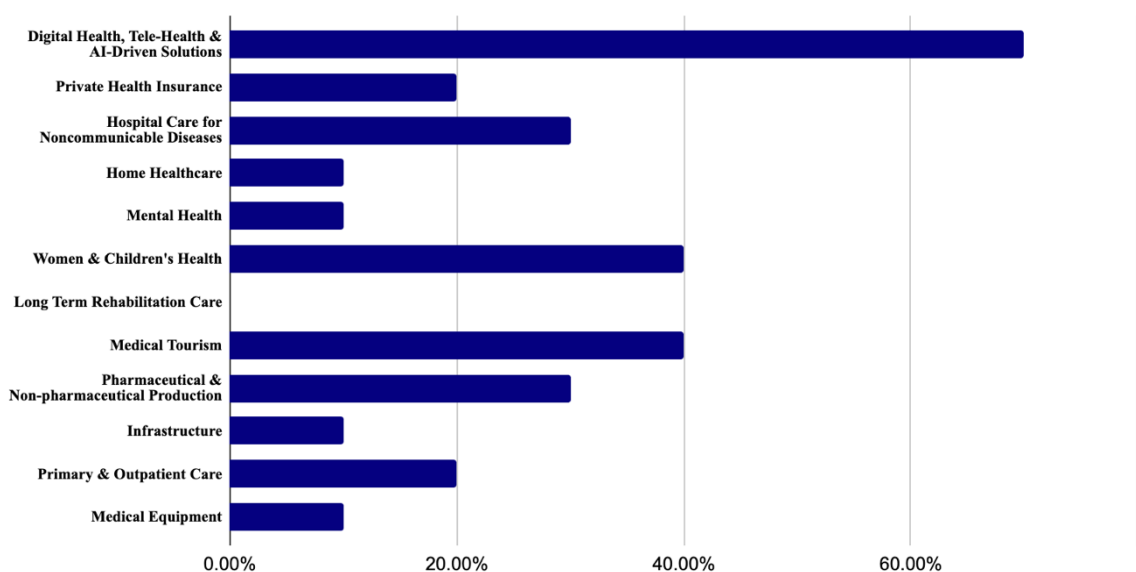


PRE-EVENT SURVEY

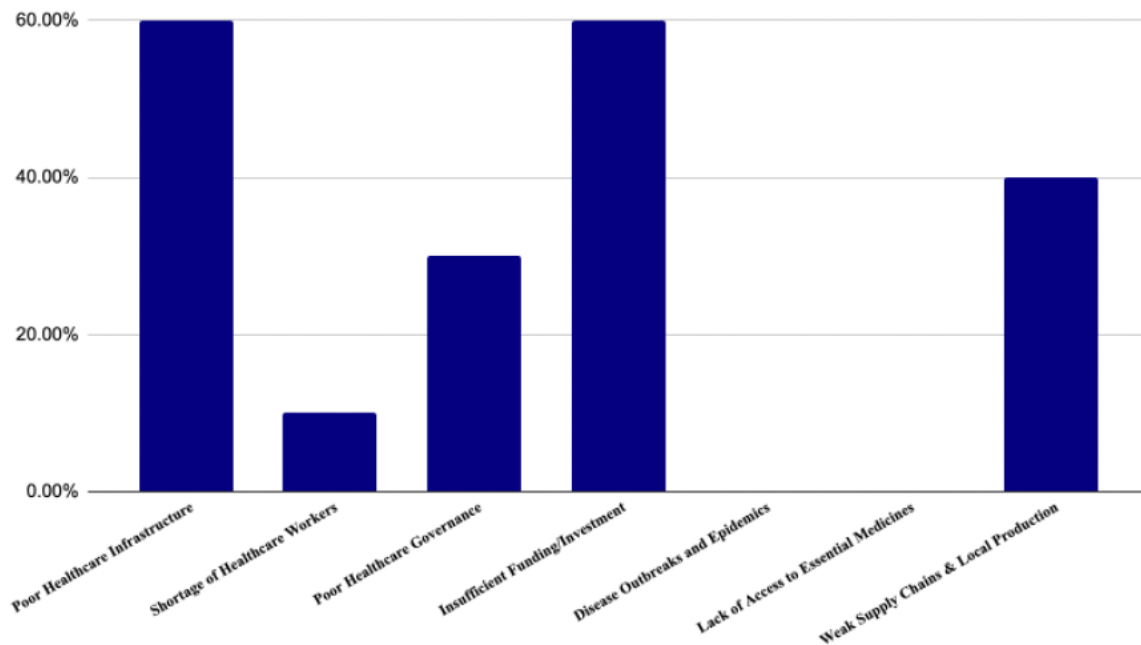
“The Time is Now to Tap into Investment Opportunities in East Africa”



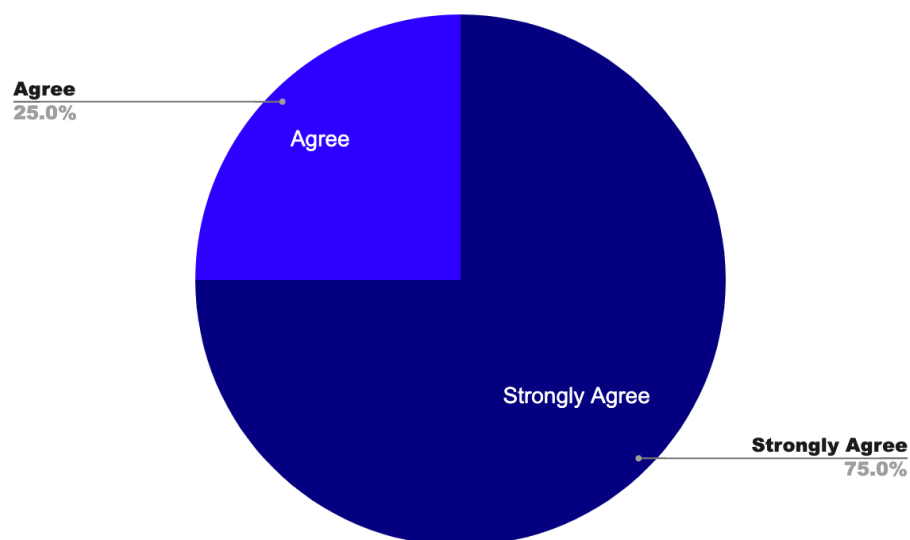
“Where do You See Potential for Growth in the Health Sector in East Africa?”



“What Are the Biggest Challenges Facing the Health Sector in East Africa?”



“Increased Public Private Collaboration Will Drive Sustainable Growth in Healthcare”



PARTICIPANTS

The following participants took part in this event. Their contributions were critical and enriched the content of this report. Inputs were given in their personal capacity (alphabetical order)

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