

Public Information Summary
Transform Health Fund

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| Host Country(ies) | Pan-African, with primary focus on Cote d’Ivoire, Ghana, Kenya, Nigeria, Rwanda, Senegal, South Africa, and Uganda |
| Name(s) of Fund | Transform Health Fund |
| Name of Fund Manager | AfricInvest Global Manco |
| Project Description | A high-impact blended capital fund focused on providing debt and mezzanine capital to scale proven healthcare innovations across Africa. |
| Proposed DFC Equity Investment | \$10 million |
| Target Fund Size | \$100 million |
| Policy Review | |
| Developmental Objectives | This Fund is anticipated to have highly developmental impact in Sub-Saharan Africa through investments into the healthcare sector. Sub-Saharan Africa lags most of the rest of the world in healthcare outcomes and only 50% of Africans have access to modern health care facilities. The Covid-19 pandemic further exposed Africa’s healthcare needs, especially weaknesses in supply chain linkages, and lack of adequate healthcare delivery. The Fund will help address these challenges by investing in companies focused on supply chain transformation and innovative healthcare delivery in sub-Saharan Africa. |
| Environment and Social Assessment | <p>Equity investments in a fund are screened as a Category D activity for the purposes of environmental and social assessment. Based on DFC’s due diligence, the Fund’s downstream investments are anticipated to pose medium or limited environmental and social risks that are site specific and that can be readily mitigated through the application of sound environmental and social management practices. Consistent with DFC’s policy on assessment of financial intermediary transactions (dated April 2020) the Fund is eligible for delegated responsibility for the application of DFC’s policies related to environmental and social impact assessment, risk management and monitoring. In order to ensure that the Fund’s investments are consistent with DFC’s statutory and policy requirements, the Project will be subject to conditions regarding the use of the DFC proceeds.</p> <p>The primary environmental and social issue associated with the Project is the need for a strong Environmental and Social Management System to ensure that downstream investments are developed in accordance with DFCs Environmental and Social Policies and Procedures (ESPP)</p> |

(2020), in particular those provisions relating to projects involving healthcare. DFC will monitor the effectiveness of the Fund’s application of DFC policies throughout the Project’s life cycle.

Climate change resilience assessments for Category D projects are not required under DFC’s policies.

APPLICABLE STANDARDS: Under DFC’s ESPP, the Fund is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation Performance Standard (“PS”) 1 and 2. DFC’s ESPP requires fund managers to maintain an ESMS that appropriately identifies, assesses, manages, and monitors risks with respect to the IFC Performance Standards the General and Sector-specific EHS Guidelines. A virtual due diligence assessment indicates that because the Project involves an investment in a financial intermediary that will focus on healthcare-focused projects across Africa, significant adverse impacts with respect to community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples and cultural heritage are not anticipated. Therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.

Because the Fund may be making investments in healthcare, the Fund’s downstream investments will be subject to DFC’s Policy on Health Care Projects and Medical Devices as outlined in DFC’s 2020 ESPP, which include the requirements to:

- Obtain satisfactory accreditation based on a quality evaluation of the technical competence of the institution’s resources and organization by an internationally recognized accreditation organization. All Projects must maintain this accreditation throughout the term of DFC support.
- Restrict drug purchasing to pharmaceuticals registered for use in the host country and to drug suppliers that comply with the World Health Organization’s Good Manufacturing Practices for both imported and locally produced goods.
- Provide DFC evidence that the safety and effectiveness of pharmaceuticals and medical equipment are certified by the US Food and Drug Administration or equivalent foreign public health authority. DFC also requires evidence that the products have not been withdrawn from the US market for reasons of safety or lack of effectiveness.

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| | <p>Consistent with DFC’s policy on policy assessment of financial intermediary transactions (dated April 2020) the Fund is not eligible to make investments in Category A projects.</p> <p>Environmental and Social Risks and Mitigation: The Fund will be guided by the Fund Manager’s ESMS which has been reviewed by DFC and determined to be commensurate to the risks and nature of the Fund. The Fund will be required to incorporate DFC’s categorical prohibitions and Category A list as part of their environmental and social screening procedures as well as enhance environmental and social assessment and monitoring procedures on key areas of specific sensitivities related to healthcare projects such as quality of care and life and fire safety. The Fund’s HR management is governed by the Fund Manager’s HR Manual which comprised of the requisite HR policies and procedures. However, to further strengthen its workforce management, the Fund will be required to update its HR Manual to include considerations for worker safety and security while on travel.</p> |
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