



United Nations  
Economic Commission for Africa

# AfCFTA a Game Changer:

Realizing the Pharmaceutical Manufacturing Plan for Africa (PMPA)

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# The Initiative

Jointly with AUC and other partners, the AfCFTA-anchored pharmaceutical project aims to:

- address *access to safe, affordable medicines and other related socio-economic* challenges faced by several African countries, including budget pressures
- while promoting *sustainable social and economic growth* through the realization of the Pharmaceutical Plan for Africa (PMPA).

# Rationale – Mismatch Demand to Supply

25%

<2%



25% of global disease burden is in Africa while <2% of consumed medicines are manufactured on the continent....

~ 2 billion people, many who reside in low- or middle-income countries, still lack access to medicines that could prevent unnecessary illness and death



***AFRICA IS AT A CROSS ROAD....Unless we do something differently, the mismatch and gap will keep on growing....***

The demand for essential medicines and others will continue to increase due to a myriad of factors such as demographic growth & epidemiologic transition on the demand side but also other supply side constraints that hinder a sustainable supply....

# The Current Landscape....

**Socio-demographic profile, health burden, pharma regulatory vary across countries but the challenges faced and the gap between demand and supply is increasing..**

## **Rising Government Costs/Debts**

Medicines consume 45-60% of nation's healthcare budget – >70% of budget is spent on medicine imports

## **Poor Quality Medicines**

- Up to 70% of medicines available to save lives of young mothers are sub-standard.
- ~45% of Africans have seen falsified drugs

## **Supply insecurity – stock outs, expiry**

- 83% of LMICs had 1-9 stockouts in past year
- 41% of surveyed has 1+ shortages of critical antibiotic for Syphilis among pregnant women

## **Lost Productivity**

- WHO est. 97 million lives will be saved by reaching SDG goals
- Nearly 50% of Africans went without medical care in the past year

## **Devastating out of pocket spending**

~70-90% of household spending was on purchase of medicines/products

## **Smaller African Economies..**

Pay premium prices to source their medicines due to weakened bargaining position...

# Supply Market Constraints

## Market forces limit access

- Manufacturers (mainly Generic) consolidating
- Global Pharma less and less able to respond to LMIC and MICS

## Unattractive market for Generic production

- Generics often have low profit margins
- Have a smaller overall market
- Industries face increasing labor costs; shrinking price

## Global pharma focusing on NCD and other

- Trend to stay away from neglected tropical diseases
- More recently no new antibiotics for Infectious Diseases
  - increased AMR

## Disincentives for smaller manufacturers

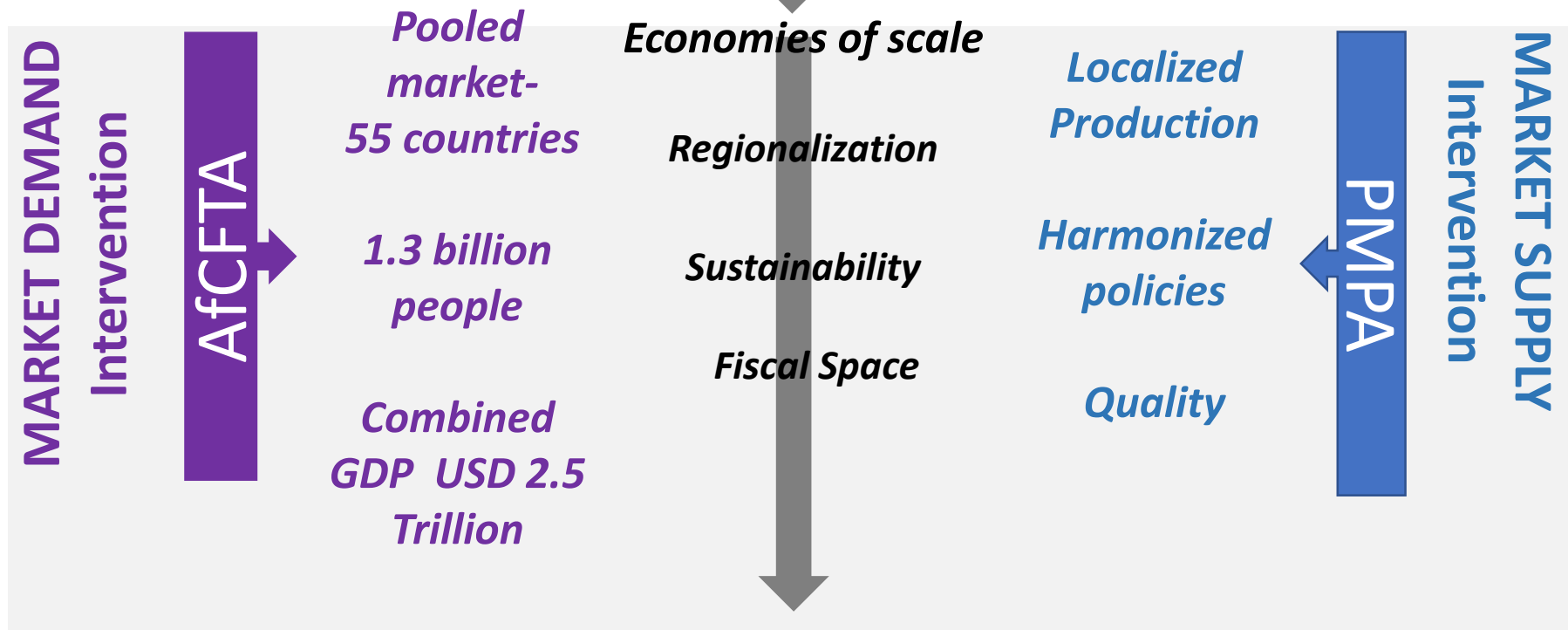
- Procurement policies; regulation of medicines (WHO pre qualifications as prerequisite for all) – exclude many capable local players
- In donor supported countries, cannot compete with the prices..

This calls for the need to do things differently and engage private sector for innovative approaches. Better understand how to support local companies, etc

# Proposed Framework – “Game Changer”

*Address Both Demand and Supply Side Constraints*

Private Sector; Partnerships; Cross-Country Data and Information;  
Enabling Policies, etc.



# The Initiative's Intended Impacts

## SOCIAL IMPACTS



Sustainable  
Medicine  
supply

**Availability**

**Access to medicines**

**Affordability**

**Quality**

Affordable  
path to UHC

## ECONOMIC IMPACTS

**Investments**

**Productivity**

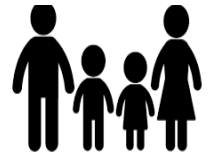
**Job creation**

**Trade/market**

**Cost Savings**

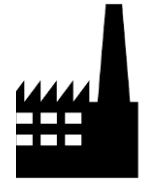


Saved lives



Economic  
growth and  
productivity

Stronger  
manufacturing  
base



**Supply Chain efficiencies**



**SDG 3 – Good Health**



**SDG 1 – No Poverty**



**SDG 17 - Partnerships**



# The Pilot Project – “*Test and Scale*”

- **Countries of interest:** Seychelles, Madagascar, Djibouti, Comoros, Eritrea, and Mauritius, Rwanda, and Intergovernmental Authority on Development - IGAD anchored by Kenya and Ethiopia
- **Products of interest:** Maternal, Neonatal and Child Health (MNCH); Amoxicillin and Oxytocin injection and commodities (as part of WHO essential medicines).

? these  
countries

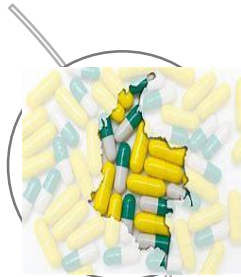
- Horn of Africa Forum – Political Will and Interest
- Ready frameworks/programs that can be leveraged upon: EAC; SADC, AU (PMPA), WHO SIDS assessment
- Seek simplicity of start for ***testing initiative then scale***

? these  
Products

- MNCH remains a burden in Africa – Loss of lives/productivity
- Standard of treatment not too different across countries
- Fragmented supply chain and significant counterfeits
- Economic potential for empowering women



# The Three Objectives



Pooled Procurement – (Demand)



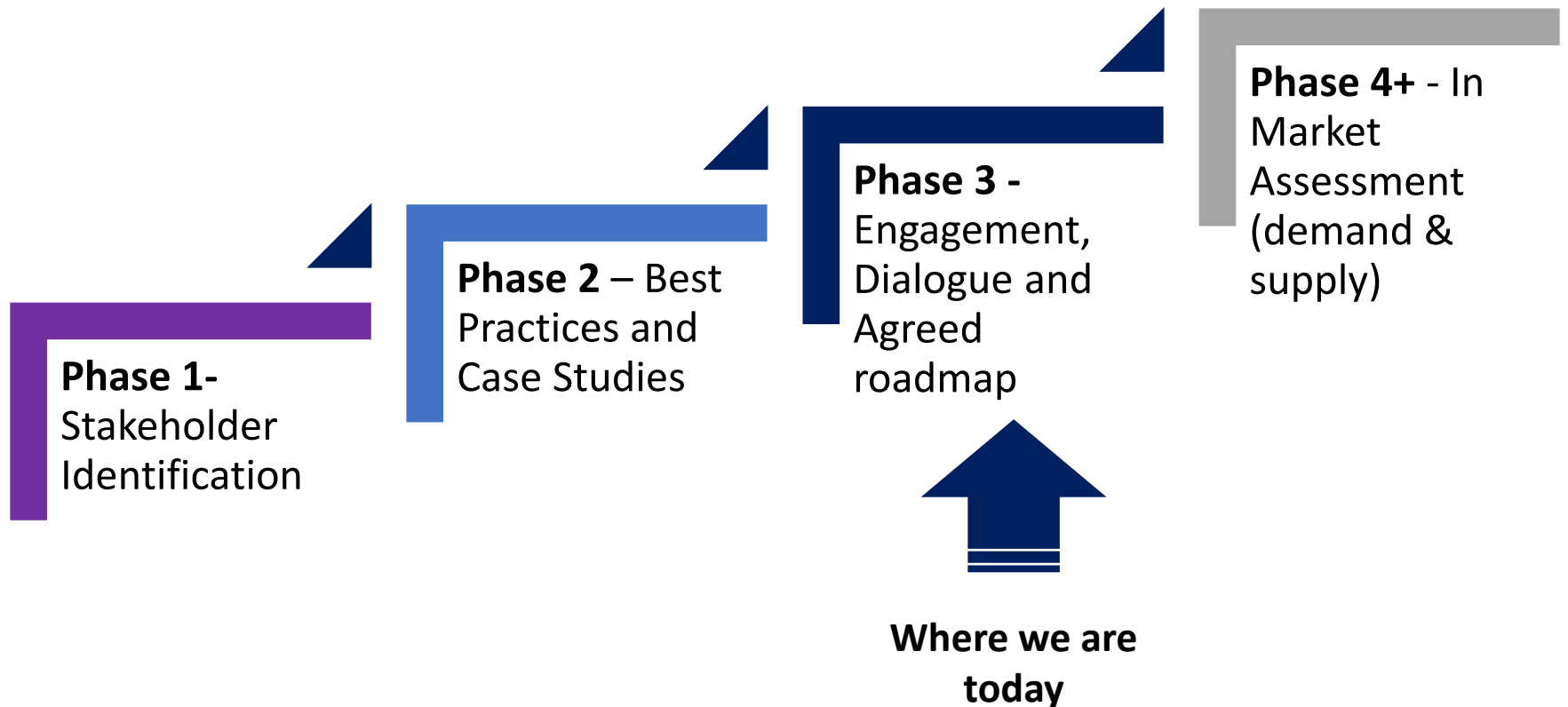
Local Production – (Supply)



Quality Standards

# Operationalizing the Initiative

The road ahead requires long-term top-level leadership and commitment and investment - today our 1<sup>st</sup> engagement



# Phase 1 - State of Play

## Phase 1- Stakeholder Identification

**1. Identify and map  
stakeholders**

**2. Assess  
stakeholders  
influence and  
importance**

**3. Construct a  
matrix**

**4. Monitor and  
manage  
stakeholder  
relationships**

**The State of Play for this Initiative is a complex  
myriad of stakeholders, frameworks, programs**

### **Donor/Development Partners**

- BMGF, DFID, EU,
- World Bank Group

### **African**

### **Governments**

- Health, Trade, Finance,  
Agencies

### **Financing Agencies**

- AfDB, Afreximbank TDB, etc.

### **Private Sector**

- NGOs, CSOs
- Manufacturing Ass.
- Procurement agents
- Logistics

### **UN Agencies**

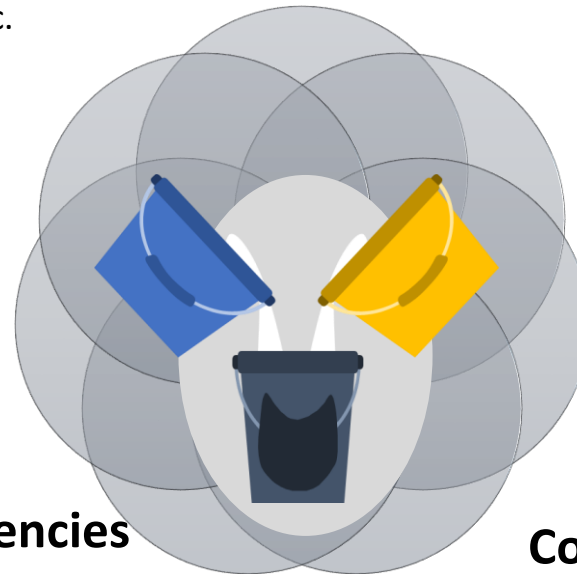
- WHO, UNIDO
- UNCTAD, UNICEF
- UNFPA, UNAIDS, etc.

### **Regional Economic Communities**

- EAC, SADC, ECOWAS,
- IGAD, etc.

### **Continental Organizations**

- AUC, AUDA/NEPAD,  
CDC, AMA



# Phase 2 – Frameworks/ Models

Phase 2 – Best Practices and Case Studies



Ongoing review of global, regional frameworks/models that can be leveraged for this initiative...

## The 3 Project Objectives



Pooled Procurement – (Demand)



Local Production – (Supply)



Quality Standards



Who is doing this today in this space (Across the three objectives)?

How can we engage and strengthen?

# Obj. 1- Pooled Procurement

## Overarching Framework

AfCFTA

- Global: Caribbean
- Regional: SADC, EAC
- PPP models: GAVI, PEPFAR, Global Fund
- Country- Level Best Practices: Crown Agency (Zimbabwe), Others..

## Key parameters for consideration



Leadership commitment



Policy and regulation



Financing



Transparency and Trust



Procurement Framework



Data sharing



# Obj. 2- Local Manufacturing/Quality

Overarching  
framework

PMPA

- AU; AUDA/NEPAD: *PMPA Business Plan; AMRH; AMA; AIDA*
- WHO – GMP
- RECs : ECOWAS, EAC, SADC
- Countries: Ghana, Morocco, Kenya, Ethiopia
- PSE: Tanzania, Kenya, Uganda

Key parameters for consideration



Policy and  
regulation



Infrastructure

Standards

Manufacturer capacity

Skills/Expertise

Investment/financing

# Phase 3 – Engagement/Dialogue

Phase 3 -  
Engagement,  
Dialogue and  
Agreed roadmap

**This is the first of many dialogues and engagements to be conducted in operationalizing this AfCFTA-anchored pilot project..**

*Leveraging on the AfCFTA to create market opportunities to bring to bear Africa development aspirations as captured in the PMPA*

- ✓ The agreement is not self executing - must develop strategies and initiatives to unlock benefits from the AfCFTA;
- ✓ Create an environment in which businesses thrive, build regionally and globally competitive firms;
- ✓ develop initiatives to expand markets;
- ✓ Build the capacity of trade and investment support institutions;

Private sector is the key driver of Agreement – they are the producers.

**There is more to be done:**

✓ **New approaches**

✓ **Investment**

✓ **Coordinated actions**

# Phase 3 – Engagement/Dialogue

**Phase 3 -**  
Engagement,  
Dialogue and  
Agreed roadmap

## *WHAT WE NEED FROM YOU TODAY...*

- ✓ **LISTEN** and **ENGAGE** key stakeholders in understanding this initiative better
- ✓ **IDENTIFY** and **SHARE** information that may have been missed that are relevant to the country or region you represent – opportunities or risks
- ✓ The political will and endurance to support this long term journey
- ✓ A commitment to put in place and participate in the governance of this initiative
- ✓ Commitment and support for **NEXT PHASE** activities and engagement in follow up discussion to align on detailed roadmap

**There is more to be done:**

✓ **Facilitation**

✓ **Advocacy**

✓ **Harmonization**



# Phase 4 - Next Steps

Countries Scoping Missions – gap analysis

Regional Meetings

Technical capacity building

Piloting of pooled mechanism

Evaluation and roll out



THANK YOU!

Ideas  
to  
Action