



UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL
ECONOMIC COMMISSION FOR AFRICA

Thirty-third meeting of the Committee of Experts



AFRICAN UNION
COMMISSION

Ninth meeting of the Committee of Experts

**Seventh Joint Annual Meetings of ECA Conference of African Ministers of Finance,
Planning and Economic Development and the AU Conference of
Ministers of Economy and Finance
25th – 30th March 2014, Abuja, Nigeria**

Side Event:

***Local manufacture of Pharmaceuticals: An untapped opportunity for Inclusive and
Sustainable Industrial Development in Africa
30 March 2014, 7.30 – 9.30am
Abuja, Nigeria***

Draft Concept Note

CONTEXT

Developing the pharmaceutical industry has been identified by African Leaders as a priority. In 2007 Heads of State and Government endorsed the African Union Commission's Pharmaceutical Manufacturing Plan for Africa that had been approved by the Conference of African Ministers of Health; in 2010 the industry was included in the Accelerated Industrial Development of Africa (AIDA) framework which was approved by the Conference of African Ministers of Industry. In 2012 the Heads of State and Government endorsed the African Union's Roadmap on Shared Responsibility and Global Solidarity for AIDS, TB and Malaria Response in Africa. One of the three pillars of the Roadmap is "Access to affordable and quality-assured medicines" to be achieved through local production of drugs. At the same summit a Business Plan for the accelerated implementation of the PMPA developed through an AUC-UNIDO collaboration was endorsed. At the "Abuja + 12 Summit" in 2013, AU Heads of State also pledged to work towards eliminating AIDS, TB and Malaria by 2030. Establishing international standard pharmaceutical production as the norm for African manufacturers as identified in these various initiatives has an important contribution to make in delivering progress both in terms of economic benefits through industrialisation as well as health benefits that can be achieved.

The vision and measures advocated for promoting the manufacture of medicines in Africa are also fully aligned with the holistic thinking underlying recent initiatives that emphasize the central importance of an accelerated industrialization for the continent's wellbeing at large. Untapped opportunities lend themselves to a wide array of partnerships for the promotion of inclusive and sustainable industrial development (ISID) that creates higher-skilled jobs, builds more equitable societies and safeguards the environment, while sustaining economic growth. The Seventh Joint AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development, organized under the theme "Industrialization for Inclusive and Transformative Development in Africa", provides a platform for high level policy dialogue to accelerate actions and interventions towards Africa's rapid inclusive and sustainable industrial development.

Why develop the pharmaceutical sector in Africa?

Africa bears a disproportionate burden of disease with, for example, more than 70% of the world's HIV/AIDS cases and 90% of the deaths due to malaria. Non-communicable diseases are also becoming increasingly prominent across the continent given the demographic changes that are taking place and they are predicted to overtake infectious diseases as the leading causes of death in Africa by 2030.

However, Africa is hugely dependent on imported pharmaceutical and medical products. It is estimated that more than 80% of ARVs are imported from outside Africa and 70% of the pharmaceutical and medical products market is served by foreign imports. An international standard, commercially viable pharmaceutical industry in Africa can contribute to improved access to effective, safe and affordable essential medicines and economic development.

From the health perspective a key potential benefit is to develop a source of quality assured medicines across products including those for the pandemic diseases (HIV, TB and malaria) as well as the broader range of essential medicines. Through proximity of production resource constrained regulators can properly oversee the manufacturing of products produced in the region compared to the level of scrutiny that is possible for distant suppliers.

The immense need for drugs presents a potential market opportunity for pharmaceutical companies on the continent. For example, the current number of persons on ARV treatment on the continent represents a market opportunity of over US\$ 1 billion. This market will more than treble over the next decade as more people are placed on ARV treatment and other uses of ARVs are expanded. The total pharmaceutical spending for the continent in 2012 was estimated at US\$ 18 billion and it is projected to reach US\$ 45 billion by 2020. In addition to providing a secure source of medicines and a potentially large market, local production of pharmaceuticals also advances industrial development, moves the continent towards sustainability of the health sector response, reduces external dependency, facilitates stronger regulatory oversight to curtail counterfeit products, enables production of drugs for diseases that primarily affect Africa, improves the trade balance, creates jobs and could serve as a catalyst to developing a broader manufacturing- and knowledge-based economy.

It is against this background that UNECA and AUC in partnership with UNAIDS, UNIDO and WHO, are organizing a side event aimed at engaging stakeholders to encourage the creation of enabling environments for pharmaceutical production in Africa, at the African Ministers of Economy and Finance meeting in March 2014. Fundamentally, the pharmaceutical industry can contribute to health and economic development, but investment is required in order to realize these goals. The event will serve to provide more details on the benefits that strong pharmaceutical industries in Africa can deliver and the government interventions that are necessary to facilitate such developments.

OBJECTIVES OF THE SIDE EVENT

The overall objective of the side event is to engage with relevant stakeholders on how to promote pharmaceutical production in Africa. Specific objectives include:

- Sensitize stakeholders, especially Member States, on the opportunities available to promote local production of pharmaceuticals through the implementation of the PMPA Business Plan;
- Highlight strategic policy actions that will be necessary to create an enabling environment for local pharmaceutical manufacturing;
- Identify “low hanging fruits” that can be delivered to accelerate local pharmaceutical production.

DELIVERABLES

The side event is expected to deliver the following:

- Increased awareness amongst Ministers of Finance of the opportunities for Technical Cooperation that would be provided under implementation of the PMPA Business Plan ;
- Enhanced understanding amongst participants of the imperative of high quality pharmaceutical production in Africa and the policy tools that can contribute to making manufacturing at such standards competitive and sustainable;
- A briefing note summarizing the main points of the side event;
- A press release and press conference to raise the profile of the PMPA BP amongst the wider audience.

SPEAKERS

The following have been proposed to constitute the panel:

- Mr. Carlos Lopes (Executive Secretary UNECA) (Confirmed)
- Dr. Nkosazana Dlamini Zuma (Chairperson, AUC)
- Mr. Michel Sidibe (Executive Director of UNAIDS) (confirmed)
- Mr. LI Yong (Director General of UNIDO) (tbc)
- Dr. Luis Gomes Sambo (Regional Director – WHO-AFRO) (tbc)
- Dr. Ngozi Okonjo-Iweala (Minister of Finance, Nigeria) (tbc)
- Mr. Donald Kaberuka (President AfDB) (tbc)
- Mr. Paul Lartey (CEO of the Federation of African Pharmaceutical Manufacturers Associations- FAPMA (tbc)

PARTICIPATION

The side event will be targeted at the stakeholders already attending the Conference. These include:

- AU Member States – Ministers of Finance and Economic Planning and their senior officials;
- Regional Economic Communities (RECs);
- United Nations agencies and other intergovernmental organizations;
- Representatives of the private sector, civil society;
- Other relevant organizations / agencies working in the field.

DATE AND VENUE:

The side event will take place in Abuja, Nigeria, on 30 March 2014.

LANGUAGE

The panel will be conducted in English and French. Simultaneous interpretation will be provided.

REFERENCE / WORKING DOCUMENTS

- Economic Report on Africa 2014
- Pharmaceutical Manufacturing Plan for Africa (PMPA) and Business Plan for the PMPA
- AU Roadmap on Shared Responsibility and Global Solidarity for AIDS, TB and Malaria
- Doha+10 TRIPS flexibilities and access to antiretroviral therapy

INFORMATION

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