



United Nations
Economic Commission for Africa

AfCFTA-anchored
Pharma Initiative



CONCEPT NOTE

Showcasing the AfCFTA-anchored Pharmaceutical Initiative: Lessons and Experiences

*High-Level Political Forum on
Sustainable Development Side Event*

BACKGROUND

The United Nations Economic Commission for Africa (ECA), in collaboration with the African Union Commission (AUC), the African Union Development Agency (AUDA-NEPAD), IGAD, WHO, UNAIDS and other relevant United Nations (UN) agencies, launched the AfCFTA-anchored Pharmaceutical Initiative (Pharma Initiative) in November 2019. The Initiative focuses on facilitating and advocating for localized production of medicines, pooled procurement, and deployment of a harmonized regulatory and quality framework geared towards strengthening African countries' health systems. The Pharma Initiative leverages on the implementation of the African Medicines Agency (AMA) and African Continental Free Trade Area (AfCFTA) which brings on board a single market of 1.3 billion people, a combined gross domestic product (GDP) of \$3.4 trillion, across 55 member states of the Africa Union (AU) with a potential to significantly contribute towards fulfilling the obligations of the 2030 Sustainable Development Goals 3, 9, 17 and Agenda 2063 aspirations.

According to ECA estimates, the current supply of medicines to Africans does not meet demand. Africa manufactures less than 2 per cent of the medicines it consumes while it imports above 97 per cent of its needs from outside the continent at an annual cost of \$14.5 billion. Furthermore, medicines consume a large proportion of the healthcare budgets of

African nations putting undue strain on consumer budgets. It is estimated that, on average, out-of-pocket health spending make up 36% of total current health expenditure.

Within the framework of its philosophy of translating ideas to action ECA worked with strategic partners and stakeholders to launch the AfCFTA-anchored Pharmaceutical Initiative across 10 pilot countries as proof of concept of the opportunities offered by the AfCFTA. The initiative focuses on Sexual, Reproductive, Maternal, Neonatal Child Healthcare (SRMNCH) products. The choice for the SRMNCH products was informed by the fact that throughout the African continent, there are persistent challenges in achieving targets of key indicators of maternal and infant mortality¹. A few, mainly preventable, leading causes of maternal deaths, have been noted to be obstetric hemorrhage, pregnancy-induced hypertension (including eclampsia), obstructed labor and ruptured uterus, and complications of unsafe abortion - which together accounting for up to 80 percent of cases in Africa. Adverse sexual and reproductive health outcomes have also been a major issue throughout the continent. Each year in Africa, 30 million women become pregnant, of which 250,000 of them die from pregnancy-related causes. One third of nearly one million stillbirths occur during labour, and approximately 280,000 babies die of birth asphyxia soon after birth². A huge

¹ WHO. Global Health Observatory (GHO) data. Maternal mortality country profiles. Accessed from: http://www.who.int/gho/maternal_health/countries/en/#B

² WHO: Childbirth Care accessed www.who.int/pmnch/media/publications/aonsectionIII_3.pdf

unmet need for family planning and other reproductive health commodities as well as preventive immunization and vaccines meant that 1.6 million women are treated for complications of unsafe abortions³. Furthermore, the continent bears 50% of the global deaths of under five children mainly due to neonatal causes as well as pneumonia, diarrhoea, measles, HIV, tuberculosis, and malaria.

The ECA-led Pharma Initiative was endorsed by Ministers of Finance and Health of the pilot countries, Regional Economic Communities (RECs), policy makers, regulators, multilateral stakeholders, development banks, members of the UN family as well as a range of private sector entities representing regional pharmaceutical related umbrella organizations and leading drug manufacturers. The envisioned improvements are increased trade of manufactured goods between African countries, affordable medicines, and the creation of much-needed fiscal space for Governments in an era of rising debts. The economic improvements are complemented by welfare and social gains including significant job creation and increases in women's productivity. The ECA-led Pharma Initiative also presents business opportunities for the private sector which is important both in managing the supply side of pharmaceutical production, supply, and distribution and in bridging the health financing gap, which is estimated at \$66 billion per year.

Key Results:

Presently, ECA-led AfCFTA Pharma Initiative provides a validated and continentally anchored blueprint for scaling up SRMNCH commodities as demonstrated by the various offshoot initiatives such as WA-Pharma Initiative, Africa Medical Suppliers Platform (AMSP) and African Vaccine Acquisition Trust (AVAT) with the latter two put in place as measures to mitigate COVID 19 pandemic as part of the Pooled Procurement Pillar

The Initiative harnessed high-level political commitment and workable solutions for developing a feasible roadmap for the establishment of an introductory information sharing database for member states under the 10-pilot country Pharma Initiative and consider modalities for integrating and consolidating the onboarding of the SRMNCH medicines onto the AMSP online platform.

Further, ECA and partners are developing a Common African System for Pooled Procurement instrument covering health, agriculture, and energy to ensure health, food, nutrition, and energy security for Africa.

Under Local Production Pillar, after the launch an EOI for select SRMNCH medicines, 2 manufacturing entities from Kenya and Senegal were selected to receive technical and investment support from ECA and Partners. The second EOI has been published with the expectations of onboarding more manufactures to

³ <https://allafrica.com/stories/201903040646.html>

produce SRMNCH products.

The third pillar on Harmonized regulatory standards and quality framework contributed towards the ratification of AMA working in collaboration with AMA Special Envoy, Dr Sidibe.

MEETING OBJECTIVES

The overall objectives of the Pharma Initiative Side Event being held on the margins of the High-Level Political Forum on Sustainable Development are to share lessons learned from the Initiative and actively engage networks within the health sector for the successful implementation of the Project towards the attainment of SDGs and Agenda 2063 aspirations.

More specifically, the high-level side event is expected to:

1. Demonstrate Africa's demand and supply gaps and solutions specifically targeting women health and at the same time offering a business opportunity for the private sector – African based manufacturers/suppliers stemming from the aggregation of African countries into single market by AfCFTA and AMA.
2. Showcase health investment opportunities, prospects for job creation, cost savings, productivity gains and the market readiness to leverage on the AfCFTA and AMA for sustainable and inclusive development in Africa.

3. Facilitate and forge public and private sector dialogues and partnerships to ensure tangible outcomes; and strengthen collaborations and networking among relevant stakeholders for the successful implementation of the Pharma Initiative.

Outcomes

The expected outcomes from this high-level side event are as follows:

1. Showcase frameworks that can be optimised across the continent to stimulate local production, support pooled procurement, and facilitate coordinated national and regional regulatory schemes on the continent.
2. Determine ways to galvanise private sector investment in manufacturing across the continent in local production of medicines and products to improve health outcomes in Africa towards the attainment of the SDGs and Agenda 2063.
3. Demonstrate how this Pharma Initiative plays a pivotal role in the agendas of the World Health Organisation and the World Trade Organisation in their work on health and Africa. More broadly it acts as a key player in attracting Foreign Direct Investment that will support the implementation and sustainability of other development efforts.

STAKEHOLDERS AND PARTICIPANTS

The Virtual Event will bring together senior government officials from the pilot countries, representatives of UN entities, AUC, AUDA-NEPAD, State and Non-State Actors, and International as well as regional private sector players such as, technology, logistics firms to share technical experiences and solutions in furthering knowledge for improving access to pharmaceuticals, including COVID – 19 pandemic related commodities.

Speakers:

1. ECA Executive Secretary
2. WHO/Afro Regional Director
3. Representative from the Ministry of Health for Ethiopia, Kenya, and Seychelles
4. Representatives from AUC and AUDA-NEPAD
5. Representatives of Private sector players with impact across the supply chain process
6. Prominent Women Industrialist in Pharmaceuticals Development

For further information, please contact Ms. Jane Karonga on karonga@un.org; Mr. Francis Ikome: ikome@un.org; Mr. Joseph Mthetwa: joseph.mthetwa@un.org or Maza Yirga: maza.yirga@un.org.

Please use the following link for registration:

https://us06web.zoom.us/meeting/register/tZ0vdu2orDsuGt1JxnQ_KAWDyJ9TlcsIrfZt

After registering, you will receive a confirmation email containing information on how to join the meeting virtually.

