

AVPA MENTAL HEALTH FUND

Catalytic Pooled Fund for Mental Health Investment

A Curated Communications Brief, FAQs, and Social Media Campaign Strategy

SECTION 1: FAQs

Question 1: What challenge does the AVPA Mental Health Fund address in Africa? How does it affect health equity?

Africa faces one of the most acute yet profoundly underfunded mental health crises in the world. Approximately 150 million Africans live with mental health conditions — yet more than 85% receive no care whatsoever. The structural barriers are severe: Africa has only 1.4 mental health workers per 100,000 people, compared to the WHO-recommended 9 per 100,000. Governments allocate less than 1% of health budgets to mental health, with per capita spending as low as \$0.10–\$0.50 per year — among the lowest globally.

The human and economic costs are staggering. Untreated mental illness costs Africa an estimated \$9 billion annually in lost productivity (World Bank, 2024). Depression and anxiety alone cost the global economy \$1 trillion each year. The 90%+ treatment gap risks long-term development stagnation — particularly alarming given that Africa will supply 1 in 4 global workers by 2040, and 1 in 2 by 2100.

Health equity is deeply at stake. Mental health remains stigmatised, chronically underfunded, and largely absent from national health agendas. Women, youth, and rural communities bear disproportionate burdens — with the crisis compounded by poverty, high disease burden, climate-related health impacts, and fragile infrastructure. The \$200 billion global annual mental health financing gap (MHI, 2025) is not just a health statistic — it is a development emergency that undermines Africa's human capital, economic productivity, and global competitiveness. The AVPA Mental Health Fund directly confronts this emergency by mobilising the transformative capital needed to bridge the gap, de-risk investment, and embed mental health firmly within Africa's health equity and development agenda.

Question 2: Can you tell us a bit more about the AVPA Mental Health Fund itself? How does it address mental health challenges in Africa?

The AVPA Mental Health Fund is Africa's first dedicated blended-finance fund for mental health investment. Officially launched in November 2025 at AVPA's Annual Conference in Nairobi, and embedded within the global Coalition for Mental Health Investment (CMHI), the Fund is designed to accomplish what traditional aid and grants cannot: unlock private capital at scale, sustainably, for Africa's most neglected mental health sector.

The Fund's core architecture: US\$20 million in catalytic (philanthropic/concessional) capital is deployed to unlock up to US\$80 million in private investment — creating a US\$100 million mental health portfolio over 10 years, at a 1:4 leverage ratio.

The capital structure is layered by design: the catalytic layer (10–20% of total) absorbs first-loss risk; the concessional layer (20–30%) bridges impact ambition with commercial viability; and the private capital layer (50–70%) seeks market returns in a de-risked

environment. This blended finance architecture fundamentally changes the risk profile for commercial investors, making mental health an investable asset class in Africa.

A key differentiator is the CPF's evergreen structure. Unlike traditional grants — where \$50M is deployed, \$50M is spent, and nothing is returned — the CPF preserves the original philanthropic investment and deploys only the income yield into programs. At program end, the full principal is returned. The result: \$125M in social impact vs. \$50M from a traditional grant, with capital available for perpetual reinvestment.

Impact targets over 10 years:

- 200,000+ individuals reached with mental health services
- 20+ mental health programs funded and operational
- 5+ countries adopting innovative mental health financing policies
- US\$100M+ deployed through innovative finance instruments

Question 3: How is AVPA partnering on this Fund with other partners? Why is AVPA a partner of choice?

The AVPA Mental Health Fund is embedded within the Coalition for Mental Health Investment (CMHI) — a high-profile global coalition co-founded by AVPA alongside the Clinton Global Initiative (CGI), the Wellcome Trust, Kokoro, and the McKinsey Health Institute. The coalition is co-chaired by Chelsea Clinton and rotating leads from the founding partners. The World Health Organization (WHO) participates as a formal observer.

AVPA's specific role is as the structuring, coordinating, and fund management partner for the Catalytic Pooled Fund — responsible for the fund's architecture, governance design, pipeline development, implementing partner vetting, impact measurement, and capital mobilisation specifically for Africa. AVPA also leverages its Deal Share Platform to convene investors, philanthropies, and ecosystem actors.

Why AVPA is the partner of choice:

- **African-led, African-owned:** AVPA is the continent's foremost venture philanthropy and impact investing alliance, with deep roots across East, West, and Southern Africa. An African-led fund ensures cultural fit, contextual intelligence, and genuine community ownership.
- **Proven infrastructure:** AVPA operates institutional-grade governance, compliance systems, and fund management capabilities — with a vetted pipeline of African health and social enterprises.
- **Unmatched convening power:** AVPA convenes 400+ delegates annually across 30+ countries, linking private capital, foundations, DFIs, and governments in ways few African organisations can replicate.

- **Blended finance expertise:** AVPA specialises in the precise tools needed — blended finance structuring, impact measurement, and outcomes-based contracting — to de-risk mental health investment for commercial capital.
- **World-class coalition backing:** CMHI partners bring global networks, evidence standards, and reputational credibility that multiply AVPA' s reach and influence.
- **Regulatory stability:** The Fund is domiciled in Mauritius — offering a proven investment-grade regulatory environment for international capital.

Question 4: How can other partners join the Fund? How can partners engage and support the Fund?

The AVPA Mental Health Fund offers flexible, multi-modal entry points designed to accommodate the strategic objectives of a wide range of investors — from philanthropic foundations and family offices to DFIs, impact investors, private capital, and sovereign governments.

Financial Entry Pathways:

- **Preserved Capital Entry** — Partners invest through a capital preservation structure. The IRR generated by the preserved capital capitalises the Catalytic Fund, while the principal remains fully protected. This mechanism suits philanthropic actors who want sustained, perpetual impact with capital security.
- **Direct Fund Entry** — Partners directly capitalize the Catalytic Pooled Fund, joining other institutional investors in a pooled, diversified structure with institutional-grade governance.
- **Direct Project Entry** — Partners invest directly into specific, mission-aligned projects through Special Purpose Vehicles (SPVs), allowing targeted capital deployment into high-conviction opportunities.

Minimum commitment thresholds: US\$250,000 for African foundations; US\$500,000 for international institutions.

Non-Financial Partnership Pathways:

- **Strategic Advisory:** Join the Advisory Council or Technical Working Group.
- **Co-Design Innovative Instruments:** Collaborate on blended finance vehicles and outcome-based models.
- **Network Expansion:** Connect the Fund to investors and policymakers globally.
- **Technical Assistance:** Co-invest in capacity building for implementing organisations.
- **Pipeline Contribution:** Share mental health deal flow.
- **Knowledge & Field Building:** Co-fund research and market intelligence

Question 5: What financial returns can investors expect? What is the commercial case for investing in African mental health?

The AVPA Mental Health Fund makes a compelling case that mental health in Africa is not just a social imperative — it is a commercially viable investment opportunity. The fund is explicitly designed to deliver both social impact and financial returns across investor types.

For Philanthropic and Catalytic Investors:

- 4x capital mobilisation — every philanthropic dollar unlocks four times its value in private investment
- Capital preservation — original investment is returned at program end under the evergreen structure
- Perpetual recycling — preserved capital is reinvested into successive program cycles, maximising long-run impact per dollar

For Private and Commercial Investors

- 10% IRR (double-digit returns) — commercially competitive in the African emerging markets context
- First-loss protection — catalytic capital absorbs initial losses, dramatically reducing the effective risk for commercial investors
- Diversified portfolio — institutional-grade governance with a strong, vetted pipeline

The underlying market fundamentals are strong: Africa's mental health market is valued at US\$6–9 billion, growing at 3% CAGR (2025–2033), with digital mental health segments at 14% CAGR. Evidence shows that every \$1 invested in scaling mental health programs generates \$5–\$6 in productivity returns

Question 6: What types of mental health programs and interventions will the Fund actually support and fund

The Fund takes a comprehensive, lifecycle view of mental health — spanning early childhood development, adolescent wellness, adult care, crisis intervention, workplace mental health, and the broader brain economy. This is a deliberate response to the "under-appreciation of the spectrum of mental health" identified as a key ecosystem challenge across Africa.

Three Investment Categories:

- **Structured deals:** Established, operational programs that require risk capital to expand, formalise, or replicate across geographies.
- **Proven pilots:** Programs with demonstrated impact evidence that require scaling capital to move from pilot to population-level reach.
- **New ideas:** Innovative concepts and early-stage interventions that require proof-of-concept testing and seed capital.

Priority segments include: digital mental health platforms, youth and adolescent mental health, workplace wellness programs, community-based care models, and technology-enabled workforce support tools.

Question 7: How does the Fund ensure accountability, governance, and rigorous impact measurement.

Governance and accountability are foundational design principles of the AVPA Mental Health Fund — not afterthoughts. The CPF features a multi-layered governance architecture specifically designed to meet the standards of institutional investors, outcome payers, and international philanthropies.

At Fund Level:

- AVPA CPF Board: Multi-sector representation with AVPA Board oversight.
- AVPA CPF Investment Committee: Dedicated healthcare investment experts specifically convened for deal evaluation.

Impact Measurement Framework: The Fund employs rigorous outcomes-based contracting — including Social Impact Bonds (SIBs) and Pay-for-Success models. Critically, financial reimbursements are linked to verified outcomes, not activity outputs.

Core KPIs tracked include:

- Number of individuals reached with mental health services
- Suicide attempt reduction rates
- Stigma reduction metrics (measured via validated tools) Co-investment ratios from public and private sources
- Capital deployed vs. mobilisation targets