



United Nations
Economic Commission for Africa



CONCEPT NOTE

Leveling the Playing Field for Intra-Africa Investment
through the African Continental Free Trade Area: A
Roundtable

Background

The beginning of trading in January 2021 under the African Continental Free Area (AfCFTA), making Africa the largest integrated trading area in the world by allowing access of good and services without tariffs to a forecasted market of 1.7 billion potential by 2030 has significant importance to public health and safety. Although the continent constitutes only 11% of the world's population it carries 25% of global disease burden. Over 50% of children who die under the age of 5 and 75% of HIV/ AIDS patients are Africans. Additionally, 73% of the estimated 1.6 million people dying each year from AIDS are Africans as well as 92 percent of the deaths due to malaria are on the continent. Non-Communicable Diseases (NCDs) account for 73 per cent of the disease burden among the elderly population. The tragedy of it all is that most of these diseases are treatable, most related deaths could be prevented, and those on the continent living with life-long diseases could lead productive lives if they had timely access to appropriate, affordable and quality medicines.

Africa has made substantial progress on health outcomes in the past years but the advent of COVID-19 significantly disrupted provisions and access to essential services, threatening these health gains. The COVID-19 pandemic exposed vulnerabilities already existing in Africa's health systems which were well documented in the ECA's Health and Economic Growth in Africa (HEGA) report in 2019. Planning for a post-pandemic Africa must happen now. The [collaboration](#) and [solidarity](#) in the continental response to COVID-19 can provide a blueprint for better policies going forward. Therefore, even as Africa continues to deal with the unfolding crisis, it is worthwhile to pause and ask: what has the continent learnt, and how can we apply these lessons to [the recovery and reset agenda](#)?

In response and instead of returning to the old normal, we owe it to all Africans to rebuild a better normal on the pillars of a resilient continent and reimaged economies. Africa was ill-prepared for COVID-19. We went into the pandemic with a [\\$66 billion](#) annual healthcare financing gap. Africa-based manufacturers supplied only 2 percent of medicine and 1 percent of vaccine demands on the continent. The situation is compounded by challenges posed by incomplete civil registries and the lack of legal identities for [some 550 million people on the continent](#) making it difficult for health authorities to test, treat, and identify priority groups for vaccination. The high dependence of majority African economies on oil, commodities, and tourism – which have been hard hit by COVID-19 make recovery efforts even tougher.

Africa needs more resilient health systems, economies, and supply chains. Africa must invest more in healthcare and strengthen local manufacturing capacity of vaccines, diagnostics, and therapeutics. Africa's health sector is estimated to be worth [\\$259 billion](#) by 2030 and has the potential to create 16 million jobs. The AfCFTA brings onboard a market of 1.3 billion people, a gross domestic product (GDP) of [\\$3.4trillion](#), across 55 African Union member states of the AU. This AfCFTA-anchored African single market changes the economics on the ground and makes the case for significant investment in manufacturing across the continent in particular the health sector as an input to inclusive and sustainable development, promotion of value addition and income generation, job creation to cater for the youth bulge, technological and knowledge spill overs.

The Agreement provides an appropriate sectoral approach to advocate for healthcare and wellness sectors, and more specifically the pharmaceutical sector. The pandemic has laid bare vulnerabilities in the current economic structure and infused a renewed impetus for economic

diversification, which could be facilitated by leveraging the AfCFTA platform. The liberalization of trade in goods and services promises to fast track industrialization and greater value addition on the continent. The upcoming AfCFTA investment protocol will allow Africa to attract investment that can be channeled towards more productive economic sectors, including transport infrastructure and logistics to facilitate greater intra-African trade.

Manufacturing in Africa remains very weak as evidenced in the fact that [82.2 and 95.9 percent](#) of the continent's food and pharmaceutical supplies, respectively, came from outside the continent in 2018. This does not only raise issues around the quality and standards of these supplies, but also the threats of disruptions in global supply chains and protectionist tendencies, as was seen during the pandemic. The continent therefore needs to reduce its external economic dependence, including through properly resourcing the private sector and enabling it to step in to fill the supply gaps, including in the production of pharmaceuticals. This needs to be accompanied by the strengthening of quality and standards of medicines, especially through the ratification of the African Medicines Agency (AMA). Post-pandemic, building resilience and efficiency should become important objectives. Governments will need to diversify the supply chains of strategic industries and focus on developing regional value chains. This calls for reimagined and transformative African economies built on the principles of fairness and inclusiveness benefitting most, those affected by the pandemic, and yielding long-term returns, by allocating resources where impacts are highest and in areas that can crowd in private investment. African policymakers are aware of this and they have already provided policy directives that lay the foundation for a future that is inclusive, green, and digital.

Women, youth, slum dwellers, and informal workers in Africa have been disproportionately hurt by this pandemic. Many of them are also essential workers who kept hospitals and economies running: for example, [most health workers](#) in Africa are women. A more inclusive continent must therefore, place them at the center of rebuilding, including involving them more meaningfully in policymaking processes. Additionally, governments need to ensure equitable provision of services such as health and education to unlock employment and business opportunities for these underserved populations.

COVID-19 has catalyzed changes in consumer behavior and the future of work, quickly moving employment and economic activities online. This transition presents Africa with a unique opportunity to capture the benefits of e-commerce and digitalization leveraging on the AfCFTA. The value of e-commerce on the continent could reach [\\$500 billion](#) in 2030. African entrepreneurs are no less capable than their peers elsewhere: [bottom-up innovation](#) is already happening. The role of the public sector is to enable this process while private sector met the needs on the new market demands. African countries envision [“continental ownership”](#) in the digital space. Governments will also need to ensure conducive business environment by making significant investment in the hard (access to electricity and broadband) and soft infrastructure (consumer protection, privacy and data protection regulations, digital skills) that underpin a modern digital economy.

Private sector needs to play its role by filling in the gaps and invest in the AfCFTA-anchored single market opportunities. A recent analysis shows that investing in green sectors, including renewable energy, climate-smart agriculture, health, and sustainable public transport, creates significantly more jobs and value addition in Africa than similar fossil fuel-based investment. In South Africa, for instance, green projects could deliver [up to 250 percent more jobs and 420 percent more value added](#) compared to fossil fuel alternatives. Countries will need policies and finance that encourage a shift from resource-heavy models of production and consumption to

ones centered on sustainable use of resources. Private sector, on the hand, can step in and invest in these markets.

Objectives

The overall objectives of this Roundtable on “Leveling the Playing Field for Intra-Africa Investment through the African Continental Free Trade Area,” is share key lessons and experiences of the AfCFTA – anchored Pharmaceutical Initiative which demonstrates a demand gap by women and at the same time offers a business opportunity for the private sector – local manufacturers or regional suppliers- stemming from the aggregation of African countries into single market by AfCFTA. Furthermore, the roundtable will showcase key policy recommendations from ECA Reports that advocate for health investments opportunities, prospects for job creation, cost savings and productivity gains and the market readiness to leverage on the AfCFTA for sustainable development in Africa.

More specifically, discussions during the Roundtable will focus on:

- Market obstacles hindering growth in healthcare and pharmaceuticals that includes harmonization of quality institutions and frameworks to stimulate local production and facilitate coordinated national and regional regulatory schemes to achieve the 2030 SDG goals and Agenda 2063 aspirations.
- Ways of galvanising private sector investment in manufacturing across the continent in local production of medicines and products to improve health outcomes in Africa.
- Measures needed to address health and economic emergencies and social-economic challenges facing African countries in relation to high costs of medicines and creation of fiscal space in the era of COVID-19.
- Showcase the contribution of the AfCFTA-anchored Pharma Initiative in the establishment of the African Medical Supply Platform (AMSP). AMSP is a consolidated online marketplace that facilitates the provision of COVID-19-related medical products by addressing supply chain issues such as shortages, delays in distributing supplies, accessibility and affordability that has been created in the context of the challenges and opportunities of COVID-19.

Stakeholders:

- The event will bring together representatives of Government Policymakers, Private Sector Investors, AUC, AUDA-NEPAD, RECs, State and Non-State Actors, and International NGOs to share technical experiences and solutions in furthering knowledge for improving access to pharmaceuticals and COVID – 19 pandemic related commodities.

Format of the event:

- The virtual event will begin with opening remarks followed by ECA Presentation on lessons learnt from the AfCFTA-anchored Pharmaceutical Initiative and COVID-19 outbreak. Thereafter, a dialogue will ensue between distinguished delegates and Moderator and finally Wrap Up and Way forward.

Proposed Speakers:

Government Policymakers			
Kenya	Ministry of Health	Hon. Mutahi Kagwe	Cabinet Secretary
South Africa	Department of Health	Dr Joe Phaahla	Deputy Minister
Rwanda	Ministry of Health	Dr. Daniel Ngamije	Minister
Zimbabwe	Ministry of Health		Minister
Egypt	Ministry of Health		
Tunisia/Morocco	Ministry of Health		
Nigeria	Ministry of Health		
Senegal	Ministry of Health		
Cameroon	Ministry of Health		
DRC	Ministry of Health		
Private Investor			
Tunisia	AfricInvest	Abiola Ojo Osagie	senior partner
Tunisia	SPE Capital	Nabil Triki	MANAGING PARTNER & CEO
South Africa	Netcare	RH (Richard) Friedland	Group Chief Executive Officer
Kenya	Medical Credit Fund (MCF)	Bart Schaap	Chief Financial Officer
South Africa	Roche	David Gibbons	Managing Director
South Africa	AstraZeneca	Barbara Nel	Country President, African Cluster
Kenya	Novartis Global Health Sub-Saharan Africa	Racey Muchilwa	Country President & Head
South Africa	Pfizer South Africa	Rhulani Nhlanik	Country Manager
Egypt			
South Africa	Aspen		
Senegal			
Uganda	Universal		
Nigeria			
International Investors			
UAE	Global Ventures	Medea Nocentini	COO
UAE	TVM Capital Healthcare Partners	Orhan Osmansoy	Operating Partner
UAE	KAAF Investments	Mishal	
USA	Kaiser Permanente Ventures	SAM BRASCH	Managing Director
USA	Susquehanna Growth Equity	Sam Major	Tech Investor
USA	JMI Equity	Sureel Sheth	Principal
USA	Thomas H. Lee Partners	Joshua Nelson	Managing Director, Head of Healthcare Vertical
USA	Silversmith Capital Partners	Jeff Crisan	Co-Founder and Managing Partner
	Johnson and Johnson		
	Moderna		
	Pfizer		

This virtual Roundtable is scheduled for the 30 June 2021 from 2pm-4pm CAT.