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African regional hubs to manufacture health products:
TOWARDS COMPREHENSIVE JOINT AU-EU ACTIONS

AU-EU

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In the context of the health partnership between the African Union (AU) and the European Union (EU), African and European leaders want to strengthen Africa's local capacity to manufacture vaccines and health products. In doing so, the objective is to improve access to affordable and quality health products, enhance Africa's autonomous capacity to meet its health needs, and support the development of resilient health systems. This brief highlights ten key considerations for policymakers to take into account to achieve this objective.

The sixth EU-AU Summit is an opportunity to create political momentum for setting up regional pharma-manufacturing hubs in Africa for local production of vaccines and health products. It could also pave the way for a more holistic and coordinated approach between Africa and Europe to address the urgent health-related challenges they are confronted with. Such a comprehensive approach could furthermore help deepen trade and regional integration, and contribute to strengthening the resilience of health systems.

Background

In the context of the AU-EU partnership in public health, African and European policymakers are currently focusing on strengthening the local capacity of Africa in the manufacturing of vaccines and health products (Jerving and Lei Ravelo 2022). This is part of a broader endeavour to ensure (1) access to affordable and quality health products in the African continent, including COVID-19 and other vaccines, (2) enhanced autonomous capacity of Africa to meet its health needs, and (3) the development of resilient health systems. This is reflected in the African Union ambition – through the Partnership for African Vaccine Manufacturing (PAVM) (AU 2021a) – of locally producing 60% of vaccine needs by 2040, and in the recent Team Europe Initiatives (EC 2021a) on manufacturing and access to vaccines, medicines and health technologies in Africa (MAV+) (GTAI 2022). In a relatively tense context where more than political commitments are needed, we aim to shed light on the key considerations to be dealt with in practice.

Ten considerations to manufacture health products locally

Manufacturing health products is a perfect example of the need to adopt an integrated approach and coherence among many policy areas when addressing productive capacity and health sector issues. Pharma-manufacturing along regional hubs on the continent (AU 2021b), as currently deployed in countries such as Egypt, Ghana, Morocco, Rwanda, Senegal and South Africa, inherently touches upon industrialisation, technology transfer, trade, regional integration, logistics, health systems, et cetera. Based on an upcoming paper, we present ten considerations bridging different perspectives, which need to be addressed in order to translate ambitious commitments into actions.

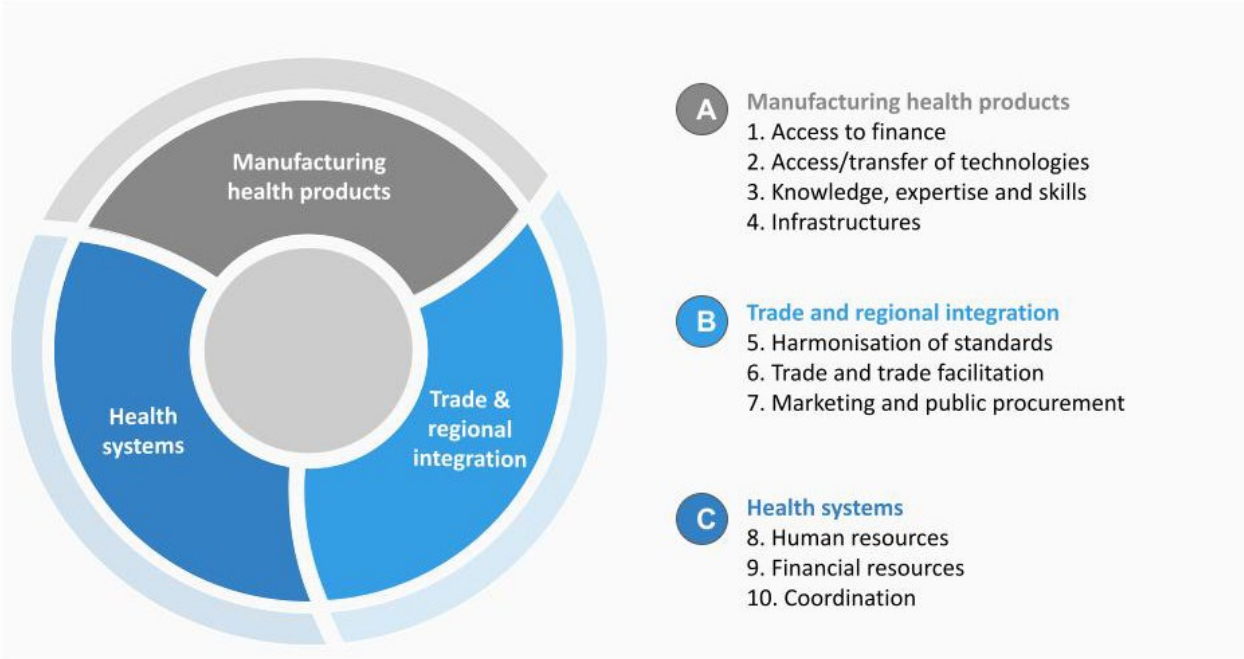

Figure 1: Ten considerations to manufacture health products locally

A. Manufacturing health products

Consideration 1: Building a manufacturing plant according to the WHO good manufacturing practices requires **targeted investment**. Sunk costs and international competition may deter risk-averse investors such as commercial banks (EIB 2021a) from investing in nascent industries. Public development banks can play an important role in pioneering investment and mitigating risks through blended finance, to demonstrate the validity of the approach and provide **access to** (affordable) **finance**, leveraging local and international private finance. This is why the African Development Bank for instance committed $3 billion over the next 10 years (AfDB 2022a) to support Africa's pharmaceutical industry, and why the European Investment Bank (EIB 2021b), as part of a Team Europe (Fox 2021) endeavour, together with France, Germany and a number of other European and international financial institutions (IFC 2021), is now actively supporting vaccine production in Africa by committing €1 billion.

Consideration 2: **Access to and transfer of technologies** plays a key role in the local manufacturing of health products. Hurdles relate not only to the transfer of intellectual property rights (a hotly debated issue (Peseckyte 2022) at the World Trade Organization), but also the manufacturers' capacities and resources necessary to successfully manage the technology transfer. This strengthens the need for technical assistance, and calls for South-South cooperation, which is often overlooked.

Consideration 3: Once the plant and technology are in place, **skilled human resources** are needed to operate the plant, based on good practice and standards. Support must be tailored towards supporting local knowledge centres (EC 2021b) as in the case of the Institut Pasteur in Senegal, facilitating knowledge transfer and training of local workers.

Consideration 4: The production of vaccines and other health products requires a **conducive environment**, notably in terms of **infrastructures** (for instance, reliable provision of electricity and clean water (The Nelson Mandela School of Public Governance 2022) and **regulatory frameworks** (standards and health regulations).

Beyond the supply of vaccines and health products, it is important to consider who will buy the locally manufactured health products and what considerations should be tackled to bridge the demand and the offer.

B. Trade and regional integration

Consideration 5: National pharma-manufacturing is meant to also serve regional markets, generating economies of scale while overcoming cross-border challenges, to effectively serve the regional hub function. This requires **harmonised standards** (and quality assurance infrastructures) across countries, enforcement capacity and the regional ability to tackle frauds, falsified products and counterfeits, including through tracing mechanisms.

Consideration 6: **Trade and trade facilitation,** including logistics and transport infrastructures, play a key role in the access to quality health products. Trade agreements, and in particular the African Continental Free Trade Area (AfCFTA) can help regulate the free circulation of health products. Transport and logistics (for instance, in the form of cold chains) also play a critical role in regional distribution, which needs to be supported (Bempong Nyantakyi and Munemo 2021).

Consideration 7: **Marketing and public procurement** can support the consolidation of the regional market. The high level of fragmentation (Silverman et al. 2019) in public procurement must be overcome, and local sourcing at the regional level should be encouraged in a transparent and coherent manner.

More broadly, health systems shape and influence the extent to which citizens will be able to access locally manufactured health products.

C. Health systems

Consideration 8: Health systems in Africa suffer from limited **human capacity**. The pandemic showed that attracting and retaining a sufficient number of health and community workers is a challenge, and so is turning brain drain into brain circulation. More will need to be done when it comes to tackling labour and skills gaps (AU 2022), including through strengthening community-based health workers.

Consideration 9: With the COVID-19 pandemic, governments have an even more **limited fiscal space to invest** in the resilience of their health systems, including universal health coverage, which could help citizens access health products, and to invest in the necessary health (and digital) infrastructure and materials. Domestic resource mobilisation, donor support and innovative approaches to public-private collaboration (AfDB 2022b) need to be enhanced.

Consideration 10: Inter-ministerial and cross-sectoral cooperation is central to the effectiveness of the countries to tackle the health-related challenges, as health systems are not only a matter for health ministries, but instead relies on the effective articulation of various fields, including energy, transport, food and infrastructure.

Conclusion

Local pharma-manufacturing is a concrete entry point to not only better address the vaccine needs of the African population, but also contribute to Africa's value-added productive capacities, trade, investment and regional integration ambitions, and strengthening health systems. Joining forces, the AU and the EU can launch a new partnership on health that contributes to Africa's transformation.

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