



Local production of pharmaceuticals and health system strengthening in Africa

Summary of an Evidence Brief in preparation

The Evidence Brief

Pharmaceutical manufacturing in Sub-Saharan Africa (SSA) is – contrary to external perceptions – long established. African governments and other actors including the African Union Commission, NEPAD and the East African Community are actively promoting industrial development in pharmaceuticals, supported by UN and other international partners including BMZ. At the same time, low income SSA populations suffer inadequate health care undermined by poor access to medicines. In the context of SDG3 and international commitments to universal health coverage (UHC), international intervention finances large scale international procurement of medicines and supports health system strengthening. The full Evidence Brief (June 2017) will present evidence from stakeholder interviews, data and literature for the actual and potential health and development benefits from creating stronger local and global linkages between these industrial and health agendas, and outline how this can be done.

Insights

Industrial development in pharmaceuticals can support health system strengthening and vice versa.

Industrial, technological and scientific skills and competence are necessary conditions for building stronger and more resilient health systems. They are *not* sufficient conditions: other

Key insight: Industrial development is a social determinant of health.

Public health has enlarged its vision recently to include many inter-sectoral social determinants of population health. However, the impact of industrial development on health is still generally over-looked. Building more robust African health systems requires – and will effectively employ – the scientific and technological capabilities and skills generated by industrial development in pharmaceuticals and medical supplies.

essentials are commitment to funding and managing competent and inclusive, population-focused health services; and effective industrial regulation for quality assurance. Industrial development in pharmaceuticals is currently observed to be interacting in a number of African countries with rising commitment to local funding of health supplies and to health system strengthening, in a virtuous upward spiral.

Strengthening local industry-health linkages – within markets and policies – can drive this upward spiral.

Local health systems are culturally embedded social and economic institutions that must be built within national jurisdictions. A “local health” policy perspective identifies local health priorities and existing industrial capabilities, and then builds synergies and on-the-ground linkages between industrial and health system investments. Lessons from documented cases



*Left: Growing herbal medicines.
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*Right: Worker in a pharmaceutical
manufacturing site.
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show how local industrial development in pharmaceuticals has been associated with health benefits including:

- increased national government commitment to funding of medicines from domestic taxes, and more locally responsive public and non-profit procurement, expanding both access and the domestic market;
- improved rural access to medicines, as local firms focus on expanding domestic distribution networks;
- lowered costs and prices as domestic industrial investment and competition increases;
- shortened supply chains and hence improved emergency response to supply shortages;
- reduced incidence of sub-standard medicines in the local market, as proximity improves regulatory oversight.

Development partners can support this upward spiral by enlarging their perspective to address health-industry linkages.

On the supply side, development partners including BMZ can strengthen existing support for technological upgrading, regulatory strengthening and harmonisation, and infrastructure improvement. The Global Fund (GFATM) and PEPFAR are now lowering barriers to market entry and scale-up by competent Africa-based manufacturers of e.g. anti-malarial medication (ACTs) and insecticide-treated bed-nets, and international partners should work with African governments on supportive changes to tax and duty regimes. Meanwhile development partners working on health system strengthening should enlarge their vision to support stronger local procurement and supply linkages, to increase supplies availability. Perhaps most important, much more international support is needed for education and skills upgrading in *both* industrial and health sciences. Finally African interviewees emphasised the important *convening* role of external partners including BMZ in bringing together high level private and government industry and health stakeholders in continuing dialogue.

Development partners should respond to local as well as global perspectives on emergency and health security priorities and responses.

Global health security frameworks written outside Africa focus on supplies for pandemic preparedness: for emergencies that threaten the wider world. However African interviewees for this Brief shifted the focus onto breaking supply constraints for recurrent lethal emergencies, such as intra-venous drips in cholera outbreaks, oxytocin for maternal haemorrhage and hydrocortisone for severe allergic reactions. Global-local partnerships can greatly strengthen the observed ability of local suppliers to react rapidly to needs in local emergencies. African governments are also aware that in global pandemics, high income, health technology-producing countries will favour their own populations; hence their active investigation of the scope for local vaccine production.

Policy coherence between industry and health agendas can be built over time, globally and locally, despite conflicting interests.

Industry and health are everywhere addressed in separate policy silos, despite huge real world linkages. Evidence shows that top-level national political leadership can create a framework to kick-start exploitation of developmental health-industry synergies, for example through support for new industrial investment linked to improved local procurement procedures and funding and increased access by low income patients. A national project-based and problem-solving policy approach, with external support, can create visible associations between business profits and strengthened health care. A continuing policy debate, shaped by a few key policy documents and legislative instruments, can then galvanise more key stakeholders to join in, strengthening the benefits and improving policy coherence over time.

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