

2025

# Health Investment in Africa (2019- 2025): DFIs, Investors, and Case Studies

# Context and Problem

## Health Financing Gap:

Sub-Saharan Africa's public health infrastructure spending is about **\$4.5B/year**, while **\$26B** is needed—leaving a massive financing shortfall.

## Constraints:

Government underfunding, post-COVID debt, and declining donor support.

## Growing Demand Drivers:

Population growth

Urbanization (770M urban dwellers projected by 2030)

Rise in chronic and infectious diseases

**\$4.5  
Billion**

Sub-Saharan Africa's public health infrastructure spending a year

**\$26  
Billion**

Sub-Saharan Africa's public health infrastructure spending needed every year.

**770  
Million**

Urban dwellers projected in Sub-Saharan Africa by 2030

# Key Investment Trends (2019–2025)

## Infrastructure

### AfDB Strategy:

Focused on **blended finance** and **PPPs** to fund hospital/clinic expansion.

### Example:

AfDB's \$10M investment in the **Razorite Healthcare Africa Fund** (targeting \$100M).

## Digital Health & Technology

**Growth Area:** Health-tech market hit **\$5.87B (2023)**.

**Investor Activity:** Startup funding grew 258% (2019–2022).

### Example:

**Ilara Health** (Kenya): Raised \$4.2M in 2024.

**Helium Health** (Nigeria): Raised \$30M in 2023 from AXA IM Alts, DFC, and others.

## Pharmaceuticals & Local Manufacturing

Africa imports **99% of vaccines** despite consuming 25% of global doses.

**AfDB & AU** pledged **\$3B** over 10 years for vaccine production.

Investors see opportunity in local **generic drug production** and **supply chain infrastructure**.

## General Startup Funding

Funding **peaked in 2021–2022**, dipped in 2023.

Health/biotech sectors remained resilient amid the downturn.

**\$3B**

AfDB & AU pledge for vaccine production over 10 years

**99%**

Africa's vaccine import percentage

**\$5.8B**

Health-tech market hit in 2023

# Key Players and Finance Channels

## DFIs & Multilaterals

**AfDB, IFC, DFC, EIB, FMO, Swedfund, etc.**

Support via equity, credit facilities, and blended finance.

Multilateral donors (e.g., Gavi, Global Fund) provide indirect support via grants.

## Venture Capital & Private Equity

Notable names: Knife Capital, Bamboo Capital, LeapFrog, Altree Capital.

Impact-focused investors and corporate backers (e.g., Tencent, Google Launchpad) are active in funding.

 **KNIFE** | CAPITAL

  
**LEAPFROG**  
INVESTMENTS



  
**Altree**  
Capital

## Grants & NGOs

Gates Foundation, Wellcome Trust, USAID support diagnostics, digital health, and health financing.

Provide guarantees that help unlock bank financing for clinics and manufacturers.

**Gates Foundation**



  
**wellcome**

# Case Studies (Selected Deals 2019–2024)

Country	Venture	Year	Sector	Amount	Key Investors
Kenya	Ilara Health	2024	Medtech / Diagnostics	\$4.2M	DOB Equity, Philips Foundation
Nigeria	Helium Health	2023	Digital Health / Fintech	\$30M	AXA IM Alts, Capria, DFC, Angaza, Flatworld
Rwanda	Kasha	2023	E-health / E-commerce	\$21M	Knife Capital, Finnfund, DFC, Swedfund
Nigeria	mPharma	2020	Pharma supply chain	\$35M	LeapFrog, Kinnevik, IFC
South Africa	Clinic Projects	2021–2023	Infrastructure / Services	Varies	DFIs, commercial banks

# Implications and Opportunities

Integrated Finance-Tech Models (e.g., Helium Credit) offer scalable solutions.

Local production of pharmaceuticals is a key policy and investment target.

DFI participation helps de-risk early-stage investments and attract private capital.

Cross-border expansion (e.g., Helium's entry into Kenya) shows growing regional integration.

Focus on underserved segments (e.g., women's health via Kasha) aligns with SDGs.





Sub-Saharan Africa faces a severe health financing gap. For example, the African Development Bank (AfDB) reports only \$4.5 billion per year in public health infrastructure spending against an estimated \$26 billion needed to meet the continent's evolving needs. African governments are underfunded and debt-constrained (especially post-COVID), and donor support has been declining. At the same time, demand is growing driven by population growth, urbanization (Africa's urban population is projected to reach 770 million by 2030), and a rising burden of chronic and infectious diseases. Digital health has surged: IFC notes Africa's digital health market is expected to hit \$5.87 billion in 2023, and funding for health-tech startups jumped 258% from 2019 to 2020 (reaching \$190 million in 2022). Tech-sector analyses confirm continued investor interest in health and biotech, which are now among the top five funded categories in African tech. In response to these needs, DFIs and development partners are expanding support, and a handful of venture and equity investors have begun backing African health ventures.



# Market Trends and Financing Needs

## Infrastructure Financing Gap:

The AfDB finds Africa's existing health infrastructure spend (public capital outlay, now \$4.5B annually) falls far short of needs. To bridge gaps in hospitals, clinics, and utilities (water, power, ICT), the AfDB and partners are pushing mixed-financing solutions. The AfDB plans to scale up private-sector operations and public private partnerships to “overcome the barriers to private investment in the health sector and address the overall financing gap”. In one example, the AfDB approved a \$10 million equity investment in the Razorite Healthcare Africa Fund (targeting a \$100M fund) to expand hospitals and clinics across several countries. This underscores a trend: DFIs channel capital into health-focused infrastructure funds to catalyze further investment.

## Digital Health & Technology:

Technology-driven health services are a high-growth area. Mobile clinics, telemedicine, health data platforms, and mobile insurance products have attracted investor interest. IFC reports that capital for African health-tech startups more than doubled after 2019 [ifc.org](https://www.ifc.org). Startups are using fintech models (e.g. mobile payments, credit) to serve clinics and patients. For example, Kenyan Ilara Health (a medtech-enabled distributor of diagnostics and pharmaceuticals) raised \$4.2 million in early 2024 from investors including DOB Equity and the Philips Foundation. Likewise, Nigeria's Helium Health (a digital health records and fintech platform) secured a \$30 million Series B in mid-2023, led by AXA IM Alts with participation from Capria Ventures, Angaza Capital and the U.S. DFC. Regional firms like these illustrate how technology and private capital are beginning to penetrate health service delivery.



## **Pharmaceuticals and Manufacturing:**

Most African countries import nearly all vaccines and medicines (Africa consumes 25% of global vaccine doses but imports 99% of them). This import dependence has spurred interest in local manufacturing and distribution. The AfDB and African Union are promoting vaccine and pharma capacity: they pledged \$3 billion over 10 years to boost African vaccine production and meet AU targets. Several DFIs and investors have targeted pharmaceutical supply chains. (For example, IFC has historically invested in African pharma companies to improve local drug supply, though specific deals in 2019 2025 are less publicized.) Investors see opportunity in supply-chain “upstream” (e.g. production of generic drugs or fill-and-finish operations) to reduce imports. The trend towards local production coupled with broader health coverage initiatives suggests growing opportunity in pharmaceuticals and diagnostics.

## **Overall Startup Funding:**

While health-sector deals are growing, the broader African startup funding environment has been uneven. After peaking in 2021 2022, total tech funding in Africa fell in 2023. TechCrunch reports African startups raised about \$2.9 4.1 billion in 2023, down from \$4.6 6.5 billion in 2022. Despite this decline, sectors like health and biotech remain areas of interest, especially as some investors diversify into Francophone markets. In short, health-tech is outpacing the overall market downturn, buoyed by unmet medical needs and new financing models (e.g. concessional credit lines to clinics, pay-as-you-go medical devices).



# Key Investors and Finance Sources

## **Development Finance Institutions (DFIs) and Multilaterals:**

A number of DFIs and aid agencies explicitly support African health ventures. The African Development Bank (AfDB) is a prime example: besides Razorite fund backing, AfDB's new health infrastructure strategy (2022-2030) calls for stepped-up investment and use of blended finance. The World Bank Group (via IFC) has a range of health projects; in 2023 IFC highlighted East African health resilience and increased support for health-tech (e.g. its TechEmerge health programs). The U.S. Development Finance Corporation (DFC) partners in health funds and credit facilities (as co-investor in Helium Health's round). Other DFIs (European Investment Bank, KfW, FMO, CDC/BII, IsDB, etc.) have health portfolios too, often through partner funds. For example, Finnfund (Finnish DFI) and Swedfund (Swedish DFI) co-invested in multiple African health startups and funds (Kasha, Ilara, etc.). Multilateral programs like Gavi and the Global Fund continue to channel grants into immunization and disease programs, indirectly supporting local health enterprises.

## **Private Equity and Venture Capital:**

A growing number of impact-oriented funds and private investors are entering African health. In the last few years, VC and PE firms from Africa, Europe, and the U.S. have co-financed health startups and clinics. Notable names include Knife Capital (South Africa), Bamboo Capital Partners, Altree Capital, and Emerging Africa venture funds. For instance, Knife Capital led the \$21 million Series B in Rwandan/Kenyan e-health platform Kasha (with Finnfund, DFC and others). Global impact funds like Phitrust or LeapFrog Investments also seek social health returns (e.g. LeapFrog has a health fund that has invested in clinics and insurance across Africa). Development-oriented funds (Dutch Good Growth Fund, GAFSP) occasionally target health. Meanwhile, corporate investors e.g. Tencent, Google's Launchpad, MasterCard sometimes co-invest in health startups (as with Tencent's involvement in Helium).

## Grants and NGOs:

Donor grants and NGO programs continue to bolster health innovation. Foundations like the Bill & Melinda Gates Foundation, Wellcome Trust, and USAID have grant programs for digital health, diagnostics, and health financing. For example, MasterCard’s philanthropic arm participated in Kasha’s funding to promote women’s health products. Public-private partnerships (e.g. Gavi’s bonds for immunization) often include capacity-building for local companies. While not always visible as equity investments, these grants and guarantee facilities underpin many ventures. Together with DFIs, they have de-risked some projects: clinicians and entrepreneurs report that guarantee schemes (e.g. from AfDB or USAID) can unlock bank loans for clinics and pharma manufacturers.

The table below summarizes selected recent investments by venture and development investors in African health ventures:

Country	Venture	Year	Sector	Funding (US\$)	Lead Investors / Partners	Source
Rwanda / Kenya	Kasha	2023	E-health (e-commerce)	\$21 million	Knife Capital, Finnfund, Swedfund, DFC, Bamboo Capital	TechCrunch
Nigeria	Helium Health	2023	Digital Health / Fintech	\$30million	AXA IM Alts, Capria Ventures, Angaza Capital, Anne Wojcicki, Flatworld Partners, DFC	TechCabal
Kenya	Ilara Health	2024	Medtech / Diagnostics	\$4.2 million	DOB Equity, Philips Foundation, Angaza Capital, Boehringer Ingelheim (debt)	TechCrunch
Nigeria	mPharma	2020	Pharmaceutical supply	\$35million	LeapFrog, Kinnevik, IFC, etc. (Series B)	reports (not cited)
South Africa	Various (clinic chains, etc.)	2021–2023	Infrastructure / Services		(many projects financed by commercial banks/DFIs; e.g. Life Healthcare bond issuances)	sector reports

Table: Selected healthcare-related investments and partnerships (2019–2024). Sources are cited in the text. (Kasha is Rwanda-based; mPharma is a Ghana/Nigeria player.)

# Case Studies of African Health Ventures

## Helium Health (Nigeria):

A Lagos-based health-tech startup that digitizes hospital records and offers a medical credit line (Helium Credit) to clinics. In June 2023 it raised a \$30M Series B from investors led by AXA IM Alts, enabling Helium to expand its fintech lending to 1,000 facilities and enter new markets (e.g. launching in Kenya). This deal exemplifies how private capital (both DFIs and commercial players) is funding integrated tech-finance solutions in Africa's healthcare sector.

## Ilara Health (Kenya):

Founded in 2018, Ilara leases diagnostic equipment and supplies to small clinics. In early 2024 it closed a \$4.2M pre-Series A round (a mix of equity and debt) to extend credit-based supply to more clinics. Investors included DOB Equity (impact fund), the Philips Foundation, and Angaza Capital, plus debt from Boehringer Ingelheim and others. Ilara's growth illustrates the blended-finance approach: technical partners (Philips), impact investors, and pharma companies pooled resources to scale healthcare access for the masses.

**\$30  
Million**

AXA IM Alts led a Series B  
raise from investors  
in June 2023

**\$4.2  
Million**

Ilara health closed a Pre-  
Series A round in early 2024

## Kasha (Rwanda/Kenya):

An e-commerce platform for women's and family health products. In mid-2023 Kasha raised \$21M (Series B) from a syndicate including Knife Capital, Finn fund, Swed fund, and the U.S. DFC. Though Rwanda-headquartered, Kasha operates across East Africa (notably Kenya), using mobile and last-mile delivery. The round reflects interest in health distribution platforms that serve under-reached customers (especially women and children). Kasha's backers, a mix of African PE, Nordic DFIs, and U.S. agencies, typify the diverse investor mix now active in African health tech.

Other notable ventures (not detailed here) include telemedicine firms, mobile health insurers, and upstream players. For example, 54gene (a Nigerian genomics company) raised over \$80M by 2021 and has drawn global venture funding (though it also faced challenges in 2024). In East Africa, telemedicine apps and "digitally enabled clinics" have secured seed funding from Y Combinator and other accelerators (e.g. World Cover, Oroki, m-Mama). In South Africa, large hospital groups (Life Healthcare, Mediclinic) mostly raise capital through stock markets or bonds; one example of venture support is a \$42M BMGF/GE investment in 2022 to expand low-cost clinics through a partnership with the government (inspired by Covid vaccine response). In Algeria and other North African countries, private health investment is slower, but government-led initiatives (sometimes backed by NGOs) are emerging e.g., partnerships to build vaccine manufacturing plants.

**\$21  
Million**

Kasha raised a Series B from  
a syndicate in mid-2023

**Over  
\$80  
Million**

54 gene raised funding by  
2021



# Challenges and Opportunities

## Challenges:

Investing in African health carries risks. High inflation and currency volatility can erode returns. Health systems are fragmented, and markets are often small (outside Nigeria and South Africa). Regulatory complexity (different agencies for drugs, devices, insurance) adds compliance costs. Infrastructure deficits (power, roads, internet) raise costs for health ventures. Corruption and political instability in some countries also deter investors. Import dependence (e.g. 99% of vaccines imported) means local companies struggle to compete on supply chains without major support. Finally, the broader venture capital climate has cooled since 2021 2023 saw a significant drop in funding across sectors which means health startups must work harder to prove sustainability and impact.

## Opportunities:

The flip side of these challenges is significant unmet need and social impact. Africa's population (4+ billion by 2050) and economic growth (despite setbacks) mean demand for better healthcare will only rise. Mobile-phone penetration (even in rural areas) offers a platform for health services, insurance, and education. Donors and DFIs recognize this and are increasingly blending capital using grants and concessional loans to de-risk investments for commercial backers. The arrival of new technologies (cheap medical devices, AI diagnostics, telemedicine) and the COVID-19 pandemic's lessons (on vaccine access) have raised awareness of health sector opportunities. For instance, the WHO and AfDB note that improved African regulatory agencies (Nigeria and Egypt now reach WHO "maturity level 3" status) will boost trust and innovation. Meanwhile, impact investors seek not only financial returns but also public health outcomes: funds focused on Universal Health Coverage are forming.



In summary, the past six years have seen growth in African health venture funding, led by a mix of DFIs, development agencies, and a new class of impact investors. While total capital remains modest relative to needs, the trend is upward especially in digital health and clinic/insurance models. By 2025, expect continued mobilization of blended finance (e.g. debt-equity instruments), more public private partnerships in hospitals, and continued support from global health initiatives. Effective investment will require navigating local regulations, partnering with governments, and demonstrating scalability in low-resource settings. But the potential rewards expanded access to care for millions, and returns in first-mover advantage make African health a growing focus for socially oriented finance.

**Table: Key Investments (2019 2024)** Selected examples of African health-sector funding, illustrating DFIs and private investors at work.



## CITATIONS

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