



Human Development Accelerator (HDX)



Funded by
the European Union

Implemented by



Gates Foundation

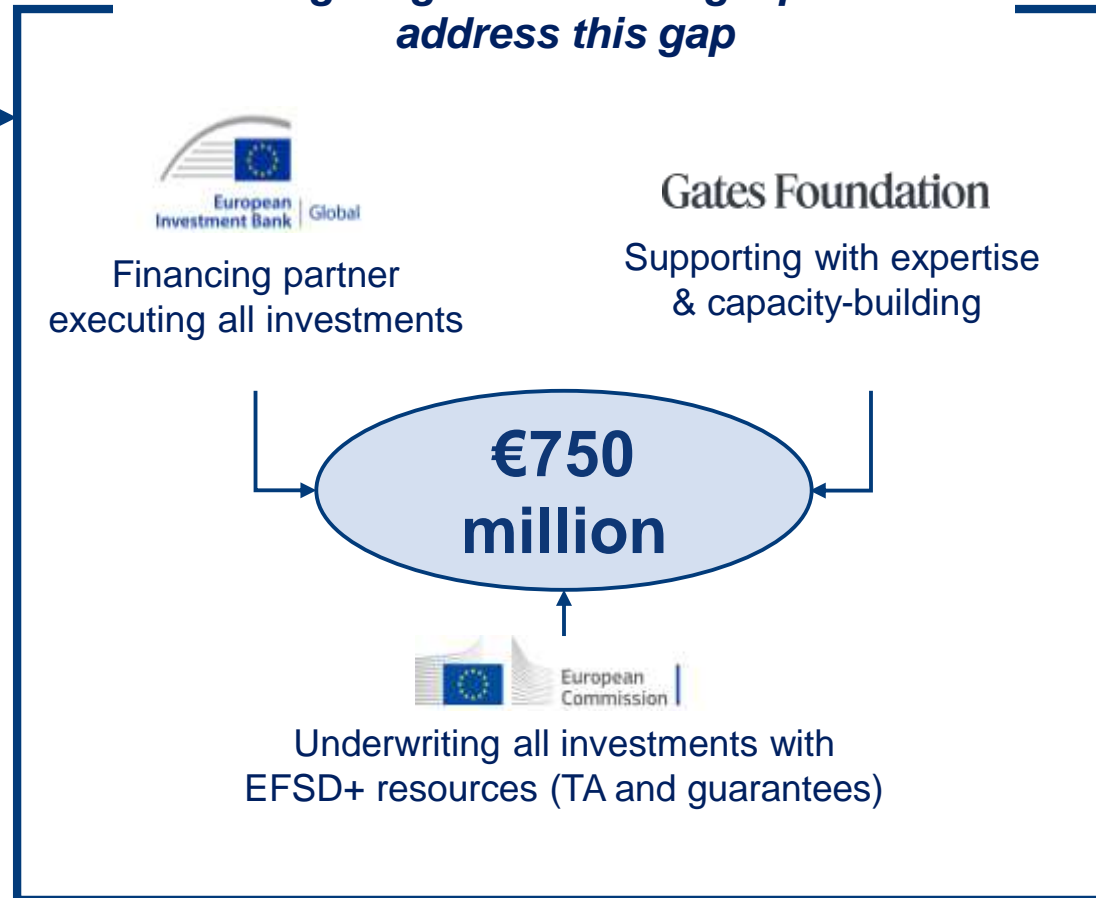
Human Development Accelerator (HDX) guarantee

EC, EIB and Gates Foundation partnering to address critical global health challenges

Need for investment in LMICs healthcare capacity

Limited investment into healthcare projects due to a mismatch between investor risk appetites and the risk profiles of healthcare projects in LMICs

HDX brings together 3 strategic partners to address this gap



Large-scale High-risk financing

Enables development and scale up of high risk & impact **products and services**

Addresses market failures for key products and services

Increases the **affordability and availability** of quality medical and nutritional products

HDX is investing across the healthcare value chain



R&D

R&D activities / late-stage development for key health products

Financing clinical trials for products addressing diseases endemic in Sub-Saharan Africa



Manufacturing

Construction / expansion of manufacturing facilities for medicinal products and devices

Financing the development / expansion of local manufacturing capacity in Sub-Saharan Africa



Purchase & supply

Incentivizing **provision and distribution** of vaccines and supplements for human nutrition

De-risking manufacturers by guaranteeing sales volume for critical products produced / sold in Sub-Saharan Africa

HDX Financing Instruments



Corporate loans

Long term financing for corporate activities or initiatives

Key consideration: Co-financing required



Venture debt

Flexible loans with repayments linked to achievement of milestones / outcomes

Key consideration: Company viability



Volume guarantees

Guarantee for a **minimum quantity with a ceiling price** to incentivise expansion in production and reduce costs for manufacturers

Key consideration: Provision through intermediaries only

HDX provides loans that are flexible & tailored to each project



Venture Debt

A loan provided to higher risk / earlier stage projects with terms that are more flexible and tailored than a traditional loan

Key Features

- 1 Flexible drawdowns**
Funding provided based on milestones rather than a fixed schedule to ensure alignment with project cashflows
 - 2 Patient capital**
Equity-like capital that is more flexible and with longer repayment periods linked to project milestones / outcomes
 - 3 Tailored terms**
Pricing and terms tailored to each project to ensure sustainability and appropriate risk / return
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HDX is seeking to create additionality and drive value across the ecosystem



Addressing a financing gap

Providing flexible & patient capital that is otherwise not available in the market and enabling projects to progress



De-risking & mobilizing investments

De-risking investments through subordinated or guarantee structures that enable other investors to participate



Creating network effects

Driving greater coordination between partners & clients to create synergies & efficiencies that benefit the whole ecosystem

To be eligible for HDX, investments need to fulfil the following criteria



Target opportunities

Market potential

Addressing an unmet medical need and supporting:

- Manufacturing or R&D of healthcare / nutritional products and devices
- Purchase / supply of vaccines & nutritional supplements
- *Primary healthcare services / delivery excluded*

Geographic focus

- Creating a benefit for Sub-Saharan Africa
- *North Africa excluded*

Financial needs

- Clear financing need with capacity to repay (debt not equity / grants)
- Investment needs greater than €10 million

Partners

- Co-financing already secured / identified
- Private sector company

Timeline

- Investment term < 12 years

Contact us for
more
information!

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