



United Nations
Economic Commission for Africa



Doing Health Differently in Africa: Now and Beyond COVID-19



Healthcare and Economic Growth in Africa
(HEGA) II Key Messages

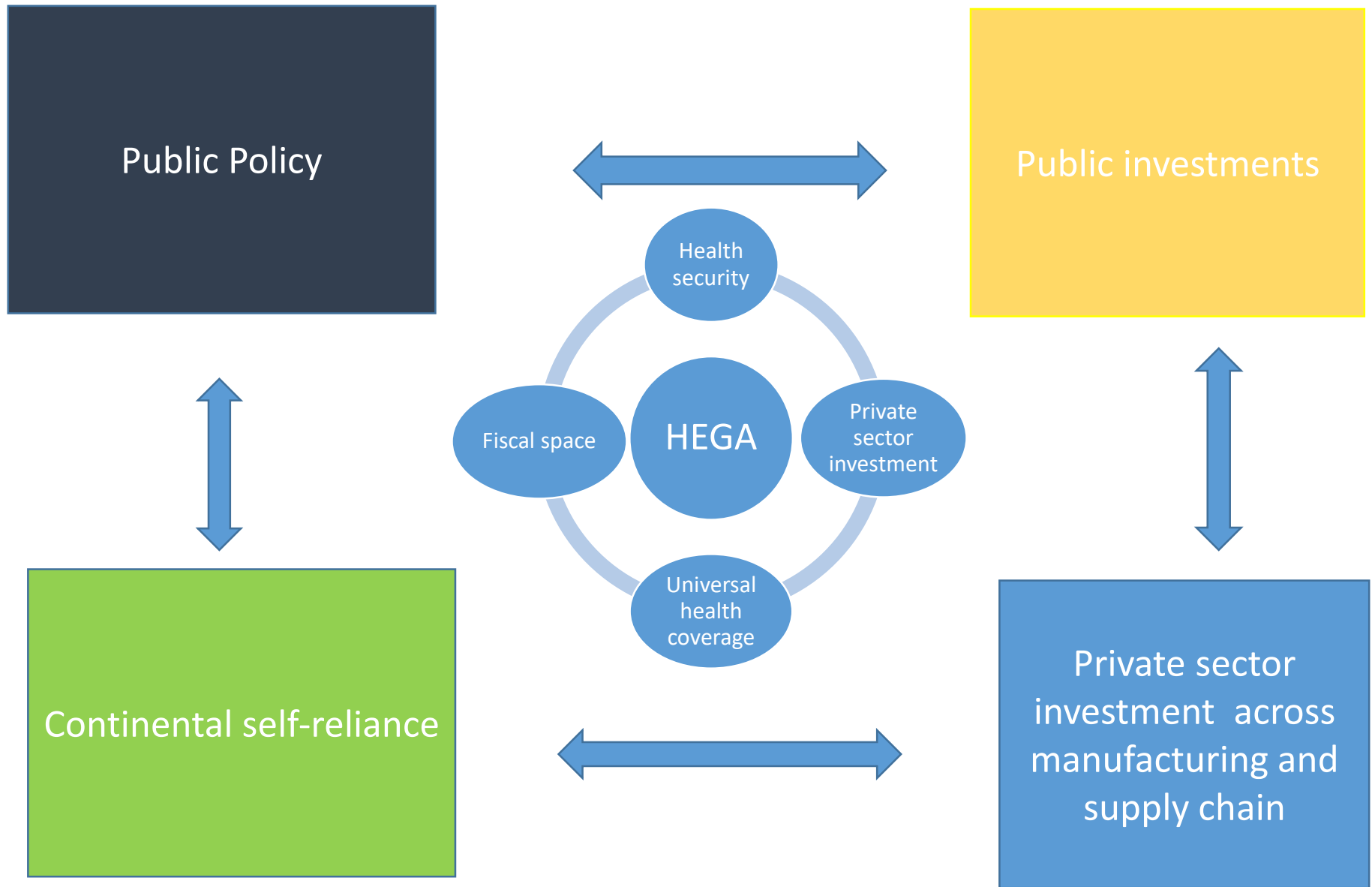
September 20, 2021



Key Message: Public policy and private sector investors for continental self-reliance

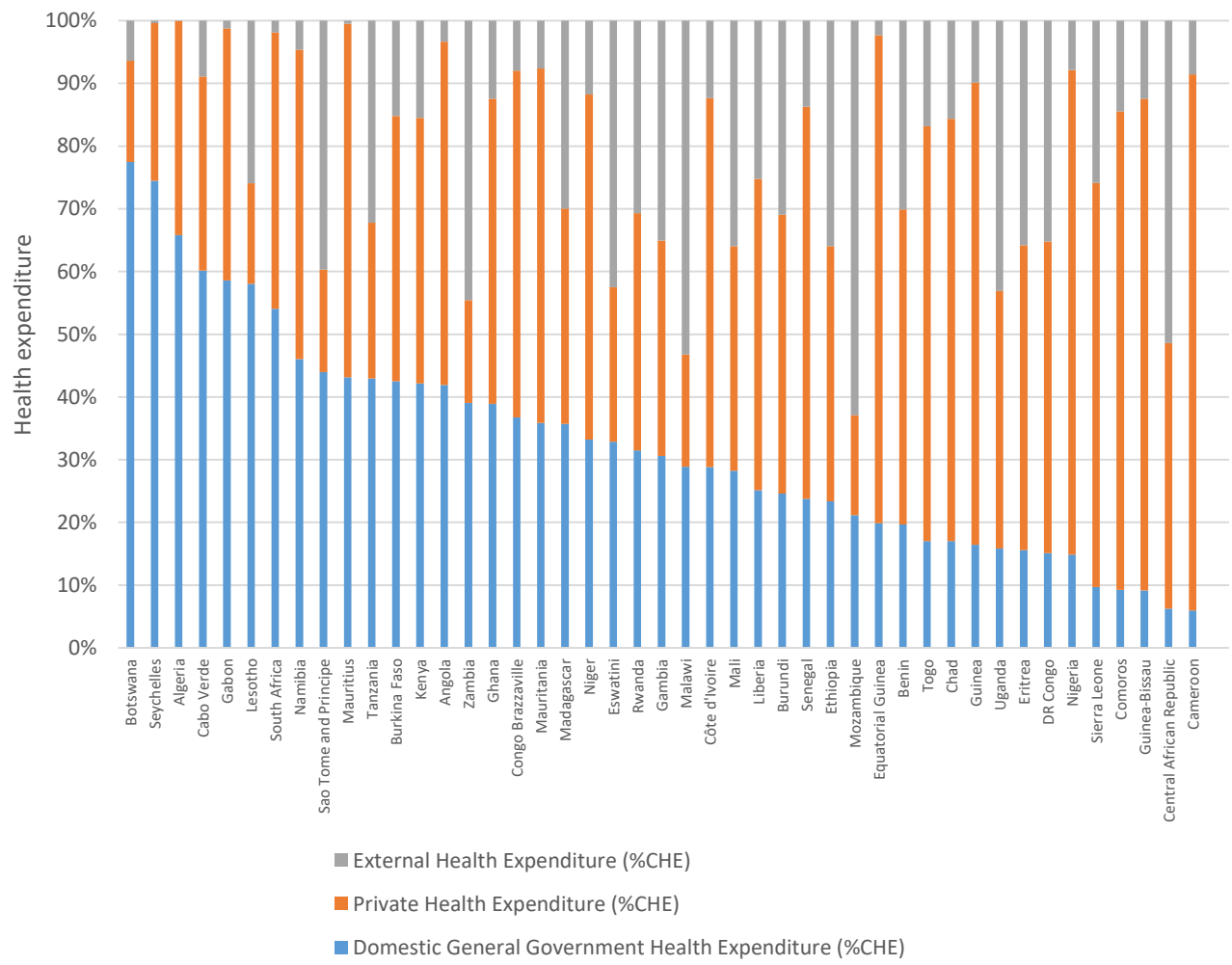
- Progress UHC; ambitious and achievable, with realism
- Large opportunities for private sector investors
- African Common Market + investments= Economies of scale
- Resilient supply chains are needed for critical health products

Doing health differently in Africa across 4 domains

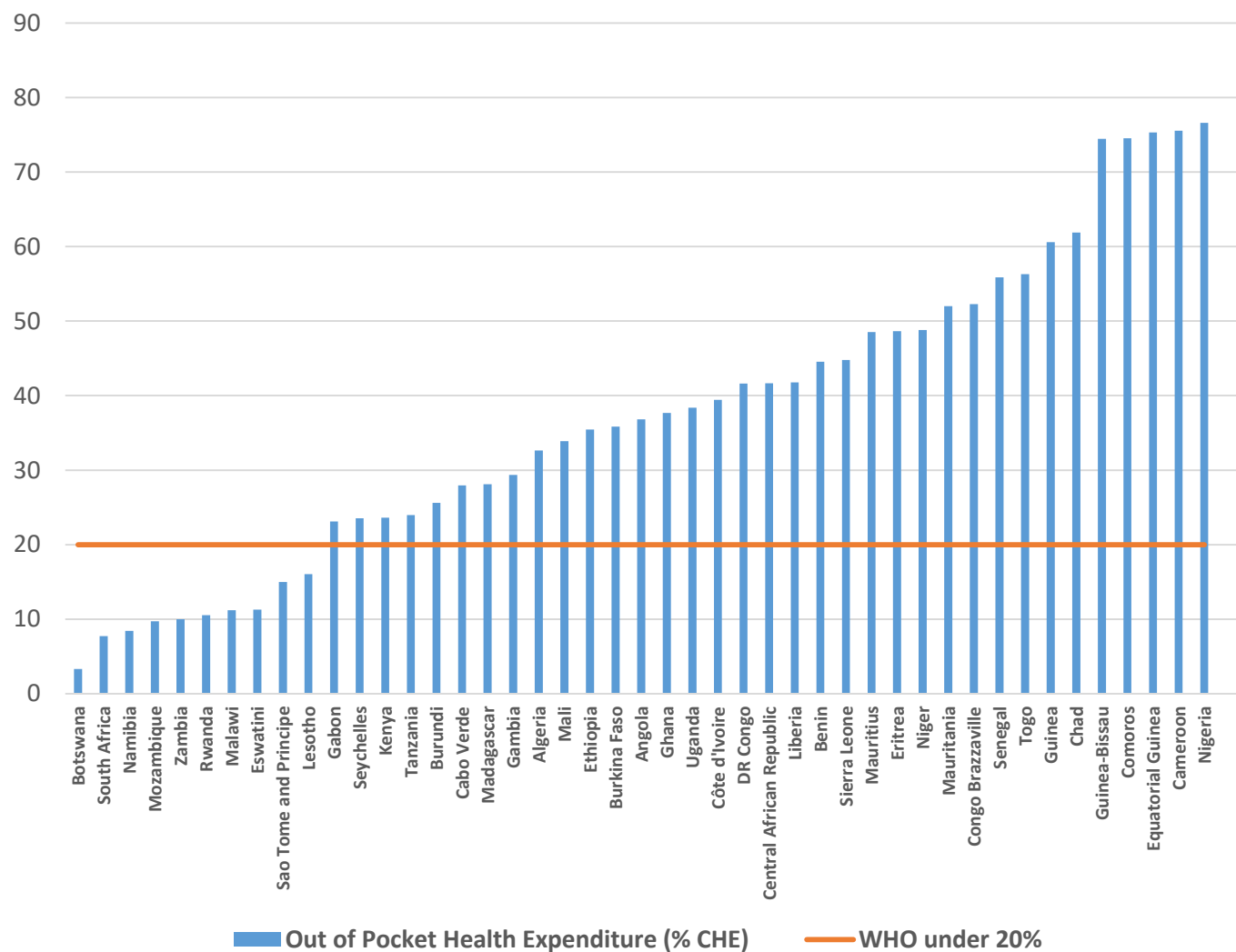


Financing Universal Health Coverage:

- Excessive reliance on external financing
- Only 7 African countries (Botswana, Seychelles, Algeria, Cabo Verde, Gabon, Lesotho, and South Africa) finance 50 % or more of health expenditures from domestic resources



Out-of-pocket health expenditures very high - - at 36 % on average



Progressive UHC: ambitious and achievable, with realism

Essential services for: MCH +
common communicable diseases +
NCDs (e.g., hypertension, cancer)



Mapping of some essential
medicines In Africa

- Diarrheal diseases represent 13.27 percent of under five mortality and oral rehydration salts (ORS) could prevent deaths in up to 93 percent of cases
- Maternal mortality ratio is 542 per 100,000 births and two of top two causes are hypertension and excessive bleeding
- 27 percent of Africa's population is suffering from hypertension - - and rising



- ORS is a generic product, stable at ambient temperatures/humidity, with prices nearly double the global reference but availability remains a serious challenge
- 57 percent of failed Oxytocin samples as a first line treatment for excessive bleeding were registered in 8 African countries at the point of care
- A 2017 survey of 212 patients in Kenya found that the mean annual direct costs of care for hypertension was \$304.8, with \$168.9 of that amount going towards paying for medicines.

Opportunities for Private Sector Investors

- 14 % of all business opportunities in the health and well-being sector globally are in Africa, second only to North America with 21 per cent.
- 45-60 percent of health budget is spent on pharmaceuticals and 97 percent is imported with 99 percent of vaccines are imported
- ECA-led AfCFTA pharmaceutical initiative in 10 East African countries estimated the maternal and child care (MCH) market at \$1.3 billion and localized manufacturing of family planning products will increase their accessibility by 21 - 76 %
- Market size of one MCH pharmaceutical product oxytocin is \$6.2m in 2020 rising to \$29.1m in 2050. Oxytocin is a generic drug which has lower technical requirements and costs than drugs under patent
- Among the five UNICEF trusted manufacturers of ORS, two are based in Africa Nigeria and Kenya. However, availability at point of care varies across African countries and improved supply chain management and scaling-up of production provide investment opportunities

African Common Market + Investments = Economies of Scale

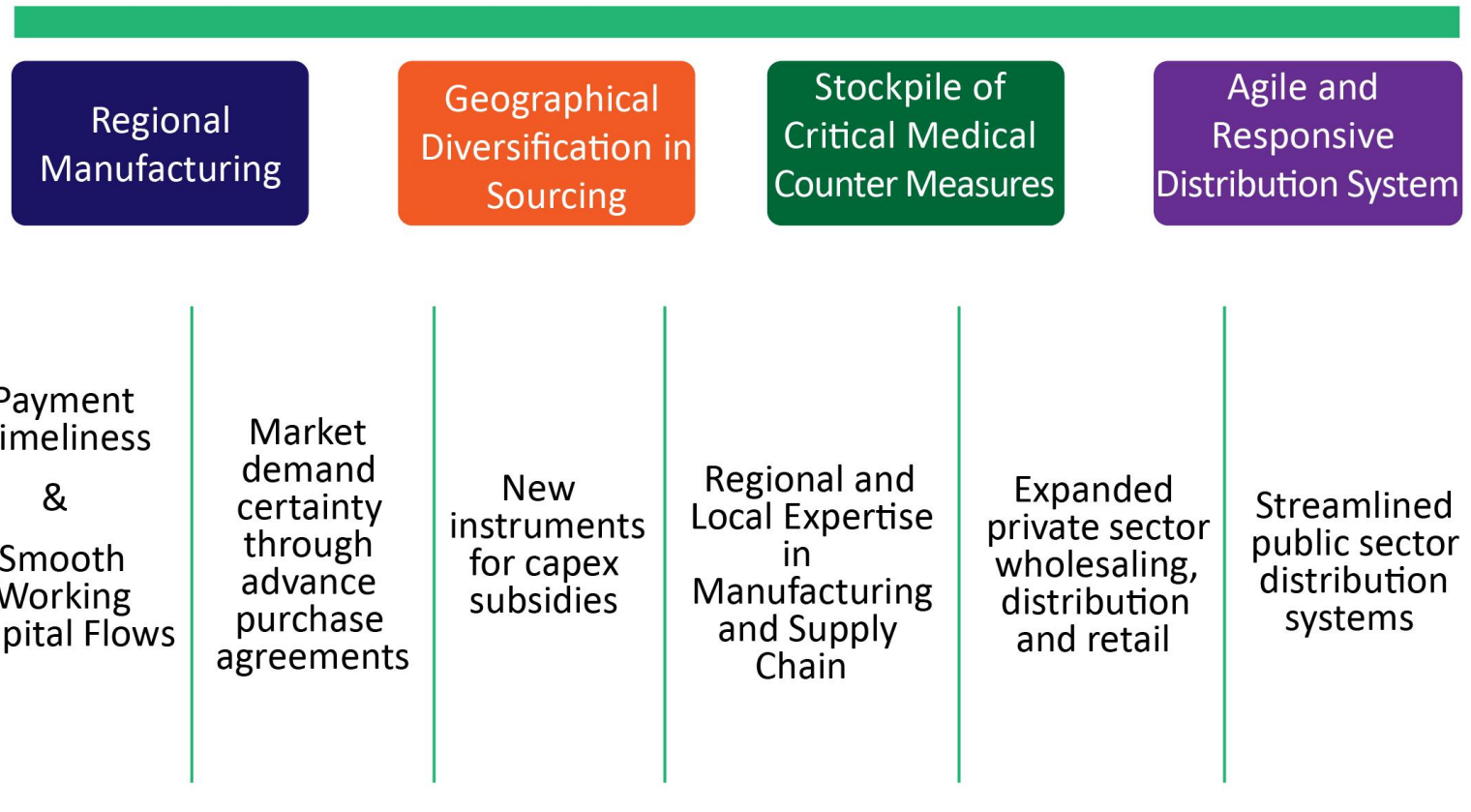
- Creating a common market for health products will unlock larger investments in the health supply chain at national and continental levels

AfCFTA, recently ratified AMA, and AU-led pooling AMSP have led to a 30-50% price drop compared to the global price of COVID-related PPEs and preventive products

African population of 1.3 billion and a GDP of \$3.4 trillion creates economies of scale for:

- More generic manufacturers to invest and set up shop in Africa
 - Higher sustainability of regional manufacturing
 - More competitive prices and delivery time
 - Lower transaction costs
 - Higher quality and standards compliance: Good Manufacturing practices (GMP) & AMA
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- Intellectual Property rights and TRIPS flexibility would accelerate generic production
 - Producing off-patent drugs presents an opportunity for Africa to develop essential industrial capacity while reducing external dependence and health risks. The technical requirements and costs are lower for generic production.

Resilient Supply Chain for Critical Health Products



Under the meta-structure of AfCFTA, AMA, and AU wide pooled procurement, short term actions to bring greater resilience



THANK YOU!

Ideas
to
Action