

ABCHealth



ABCHealth Roundtable

International Health Ministers Summit
Rwanda

5TH DECEMBER 2024

THEME

**Driving Sustainable Healthcare in Africa
through Improved Local Production Capacity of
Drugs and Medical Commodities**

Draft Report



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FOREWORD

In February 2019 during the Africa Business Summit: Health Forum which held on the sidelines of the 32nd Session of the Assembly of Heads of State and Government of the African Union (AU), the African Business Coalition for Health (ABCHealth) was launched alongside the first edition of the Healthcare and Economic Growth in Africa Report. In attendance at the event were a number of African Head of States, ministers, senior government officials, business leaders, philanthropists, health experts and senior executives of development institutions all of who agreed that the health of the continent's population has direct correlation to the continent's prosperity.

The launch of both ABCHealth and the Health and Economic Growth in Africa Report (1st Edition) culminated into the partnership between Aliko Dangote Foundation (ADF) and the Global Business Coalition for Health (GBCHealth) on the one hand; and on the other, the partnership between Aliko Dangote Foundation, GBCHealth and the United Nations Economic Commission for Africa (UNECA).

Following its launch, ABCHealth hosted the Africa Investment Summit on Health in September 2021 when the second edition of the Health and Economic Growth in Africa Report (Technical Version) focused on a doing health differently beyond Covid-19 and announcing – the West Africa AfCFTA-anchored Pharma Initiative, through the presentation of a Value mapping market analysis of key key pharmaceutical products across select African markets .

This initiative serves as a blueprint for the local production of drugs and medical supplies and trading same, leveraging AfCFTA across West Africa, focusing on strengthening healthcare systems across the sub-region through resource mobilization and infrastructure development. Prior to this, the ECA, in collaboration with IGAD and selected countries, facilitated a pilot programme which had a three strand approach: facilitation and advocacy of local production of maternal and child care medicines and products; pooled procurement of same in Seychelles, Madagascar, Comoros, Mauritius, Djibouti, Eritrea, Rwanda and IGAD anchored by Ethiopia and Kenya; and ensuring quality standards of medicines and products with the support of the AUC Agencies.

In the ever-evolving landscape of healthcare, the importance of collaboration between public and private sectors cannot be overstated. As Africa faces unique challenges, ranging from inadequate infrastructure to a burgeoning population, innovative partnerships are emerging as crucial drivers of progress and the African Business Coalition for Health (ABCHealth), remains at the forefront of transforming, influencing and facilitating required dialogues and strategic partnerships to improve the continent's health outcomes whilst also impacting its broader economy.



Mories Atoki (Dr.)
Chief Executive Officer
ABCHealth

This report on this ABCHealth-convened, high-level roundtable “Driving Sustainable Healthcare in Africa through Improved Local Production Capacity of Drugs and Medical Commodities” focuses on the discussion driven by critical stakeholders in Africa's health space both in the public and private sectors. The conversations were insightful, delving into the factors contingent for Africa to achieve self-sustenance in its healthcare including political will, financing, strategic partnerships, enabling policies and enforcement of regulations.

Importantly, the session made clear that the complexities of Africa's current healthcare environment demand a multifaceted approach, leveraging the strengths of both public institutions and private enterprises. By working together, these sectors can create sustainable solutions that address pressing health issues, improve access to services, and ultimately enhance the quality of life for millions.

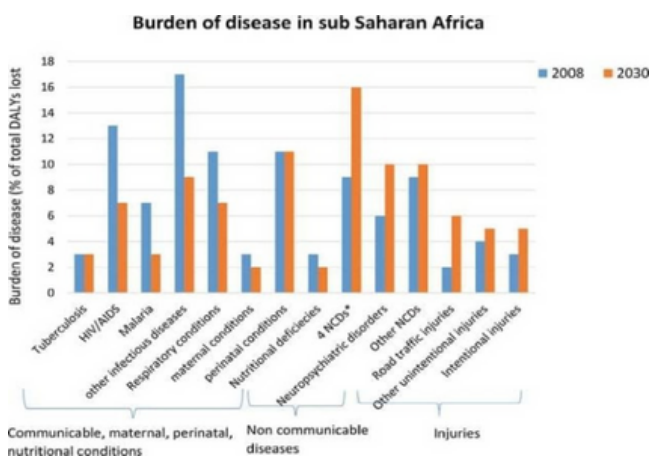
This report highlights outlines best practices and identifies key areas where public-private partnerships can make a significant impact. It is a call to action for stakeholders at all levels—governments, businesses, non-profits, and communities—to embrace collaboration as a means to unlock unprecedented population health and economic opportunities.

As Africa stands at this pivotal moment, we remain committed to harnessing the power of partnership to build a healthier future for Africa. Together, we can turn challenges into opportunities, ensuring that every individual has access to the quality of care needed as a fundamental human right.

INTRODUCTION

The African Business Coalition for Health (ABCHealth), in its commitment to championing transformative public-private partnerships in healthcare, organized a Roundtable Session at the International Health Ministers Summit hosted by Informa Markets in Kigali, Rwanda. This remarkable event served as a platform for dialogue among key stakeholders, including health ministers, industry leaders, policy experts, and international organizations, under the overarching theme: “Driving Sustainable Healthcare in Africa through Improved Local Production Capacity of Drugs and Medical Commodities.”

This session’s theme signifies one of the most pressing challenges in Africa’s healthcare sector: the continent’s over-reliance on imported pharmaceutical products and medical supplies. With nearly 70%–90% of its drug requirements being imported, Africa is acutely vulnerable to global supply chain disruptions, fluctuating prices, and limited access to essential medicines. The theme reflects a growing consensus among stakeholders that fostering sustainable healthcare systems in Africa requires not only robust policy frameworks but also the local capacity to manufacture quality, affordable drugs and medical commodities in line with United Nations SDG 3 (Good Health and Well-being) and African Union Agenda 2063’s vision of a prosperous, healthy, and self-reliant Africa, particularly as disease burdens continue to evolve, especially in view of the projected trends in disease burdens.



Comparative data for 2008 and 2030

The Roundtable Session, hosted and moderated by the Chief Executive Officer of the African Business Coalition for Health (ABCHealth), Dr. Mories Atoki, aimed to drive transformative action toward building a sustainable, inclusive, and resilient healthcare ecosystem.

Emphasizing the local production of pharmaceuticals and medical commodities, the discussion highlighted this as not only an economic necessity but also a strategic route to achieving universal health coverage

(UHC), effectively managing public health emergencies, and alleviating financial pressures on governments and citizens. This platform reinforced the critical need for collaboration and innovation to strengthen healthcare systems across Africa.

THE STATE OF AFRICA'S DRUG MANUFACTURING SECTOR

The COVID-19 pandemic highlighted the fragility of global supply chains and underscored the urgent need for self-sufficiency in critical sectors, particularly in healthcare. This pandemic in 2020 exposed the systemic failure in Africa’s healthcare industry with many developed nations focusing inwards to meet the medication demands of their populations while Africa (which imports over 90% of its medicines) could only depend on goodwill.

Literally, the pandemic caught Africa unprepared unprotected and left at the bottom of the ladder when it came to the distribution of vaccines. Despite this, the momentum for revamping the healthcare situation has crawled to a near halt as more and more countries continually fail to meet their obligations according to the 2001 Abuja Declaration where the African Union countries set a target of allocating at least 15% of their budget each year to the health sector. This failure is a result of various challenges including a deepening economic crises of global proportions as well as upheavals (political, security) leaving Africa to suffer an annual loss of \$2.6 trillion due to reduced productivity resulting from health issues. The continent has reached a turning point – it can no longer take its health needs for granted.

The rationale for this is clear – in Africa, where most countries are low-income, the pandemic uncovered the gross inadequacies and inequities of the continent’s healthcare systems. The continent faces a double burden of communicable and non-communicable diseases with infectious diseases accounting for at least 69% of deaths and the highest age-specific mortality rates than any other region in the world. Yet, Africa imports over 97% of the drugs and essential medical commodities that it needs. Apart from this exposure to poor healthcare, the economic dysfunction cannot be ignored – Africa’s demand for packaged medicines for instance is worth \$18 billion a year but 61% of these goods are imported, and just 3% met by intra-African trade. On an overarching view, the continent’s pharmaceutical market size was estimated at \$26.85 billion in 2023 and is expected to grow at a compound annual growth rate (CAGR) of 3.4% leading to a low estimate of \$33.80 billion by 2030 but Africa may not enjoy the economic benefits of this growth if the current trend continues.

Leaders from both the public and private sector are calling for a fundamental shift in the continent's health economy and are highlighting the need for commitments that are coordinated, connected, fast-moving, transparent, results-oriented, and equitable at the highest level. In other words, a complete revamp of Africa's health sector system with a major focus on improving its capacity for local manufacturing of drug and essential health commodities.

African consumers are becoming more health-conscious and are demanding better access to healthcare services and products leading to an increase in demand for pharmaceuticals, especially for chronic diseases such as diabetes, hypertension, and cancer. Additionally, there is a growing demand for generic drugs due to their affordability and accessibility.

South Africa has the largest pharmaceuticals market in Africa, followed by Egypt and Nigeria. In South Africa, the market is dominated by multinational companies, while in other countries, local manufacturers play a significant role. There is also a trend towards increasing investment in research and development, which is expected to lead to the development of new and innovative drugs.

Lack of infrastructure and healthcare facilities, particularly in rural areas remain a key challenger and this has resulted in poor access to healthcare services and medicines, which has led to a rise in counterfeit drugs. Governments in the region are taking steps to address this issue by implementing regulations and increasing investment in healthcare infrastructure.

DRIVING SUSTAINABLE HEALTHCARE IN AFRICA THROUGH IMPROVED LOCAL DRUGS PRODUCTION

Driving sustainable healthcare in Africa hinges on transforming the continent's pharmaceutical ecosystem by bolstering local production capacity for drugs and medical commodities. Presently, Africa's pharmaceutical industry is characterized by limited upstream capabilities, with most production focused on formulation and packaging. This is a critical shortfall, as the continent's ability to produce essential intermediates and Active Pharmaceutical Ingredients (APIs) remains underdeveloped. Across Africa, only five facilities manufacture APIs, highlighting the significant dependence on global supply chains for these foundational components. This structural deficit constrains Africa's potential to achieve self-reliance in healthcare delivery.

The distribution of pharmaceutical manufacturing capacity across Africa reveals stark disparities. There are approximately 600 manufacturers of packaged

medicines on the continent, 80% of this capacity is concentrated in just eight countries, with North Africa leading the way as a regional pharmaceutical hub. Within this group, only four nations host more than 50 manufacturers, while 22 African countries have no pharmaceutical manufacturing facilities at all. This uneven distribution exacerbates inequities in access to locally produced medicines and undermines the goal of achieving universal health coverage (UHC) across the continent.

According to the United Nations Industrial Development Organization (UNIDO), the industry is expected to grow at a compound annual growth rate (CAGR) of 5.13% between 2022 and 2027. This optimistic outlook is driven by several factors, including increasing healthcare expenditure, the expansion of healthcare services to underserved populations, a maturing regulatory and business environment, and the growing adoption of generic medicines as cost-effective solutions to address public health needs.

Africa's demographic and epidemiological trends further emphasize the urgency of developing local pharmaceutical manufacturing. By 2050, the continent's population is projected to exceed 2.5 billion, placing immense pressure on healthcare systems to address both communicable and non-communicable diseases. The rising prevalence of these diseases, coupled with Africa's vulnerability to global supply chain disruptions, makes the localization of pharmaceutical production an economic and public health imperative. The COVID-19 pandemic laid bare these vulnerabilities, exposing Africa's dependence on imported medicines and its inability to secure adequate supplies during periods of global crisis.

For Africa to realize its full potential in pharmaceutical manufacturing, systemic challenges must be addressed. Key barriers include inadequate infrastructure, fragmented regulatory frameworks, limited investment in research and development (R&D), and the absence of robust capacity for API production. Strategic interventions are required to foster a thriving pharmaceutical manufacturing ecosystem. These include strengthening regulatory harmonization through regional bodies like the African Medicines Agency (AMA), incentivizing private sector investments, and fostering public-private partnerships to drive innovation and knowledge transfer.

Moreover, the localization of pharmaceutical production represents a strategic pathway to achieving sustainable healthcare outcomes. It offers the dual advantage of enhancing access to affordable, quality-assured medicines while reducing reliance on global supply chains. Beyond improving public health outcomes, this transition has significant economic implications, including job creation, technology transfer,

implications, including job creation, technology transfer, and the reduction of foreign exchange outflows for imported medicines.



Professor Nicaise Ndembi - Deputy Director General and Regional Director, IVI Africa Regional Office, in his Keynote presentation affirmed that local drug production is Africa is long overdue but then, many challenges must be overcome before the continent can achieve a good level of self-sustenance.

Research has articulated a guiding framework for advancing public health and business in Africa. This framework, centered around the 4C's—Collaboration, Cooperation, Coordination, and Communication, serves as a strategic pathway for addressing the continent's healthcare challenges and fostering sustainable solutions.

Collaboration emphasizes the need for synergy among diverse stakeholders, including governments, private sector entities, non-governmental organizations, and international partners. Effective collaboration fosters the pooling of resources, expertise, and innovation to address complex healthcare challenges such as drug production and distribution. In an African context, where healthcare systems often operate under resource constraints, collaborative initiatives can enhance the capacity for research, manufacturing, and delivery of essential medical commodities, ultimately strengthening public health outcomes.

Cooperation, while closely linked to collaboration, indicates the commitment and mutual accountability among stakeholders. It involves aligning objectives and harmonizing efforts to ensure that partnerships translate into tangible outcomes. Cooperation is particularly vital in addressing health inequities across Africa, where disparities in access to quality medicines and healthcare services remain prevalent. By fostering a spirit of unity and shared purpose, stakeholders can bridge gaps in healthcare delivery, improve access, and build trust within communities.

Coordination is critical for ensuring that the multitude of efforts across the public health spectrum are strategically aligned. The lack of effective coordination often leads to duplication of efforts, inefficiencies, and wasted resources. A coordinated approach involves streamlining policies, harmonizing regulatory frameworks, and ensuring that all stakeholders operate within a unified vision. This is especially crucial in local drug production, where aligning manufacturing standards, quality assurance processes, and supply chain logistics can significantly enhance the reliability and availability of medical products.

Communication serves as the foundation of these efforts, enabling transparency, knowledge-sharing, and the dissemination of accurate information. In public health, clear and effective communication is essential for educating communities, dispelling misinformation, and promoting health-seeking behaviors. At an institutional level, it ensures that stakeholders are well-informed, engaged, and able to respond proactively to emerging health challenges. In the context of drug production, robust communication channels facilitate market intelligence, policy advocacy, and the integration of community needs into production strategies.

These principles form a cohesive strategy for advancing public health and business in Africa. By integrating collaboration, cooperation, coordination, and communication into the fabric of healthcare systems and initiatives, the continent can build resilient systems that fosters long-term sustainability and self-reliance. This approach holds the promise of transforming Africa's healthcare landscape and enabling it to meet the needs of its people effectively.

Pandemic prevention, preparedness, and response require a comprehensive approach that integrates politics, populations, policies, partnerships, and pathogens. These elements are interdependent, creating a structure that addresses the complexities of health emergencies and ensures a congruent response to protect public health and societal stability. Political leadership and commitment drives the formulation and implementation of effective policies that prioritize public health. For example, during the COVID-19 pandemic (2020–2022), countries with strong political leadership, such as New Zealand, demonstrated the value of decisive action through early border closures, robust contact tracing, and widespread testing. These political decisions were critical in reducing transmission rates and preserving healthcare system capacity. Conversely, the absence of unified political strategies in some nations led to fragmented responses, delayed interventions, and greater loss of life.

Policies provide the structural model of pandemic management, ensuring that interventions are organized, evidence-based, and effectively implemented. The International Health Regulations (IHR, 2005) serve as a global policy framework that guides nations in their preparedness for and response to public health emergencies. However, the Ebola outbreak in West Africa (2014–2016) highlighted gaps in policy enforcement and global coordination, underscoring the need for continuous evaluation and strengthening of such frameworks. Countries like Nigeria demonstrated the importance of adaptable policies by swiftly containing the spread of Ebola within its borders through effective surveillance and public education campaigns.

Understanding the social, economic, and cultural contexts of diverse communities ensures that policies and interventions are tailored to their unique needs. For instance, during the H1N1 influenza pandemic (2009), public health campaigns targeting vulnerable groups, such as pregnant women and children, emphasized vaccination and preventive measures. Such targeted strategies saved lives and reduced the strain on healthcare systems. In contrast, during COVID-19, inequitable vaccine distribution highlighted the need for greater focus on marginalized populations to prevent disparities in outcomes.

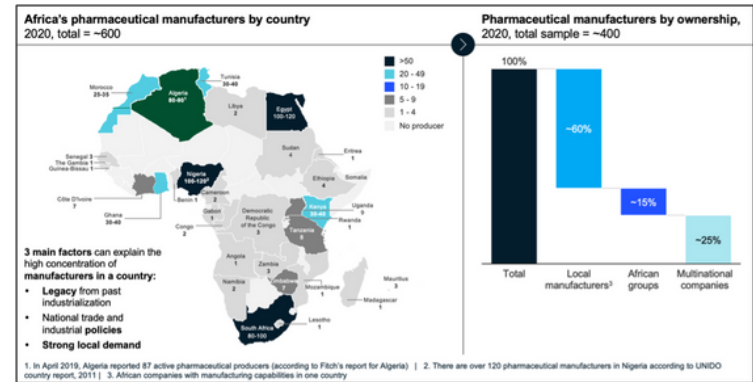
Partnerships amplify the reach and efficacy of these efforts by uniting governments, international organizations, the private sector, and civil society in a shared mission. The Coalition for Epidemic Preparedness Innovations (CEPI), established in 2017, exemplifies the power of partnerships by fostering collaboration between public and private entities to develop vaccines for emerging infectious diseases. During COVID-19, CEPI played a pivotal role in accelerating the development of vaccines like AstraZeneca and Moderna, showcasing how partnerships can mitigate the global impact of pathogens.

Pathogens are the biological drivers of pandemics, and understanding their characteristics is critical to informing political decisions, policy development, and public health strategies. The rapid sequencing of the SARS-CoV-2 genome in January 2020 intensified the importance of pathogen-focused research. This milestone enabled the swift development of diagnostics, therapeutics, and vaccines, illustrating the value of integrating scientific advancements into pandemic frameworks. The ongoing efforts to monitor zoonotic diseases, such as avian influenza, highlight the necessity of continuous pathogen surveillance to prevent future outbreaks.

This interconnected framework weaves together leadership, community engagement, strategic policymaking, cross-sector collaboration, and scientific expertise. By addressing these elements holistically and learning from past pandemics, such as SARS (2003), H1N1 (2009), Ebola (2014–2016), and COVID-19 (2020–2022), nations and institutions can strengthen their capacity to prevent, prepare for, and respond to pandemics, safeguarding lives and fostering global health security.

Within the continent's health industry, drug manufacturing has been massively impacted as Africa continues to import over 80% of its medicines while producing less than 5% of its needs. Some African countries have a handful of local companies who produce for the domestic market. Most do not—and are currently uncompetitive for local drug production. The continent overall has roughly 375 drug makers, most in North Africa, to serve a population of around 1.3 billion

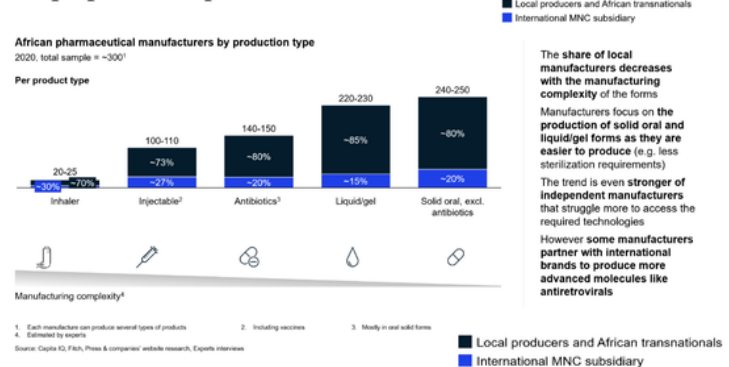
billion people. Those in sub-Saharan Africa are largely clustered in just nine of 46 countries, and they are mostly small, with operations that do not meet international standards. By comparison, China and India, each with roughly 1.4 billion in population, have as many as 5,000 and 10,500 drug manufacturers, respectively.



Many governments are considering whether it is time to promote more local production. Drug imports, including both over-the-counter and prescription drugs, do considerably exceed those into China and India where comparable populations import around 5 percent and 20 percent, respectively. Drug manufacturers in Africa focus on products with relatively simple production process; the more complicated the production process of the drug, the less the number of local manufacturers leaving Africa's US\$30b (2025 projections) pharmaceutical market underpenetrated.

Manufacturers focus on the production of solid oral and liquid/gel forms as they are easier to produce (e.g. less sterilization requirements) and this trend is even stronger with independent manufacturers that struggle more to access the required technologies. However, some manufacturers partner with international brands to produce more advanced molecules like anti-retroviral drugs.

Manufacturers on the continent focus on products with relatively simple production processes



In sub-Saharan Africa, only Kenya, Nigeria, and South Africa have a relatively sizable industry, with dozens of companies that produce for their local markets and, in some cases, for export to neighboring countries. Local producers also play in a limited range of the value chain. Almost all of them are drug-product manufacturers – that is, they purchase active .

manufacturers – that is, they purchase active pharmaceutical ingredients (APIs) from other manufacturers and formulate them into finished pills, syrups, creams, capsules, and other finished drugs. Up to a hundred manufacturers in sub-Saharan Africa are limited to packaging: purchasing pills and other finished drugs in bulk and repackaging them into consumer-facing packs. Only three—two in South Africa, and one in Ghana—are producing APIs, and none have significant R&D activity.

To say that the continent’s pharmaceutical market is underpenetrated is an understatement – while only five countries make up ~60% of pharma sales (including Algeria, South Africa, Egypt, Nigeria, Morocco), ~40% of total sales are from North Africa driving the market in terms of volumes due to an increase of health coverage and public health expenditures. This signals a huge untapped opportunity in sub-Saharan Africa and with even more growth projected over the next five years due to a number of factors including:

Shifting epidemiological profile

- Africa’s epidemiological profile is characterized by infectious diseases, non-communicable diseases, and malnutrition. Non-communicable diseases are expected to represent 45% of disease burden by 2030 with cardiovascular diseases having a large percentage in view of the current trends.

Increased demand

- Therapeutic areas: ~50% of total market sales driven by three product areas:
- Gastrointestinal (e.g., Insulin, Omeprazole); high growth driver
- Nervous system drugs (e.g., Paracetamol, Codeine), high growth driver
- Anti-infectives (e.g., Amoxicillin, Efavirenz)
- Oncology and hematology experiencing high growth, but limited market share
- Generics: ~3% growth rate of generic products, which currently make up ~40% of total sales and play a central role in drug availability (e.g., easily produced by new entrants, more affordable than patented drugs)
- Innovative technologies and products: Biosimilars make up ~10% of the current market and are the fastest growing at ~6%, however only 5 local manufacturers currently manufacturing; oncology is the second fastest growing

Increased regulatory strengthening

- Increased regulatory harmonization through regional initiatives which increase the efficiency of product registration into the market

To achieve the ambitious target of producing 60% of diagnostics and vaccines in Africa, significant emphasis must be placed on workforce training and development. Strengthening local manufacturing capabilities is essential for reducing dependency on imports, which currently account for approximately 90% of the vaccines used on the continent (Africa CDC, 2021). A skilled workforce is crucial in enhancing innovation, maintaining quality standards, and ensuring sustainable healthcare production.

One notable initiative is the African Vaccine Manufacturing Initiative (AVMI), which aims to bolster local production by fostering collaboration among African nations. Senegal’s Institut Pasteur, for example, has been instrumental in manufacturing the Yellow Fever vaccine for years and is expanding its capabilities to include COVID-19 vaccines. This development illustrates how strategic investments in workforce enhancement can lead to the successful establishment of local manufacturing hubs.

To effectively build a capable workforce, training programs focusing on critical areas such as biotechnology, pharmaceutical sciences, and quality assurance are essential. Partnerships with international organizations like the World Health Organization and the Global Alliance for Vaccines and Immunization (GAVI) can facilitate knowledge transfer and provide the necessary resources to tailor educational curricula to local contexts. The BioFISA II program, for example, has significantly improved research and development capabilities in the biopharmaceutical sector through targeted educational initiatives (SADC, 2020).

Investments in vocational training and higher education institutions can create a steady supply of skilled professionals ready to engage in manufacturing and regulatory roles. This encompasses not only technical training but also competencies in regulatory affairs, supply chain management, and research and development. In 2022, the African Union introduced the African Continental Free Trade Area (AfCFTA), which promotes intra-African trade and could further enhance collaboration in workforce development and manufacturing across member states.

African nations can enhance their capabilities for manufacturing diagnostics and vaccines, moving closer to the goal of locally producing 60% of these essential health products. This approach drives economic growth, creates employment opportunities, and fosters innovation in the healthcare sector, ultimately benefiting the continent and its people.

Dr. Pamela Ajayi, President, Healthcare Federation of Nigeria, addressed a vital question confronting the continent:



“Are African countries truly committed to supporting their local healthcare industries, not only in terms of production but also in fostering demand for locally manufactured products?” – Dr Pamela Ajayi, President Healthcare Federation of Nigeria

This inquiry goes to the heart of Africa’s healthcare sovereignty, raising critical issues about resource allocation, policy priorities, and the role of domestic markets in driving sustainable growth.

Africa possesses one of the strongest capacities for drug production, particularly in nations like Nigeria, which has emerged as a leader in pharmaceutical manufacturing. Despite these advancements, local production often faces challenges, including insufficient government support, limited investment in research and development (R&D), and the persistent preference for imported goods over locally made alternatives. This tendency undermines the growth of homegrown industries and weakens the continent’s ability to achieve healthcare independence.

Central to the dialogue was the pressing need for robust R&D infrastructure. Research and development are the foundations of innovation in healthcare, enabling countries to create context-specific solutions tailored to their unique epidemiological profiles. For example, Africa’s battle with endemic diseases such as malaria, tuberculosis, and HIV/AIDS demands innovative approaches that are rooted in local realities. However, without substantial investment in R&D, the continent risks remaining a consumer of external solutions rather than a producer of its own.

The conversation also explored the critical role of public health policy in shaping demand for locally manufactured medical commodities. Policies that prioritize the procurement of domestic products in national healthcare systems can create a steady demand that sustains local industries. This approach not only strengthens the supply chain but also ensures that healthcare solutions are readily available and culturally relevant. For instance, the use of locally produced antimalarial drugs and vaccines has proven to be cost-effective while reducing reliance on unpredictable global supply chains. The importance of collaboration between the public and private sectors was emphasized. Initiatives such as the Presidential Initiative Unlocking the Healthcare Value Chain (PVAC) exemplify how governments can work with private entities to address gaps in the healthcare ecosystem. By focusing on key areas such as manufacturing, logistics, and distribution, PVAC has

laid the groundwork for a more self-reliant healthcare system. In Nigeria, for example, PVAC’s interventions have spurred the growth of local industries capable of producing critical drugs and medical commodities at scale, demonstrating the tangible benefits of such partnerships.

However, the success of these efforts hinges on more than just production capacity. African nations must also cultivate a culture of trust in locally manufactured products. This requires not only improving the quality of these products but also educating both healthcare providers and the general public about their efficacy and safety. Without this trust, even the most robust manufacturing systems will fail to gain traction in domestic markets.

A continent-wide commitment to strengthening local industries could significantly enhance access to essential medicines, reduce treatment costs, and improve overall health equity. Moreover, by reducing dependency on imported goods, Africa can insulate its healthcare systems from global market fluctuations and geopolitical disruptions, ensuring greater resilience in times of crisis.

KEY CHALLENGES FACING LOCAL DRUG MANUFACTURING

- **Limited access to affordable financing:** There is limited funding available and where it is available, the payment terms and rates usually do not favour local manufacturers. According to the African Development Bank (AfDB), to fund the growth of Africa’s local pharmaceutical industries, an estimated \$111 billion will be needed by 2030: \$11 billion to develop the industry and \$100 billion to develop the supporting infrastructure.

Culled from, Babatunde Omilola, Head of Mission – Africa Development Bank (AfDB)



“AfDB has allocated \$66 million specifically for the continent’s healthcare initiatives but a significant financing gap persists, as \$36 billion is estimated to be required to meet the region’s healthcare needs, while only \$4 billion has been disbursed. This shortfall underlines the urgency of mobilizing resources to bridge the gap”.- Dr Babatunde Omilola - Head of Mission, AfDB

The healthcare financing gap in Africa is exacerbated by various factors, including limited domestic resource mobilization, reliance on external funding, and the ongoing impact of global health crises such as the COVID-19 pandemic.

This underinvestment undermines the capacity of health systems to respond to emerging challenges and meet the demands of their populations. As a result, the continent remains heavily dependent on international aid and philanthropic contributions, which can be unpredictable and insufficient to address long-term healthcare needs.

Limited mechanisms to grow local pharmaceutical capacity: Most of the top Sub-Saharan African markets are not imposing tariffs on the import of pharmaceutical products. On the contrary, North African countries have imposed tariffs, protecting their local pharmaceutical industry from international competition.

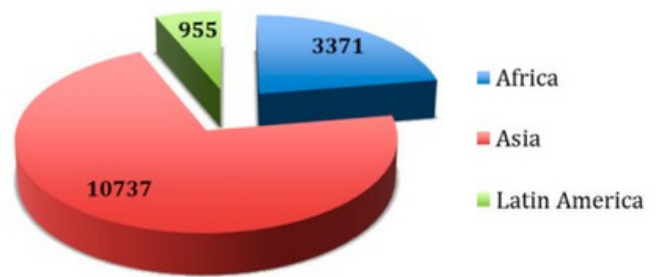


FIGURE 1. Distribution of samples by region.

Country	Average tariff on pharma. ¹	# tariff ² exempted categories	Examples of products exempted from tariff	Intra-African agreement impacting pharma
West Africa				
Côte d'Ivoire	0%	All 32	All	N/A
Ghana	0%	All 32	All	N/A
Senegal	0%	All 32	All	N/A
Nigeria	0%	All 32	All	N/A
South Africa				
South Africa	0%	All 32	All	SADC, SADC ³
Zambia	0%	All 32	All	SADC
East Africa				
Kenya	0%	All 32	All	East African Community
Rwanda	0%	All 32	All	East African Community
Tanzania	0%	All 32	All	East African Community
North Africa				
Egypt	1.4%	0	Vaccines, immunological products, Mabata test kit ⁴	COMESA, Agadir Agreement
Tunisia	5.0%	5	Vaccines, Mabata test kit ⁴	N/A
Algeria	7.4%	1	Vaccines	N/A
Morocco	8.0%	0	-	Arab League, Agadir Agreement, Marrakech II & Egypt, Senegal

North African countries have also reduced regulations encouraging local production, e.g. Algeria banning imports for products available locally.

1. Includes HS codes 3001, 3002, 3003, 3004 (excluding veterinary products) 2. Within the harmonized system of the World Customs Organization, that has 32 categories for pharmaceutical products (excluding non-chemical products like dressings and gauzes and veterinary products)
3. And all products under the code 3002 4. Southern African Customs Union

Source: World Customs Organization

- 54 National Medicines Regulatory Authorities (NMRA) with low regulatory policy alignment even in common markets
- Different paperwork, technical requirements and registration steps across NMRAs resulting in difficult market access

- **Transport and logistics barriers and limited trade policies:** Africa is the least integrated region in terms of international freight, with only 13% of total intra-continental freight and down to 7% for seaborne, that is used for most simple forms (e.g. oral solid). Most of freight capacity is indeed used towards Asia (42%) and European Union (27%)

- **Limited talent and Know-how (R&D, Tech & IP):** Along the industry value chain from research and development (R&D) to product packaging, very few of the steps take place on the continent, resulting in a limited production integration level. Local manufacturers focus more on small molecules and are less integrated than multinational corporations (MNCs) along the value chain:
 - Less than 20 API (active pharmaceutical ingredient) manufacturers were identified with limited product portfolios – producing for example quinine, that is used to treat malaria.
 - R&D capacities are very limited on the continent and mostly located in South Africa, especially when it comes to local manufacturers
- **Insufficient regulatory standards harmonization:** Lack of harmonized standards and regulations on manufacturing, distribution, authorization and quality across the continent leading to a number of difficulties including:
 - Limited compliance to GxP6 norms by players
 - Significant time and effort spent on lengthy processes, resulting in pharmaceutical companies targeting limited number of countries
 - Lack of know-how on regulatory functions to conduct adequate inspections and enforce best practices
 - Fragmented and siloed regulatory organizations lacking quality management system (QMS) or IMS7

- **Delays in cross-border movement (esp. customs delays)** due to different standards between countries; inadequate infrastructure, lack of quality transportation, limited ambient and cold chain warehousing capacity, and other barriers across the value chain result in transportation and logistics costs being 50-175% higher than other regions. Moreover, maritime freight is expensive between African countries, and it is ~30% cheaper for a company located in Europe to export to Dakar, than for a company located in Morocco. The lack of continental freight capacity and the high costs are key barriers to the development of pharmaceutical exports
- **Workforce gap and limited training capacity:** Africa has one of the lowest training capacity and supply pipelines for pharma skills in the world. Pharmacy degrees on the continent focus on clinical pharmacy for hospitals, leaving limited exposure to industrial pharmacy and ensuring that newly-hired pharmacy graduates require extensive on-the job training. These result in employers reporting low productivity and capabilities from African employees compared to Indian and Chinese employees. The World Health Organization (WHO) recommends a ratio of one pharmacist to every 2,000 people in a population but in Africa, there is currently an average of one pharmaceutical worker for every 13,385 people.



- **Operational inefficiencies and lack of competitiveness:** Competitiveness of African pharma manufacturers lags benchmarks due to smaller plants and lower labour productivity. Overall cost per unit is higher in Africa than in emerging economies (+61% vs China); and the productivity per employee of African manufacturers is also low compared to benchmark. Plants are also smaller in Africa than in other markets, for example China (-31%). One key explanation can be that large plants can specialize their production lines on one product and therefore produce almost 24/24h, whereas African plants – often of smaller size – produce several products on each line, and therefore will lose a few hours per day cleaning the lines (up to 1 shift, i.e., ~8h/day lost)

These issues not only hinder local production capacity but also deter private investment, limiting opportunities for growth and innovation. To address these challenges, it is crucial to create a conducive environment that attracts both domestic and foreign investments into the healthcare sector.

One avenue for enhancing funding is the promotion of public-private partnerships (PPPs). These collaborations can leverage resources, expertise, and technology from the private sector to improve healthcare delivery and manufacturing capabilities. Successful examples include the partnership between the South African government and the pharmaceutical company Aspen Pharmacare, which has enabled the local production of essential medicines and vaccines, thereby reducing reliance on imports. By fostering similar partnerships across the continent, African nations can harness the strengths of both sectors to bolster their pharmaceutical capabilities.

Innovative financing mechanisms, such as impact investing and blended finance, also hold promise for mobilizing additional resources. Impact investing focuses on generating social and environmental returns alongside financial profits, attracting investors who prioritize sustainability and positive societal outcomes. Blended finance, which combines concessional funding from public sources with private investment, can further de-risk investments in the healthcare sector and encourage greater participation from private entities. Initiatives like the Global Financing Facility (GFF) for Women, Children, and Adolescents illustrate how blended

finance can mobilize resources for health initiatives, bringing together governments, donors, and private investors to address critical health challenges.

Additionally, the establishment of regional financing institutions can play a vital role in addressing the funding gap. Another instance, the African Export-Import Bank (Afreximbank) has been actively involved in financing healthcare projects across the continent, focusing on enhancing pharmaceutical manufacturing and distribution. By providing targeted financing solutions, regional banks can support the development of local production capacities and improve access to essential medicines.

Professor Maswime's observation regarding the state of Africa's health systems emphasizes a critical issue: the focus on treating individuals rather than addressing systemic failures within the healthcare framework.



"The problem is we have a sick health system, they taught us how to treat a sick person not a sick health system. We need to start addressing how decisions are made so that we can start fixing the health system." – Professor Salome Maswime; Clinician Scientist, Director, WHO Collaborating Centre for Integrated Care

There is an urgent need for a paradigm shift in how health systems are structured, funded, and governed to ensure sustainable improvements in health outcomes. Many countries struggle with underfunded health systems, with an average of only 5% of GDP allocated to health spending, well below the World Health Organization's recommendation of 15% (World Bank, 2022). This financial constraint translates into insufficient infrastructure, inadequate human resources, and limited access to essential medicines and technologies.

The inequities in health service distribution further complicate the situation. For instance, the World Health Organization estimates that more than 25% of Africa's population lacks access to essential health services (WHO, 2021). This discrepancy is particularly pronounced in rural areas, where healthcare facilities are scarce, and health professionals are often reluctant to work due to poor working conditions and limited resources. As a result, many individuals continue to rely on traditional medicine or informal healthcare providers, leading to worse health outcomes and a higher burden of disease.

The importance of addressing social and political determinants of health, plays a critical role in shaping health outcomes. Factors such as poverty, education, gender inequality, and political instability significantly influence access to healthcare services and overall health.

For instance, communities with limited access to education and economic opportunities tend to experience higher rates of chronic diseases and poorer health outcomes. Political determinants, including governance, policy decisions, and resource allocation, also profoundly impact the health system's effectiveness. Countries with unstable political climates often experience disruptions in healthcare services, further exacerbating health disparities.

To address these systemic issues, it is crucial to reassess decision-making processes at all levels of the health system. This includes the need for better governance structures that prioritize transparency, accountability, and community involvement in health service delivery. Effective policy-making should be driven by evidence-based practices and stakeholder engagement to ensure that the needs of the population are adequately addressed. For instance, incorporating feedback from healthcare workers and community members can lead to more tailored interventions that reflect the realities of local contexts.

Investing in workforce development is essential for transforming health systems. As of 2022, the WHO estimated that Africa faces a shortfall of approximately 1.5 million health workers, significantly hampering the capacity to deliver quality care (WHO, 2022). Training and retaining healthcare professionals should be a priority, alongside creating supportive environments that enhance job satisfaction and career progression. For example, countries like Rwanda have made significant strides in health workforce training, establishing innovative programs that blend local and international expertise to build a more robust healthcare workforce.

Technological advancements also present an opportunity to reshape health systems. Digital health solutions, such as telemedicine and electronic health records, can enhance healthcare delivery, improve data management, and facilitate better decision-making. Implementing such technologies requires investments in infrastructure and training for health professionals, ensuring that they are equipped to leverage these tools effectively. Countries like Kenya and South Africa have begun to integrate telehealth solutions into their healthcare systems, demonstrating improved access to services, especially in rural areas.

Collaboration between various stakeholders, including governments, non-governmental organizations, and business, is essential for revitalizing health systems. Public-private partnerships can facilitate resource mobilization, technology transfer, and capacity building, ultimately contributing to the overall resilience of health systems. An example is the partnership between the African Union and the European Union, which aims to strengthen health systems by focusing on manufacturing and supply chain capacities, especially for vaccines and essential medicines.

Dr. Kwasi Boahene, Director, Health Systems, PharmAccess stated a critical issue in Africa's healthcare value chain:



“The gap between production capacity and the absorption capacity of healthcare products, at PharmAccess, what we do is the absorption capacity of the products”. – Dr Kwasi Boahene-Director, Health Systems, PharmAccess

While many African countries have made strides in increasing local drug and medical commodity production, the effectiveness of these efforts depends on their integration into healthcare systems and the ability of communities to access and use them. Addressing this gap is as vital as scaling production itself, as the two are inextricably linked to achieving sustainable healthcare outcomes.

The absorption capacity refers to the systemic ability to ensure that locally produced healthcare goods are effectively utilized within domestic and regional markets. This requires robust systems to support the distribution, affordability, and acceptance of these products. Without mechanisms to bridge production and utilization, even the most sophisticated local manufacturing initiatives risk failing to deliver impact. Public health systems must ensure that locally produced drugs and medical commodities are accessible to the populations that need them the most.

One of the critical barriers to effective absorption is affordability. For many citizens, the cost of healthcare products remains prohibitively high. Subsidization schemes and targeted financial support are essential to bridge this gap, enabling individuals to access locally produced healthcare commodities without experiencing financial hardship. Examples from countries that have implemented community health insurance or subsidy programs demonstrate how such interventions can alleviate the economic burden on families while improving public health outcomes.

The regulatory environment also plays a key role in determining the success of local production and absorption efforts. In many African countries, cumbersome regulations create bottlenecks that delay the approval, production, and distribution of essential medical commodities. Streamlining regulatory processes is critical to ensuring that the local manufacturing sector can respond swiftly to healthcare needs. Lessons can be drawn from regions that have adopted harmonized regulatory frameworks, enabling faster drug approvals while maintaining high safety and quality standards. By aligning regulations with the realities of local manufacturing, governments can support the timely delivery of essential products to communities.

Ensuring the absorption of locally produced goods requires addressing the infrastructure challenges that persist across much of Africa. Efficient supply chain systems are crucial for getting healthcare commodities from manufacturing facilities to end users. Investments in logistics, cold chain systems, and transportation networks are not just desirable but essential to ensure the reliability of healthcare delivery. Public health programs must be designed to incorporate these elements into their planning and execution, as no production capacity can be fully realized without corresponding distribution capacity.

Quality assurance measures must be transparent and widely communicated to healthcare providers and the general public. If communities perceive locally manufactured drugs and medical commodities as inferior to imported alternatives, the uptake of these products will remain low, regardless of availability or affordability. Governments and private sector stakeholders must work together to establish and promote high standards of production while conducting awareness campaigns to build confidence in locally manufactured products.

The broader implications for public health are profound: stronger absorption capacity means better access to essential medicines, improved health outcomes, and greater resilience in the face of future healthcare challenges. Africa has the potential to become a global leader in sustainable healthcare, but this vision can only be realized through a coordinated effort to align production with systemic and community-level capacities.

Professor Morgan Chetty, the Chairman of the IPA Foundation emphasized the inherent diversity of Africa, a continent of over 50 nations with distinct cultural, linguistic, and socio-economic dynamics.



“Brain drain remains a serious challenge in Africa and one of the sectors most hit is the healthcare. The phenomenon of skilled workers emigrating to the West has negatively impacted the availability of skilled healthcare professionals in African countries.”- Professor Morgan Chetty- Chairman, IPA Foundation

Healthcare systems across African nations often face disparities in infrastructure, resource allocation, and service accessibility, which can complicate the design and implementation of continent-wide health initiatives. Tailoring healthcare delivery to the unique needs of each region is critical to overcoming these challenges and ensuring inclusive, sustainable health outcomes.

A pressing issue is the persistent brain drain that continues to deplete Africa of its skilled healthcare

professionals. The outmigration of doctors, nurses, pharmacists, and other critical health workers to more developed nations undermines the continent's ability to build resilient healthcare systems. This exodus not only exacerbates the shortage of professionals but also creates gaps in knowledge transfer, innovation, and healthcare delivery. Addressing this brain drain requires comprehensive strategies, including better remuneration, professional development opportunities, and improved working conditions, to retain talent within the continent. Countries like Rwanda have demonstrated success in reducing brain drain by fostering strong public-private partnerships and investing in healthcare worker training programs. These models could serve as a blueprint for other African nations.

The Chairman also briefed Africa's heavy dependence on imported medical supplies, particularly during the COVID-19 pandemic, where the continent's reliance on China as a primary supplier became glaringly evident. This dependence exposed vulnerabilities in Africa's healthcare supply chain, including disruptions that delayed access to critical medical equipment and life-saving drugs. The pandemic highlighted the urgent need for localized production of healthcare commodities, from personal protective equipment (PPE) to vaccines and essential medicines. By bolstering local manufacturing capacity, African nations can reduce their reliance on imports, enhance self-reliance, and build resilience against future global health emergencies. Initiatives like the establishment of vaccine manufacturing hubs in South Africa and Senegal showcase the potential for local production to transform healthcare outcomes.

Another area of concern was the inadequacy of monitoring systems across the continent. Robust health information systems are essential for data collection, integration, and analysis, enabling evidence-based decision-making and resource allocation. Many African countries, however, face challenges in establishing and maintaining such systems, often due to limited infrastructure, funding, and technical expertise. The lack of comprehensive and interoperable data systems creates gaps in healthcare delivery, surveillance, and research. Modernizing health information systems with integrated platforms that track patient outcomes, disease trends, and healthcare resource utilization is critical for improving service delivery.

He highlighted the potential of Artificial Intelligence (AI) in addressing these challenges. AI has the capacity to revolutionize healthcare in Africa by enabling predictive analytics, streamlining diagnostics, and enhancing disease surveillance. However, the absence of robust data systems impedes the effective application of AI technologies. For AI to be impactful, countries must prioritize investments in digital infrastructure, capacity building, and ethical governance frameworks to ensure that technology is deployed equitably and responsibly.

A successful example of AI in healthcare is seen in Kenya, where AI-powered platforms are used for early detection of diabetic retinopathy, significantly reducing the burden of blindness among affected populations. Expanding such innovations across the continent could yield transformative results.



"We need to stop looking for far reaching initiatives and look at low hanging fruits that we can actually do first so that we can empower ourselves financially to pick the bigger fruits." – Dr Olamide Okulaja- Senior Director, Scale Progrms, Maisha Meds

Referenced from Dr. Olamide Okulaja – Health Economist, Advisor to Lagos State Commissioner of Health, this pragmatic approach reignites the importance of incremental progress in achieving self-sufficiency.

By focusing on scalable, achievable initiatives—such as strengthening regulatory frameworks, incentivizing local manufacturers, and fostering public-private partnerships—African nations can begin to address systemic challenges. Dr. Okulaja provided a comprehensive analysis of the challenges and opportunities in achieving sustainable healthcare in Africa. His insights shed light on the critical interplay between healthcare policy, economic planning, and the role of local production in strengthening health systems.

Nigeria's budgetary allocation dedicates 11-60% to economic affairs, predominantly for capital expenditure. This significant allocation demonstrates a national focus on infrastructure and economic development. However, healthcare must become a pivotal element of economic strategy by integrating healthcare financing into broader economic policies. Aligning infrastructural investments with healthcare needs would not only bolster public health outcomes but also generate economic returns by fostering a healthier, more productive population.

In addition to his role as the Senior Director, Scale Programs, Maisha Meds, he reiterated the transformative role of data-driven organizations like Maisha Meds in enabling private sector engagement in healthcare. He noted that public-private partnerships must transcend traditional, short-term collaborations to become deeply rooted, evidence-driven initiatives. By leveraging robust data systems, stakeholders can map healthcare gaps—such as inefficiencies in drug production, distribution, and access—and craft targeted interventions. These partnerships can unlock significant value, driving both economic and health benefits.

One of the most ambitious initiatives discussed was the Lagos State Medical Industrial Zone, strategically located within the Lagos Free Trade Zone.

This initiative epitomizes the government's commitment to fostering an ecosystem for research, development, manufacturing, and trade in medical commodities. By building local production capacity, this project aims to reduce reliance on imports, ensure the availability of essential medicines, and position Lagos as a hub for pharmaceutical innovation in Africa. Such efforts have far-reaching implications, not only for addressing Nigeria's healthcare supply chain vulnerabilities but also for job creation, economic diversification, and regional leadership in the healthcare space.

The economic rationale for these investments lies in the principle of "cross-subsidization," which involves leveraging revenue generated from thriving economic sectors to support less profitable but socially critical areas like healthcare. For example, revenues from industrial activities within the Medical Industrial Zone could be reinvested in public health programs, creating a self-sustaining model that supports universal health coverage and equitable healthcare access.

Local drug production is critical for public health resilience. Building local manufacturing capacity ensures the availability of essential medicines during global health crises and drives down costs, making healthcare more affordable for citizens. This aligns with Nigeria's efforts to achieve universal health coverage by addressing both affordability and accessibility challenges.

The Lagos State Medical Industrial Zone is a crux of a broader strategy to embed research and development (R&D) into Africa's healthcare framework. By prioritizing R&D, Lagos aims to foster medical innovations tailored to Africa's unique health challenges. This focus on local innovation is not just reactive—it is a forward-looking strategy designed to prepare for emerging health threats while addressing current healthcare deficits.

The initiative also underscores the need for strategic public-private partnerships. The Lagos State Ministry of Health, in collaboration with private investors and stakeholders, is creating an enabling environment where government policies support private-sector innovation. This collaborative model ensures that private investments are aligned with public health objectives, maximizing impact and sustainability.

Healthcare must not be viewed in isolation but as an essential driver of economic growth. A healthy workforce fuels productivity, reduces economic losses from illness, and contributes to overall national development. By embedding healthcare into Nigeria's economic strategy, policymakers can ensure that investments in infrastructure, trade, and industry translate into tangible health benefits.

The discussion highlighted the need for a shift in how healthcare is approached in Africa. Instead of relying heavily on imported solutions, local capacity building

must become a priority. Initiatives like the Lagos State Medical Industrial Zone exemplify this vision by leveraging local resources and expertise to create a self-reliant healthcare system.

Dr. Ayodele Benson Cole, Chairman, Echo Scan Services presented a compelling discourse on the critical role of local production in transforming Africa's healthcare landscape:



"AfCFTA could catalyze increased collaboration among African nations, fostering a more unified approach to pharmaceutical production and distribution"- Dr Ayodele Cole Benson- Chairman, Echo Scan Services, TG Lead, NESG HPC (Health Policy Commission)

Emphasizing the importance of leveraging ongoing initiatives, existing structures and frameworks could serve as a foundation to create impactful and sustainable solutions. Harnessing these efforts would not only foster efficiency but also significantly contribute to addressing the pressing healthcare challenges facing the continent.

A key aspect is focused on the need to reimagine regulations, viewing them as enablers rather than barriers to entry. Regulatory frameworks, when designed strategically, can stimulate innovation and collaboration, allowing stakeholders to align their efforts with broader public health goals. Removing impediments and fostering an environment encourages participation, these regulations can support the development of local manufacturing capacity and create a thriving pharmaceutical industry in Africa.

Drawing from the insights of the United Nations Economic Commission for Africa (UNECA), Dr. Benson asserted the transformative potential of the African Continental Free Trade Area (AfCFTA) in catalyzing regional collaboration. AfCFTA, by strengthening trade harmonization and breaking down barriers, can create an integrated market for pharmaceutical products. This unified market not only enables economies of scale but also attracts investments that can strengthen Africa's pharmaceutical infrastructure.

AfCFTA is not merely a trade agreement but a tool to unlock Africa's potential in healthcare self-reliance. The agreement offers opportunities to reduce dependency on imported medicines and healthcare commodities, a vulnerability that was exposed during the COVID-19 pandemic. Africa can ensure the availability of affordable, high-quality medicines, while simultaneously building resilience to global supply chain disruptions.

Innovation and technological advancement were recurring themes. AfCFTA could act as a catalyst for research and development (R&D), fostering the creation of new healthcare solutions tailored to Africa's unique challenges.

By promoting cross-border partnerships and knowledge sharing, AfCFTA can stimulate the adoption of cutting-edge technologies in drug manufacturing and distribution. These advancements would not only improve production efficiency but also enhance the quality and accessibility of healthcare products across the continent.

The establishment of regional pharmaceutical hubs was another key area of focus. By decentralizing production, countries can collaborate to specialize in specific medical commodities, reducing redundancies and fostering efficiency. This approach aligns with the vision of AfCFTA by leveraging the unique strengths of individual nations while promoting collective growth. Such collaboration could serve as a model for addressing other systemic challenges in Africa's healthcare ecosystem.

The economic and social benefits of prioritizing local pharmaceutical production are significant. By investing in manufacturing infrastructure, Africa stands to create thousands of jobs, thereby contributing to economic development. Furthermore, the availability of locally produced medicines would reduce the financial burden on governments and individuals, enhancing healthcare affordability. These benefits collectively advance public health outcomes, ensuring that healthcare systems can meet the needs of their populations. The interplay between public health and economic growth was central to his analysis. A robust pharmaceutical sector not only addresses immediate healthcare needs but also serves as a driver of economic progress. By fostering a healthier population, governments can reduce productivity losses caused by illness, creating a virtuous cycle of growth and development. He urged stakeholders to recognize this synergy and prioritize investments in healthcare as a strategic economic initiative.

Regulatory harmonization across borders is a critical enabler of this transformation. Inconsistent regulations currently pose significant challenges to the seamless production and distribution of medical commodities across Africa. A standardized regulatory framework, aligned with global best practices, would simplify compliance for manufacturers, attract foreign investments, and ensure that medicines meet the highest quality standards.

Traditional funding mechanisms often fall short in addressing the capital-intensive nature of pharmaceutical manufacturing. By leveraging public-private partnerships, impact investments, and other innovative financial instruments, Africa can mobilize the resources needed to build a sustainable pharmaceutical sector. The pathway to this vision lies in the collective commitment of governments, private sector stakeholders, and international partners to prioritize local production for Africa's healthcare transformation.

The remarks by Dr. Clare Omatsaye centered on the critical need for creating an enabling environment to foster public-private collaboration in healthcare.



"It is important that we go beyond political will and talk shops to workshops that really work. What is next after these discussions? How do we match action with words?"

Clare Omatsaye - Founder/CEO, JNC International Ltd

Equally important is the strategic cooperation between the public and private sectors as a foundational step toward addressing systemic challenges and advancing sustainable healthcare across Africa. While government entities are essential, they often fall short of achieving the efficiency, innovation, and adaptability required to deliver impactful healthcare outcomes. Consequently, the active involvement of private sector players becomes indispensable in driving meaningful progress.

A key takeaway from her statement was the emphasis on co-creating and shaping markets through Pan-African policies. This is particularly relevant in the context of Africa's fragmented healthcare landscape, where individual nations pursue varying mandates. By fostering collective strategies, the continent can better harness its shared potential, ensuring a unified approach to addressing health crises and meeting future demands. Policies designed to strengthen regional cooperation and standardize healthcare practices would not only enhance local production capacities but also reduce dependency on international supply chains, as witnessed during the COVID-19 pandemic.

There is an urgent need for robust crisis management systems, drawing lessons from the pandemic. Health systems globally, and particularly in Africa, were unprepared for the magnitude of COVID-19. For the first time in years, health took precedence at the top of policy agendas, highlighting the significant role it plays in socioeconomic stability. However, this crisis exposed longstanding vulnerabilities in supply chains, manufacturing capabilities, and policy execution across the region. Returning to these lessons, African governments and stakeholders must shift focus from reactive measures to proactive systems. This entails building resilient health systems capable of addressing current challenges while anticipating future shocks.

Furthermore, the reference to shaping markets points out the role of innovation and entrepreneurship in achieving health goals. The private sector's ability to leverage technology, drive efficiency, and foster competition is vital for advancing healthcare outcomes. For instance, countries like South Africa and

Rwanda have begun investing in domestic manufacturing capabilities for vaccines and medical commodities, reducing reliance on global suppliers. These efforts demonstrate the potential of private-public partnerships when supported by clear, actionable policies that prioritize local production and regional self-reliance.

Public health, as a nucleus of sustainable development, relies on cross-sector collaboration to address its multi-dimensional challenges. From workforce development and infrastructure investments to innovative financing models, the focus must extend beyond treating diseases to reforming the systems that govern healthcare delivery. This requires integrating social determinants of health—such as education, housing, and access to clean water—into policy discussions. The inclusion of these determinants ensures a holistic approach to health system strengthening.

Policies must be informed by data, driven by equity, and implemented with accountability. The private sector, with its operational expertise and ability to mobilize resources, holds significant potential in complementing public efforts to achieve universal health coverage. Through innovative public-private partnerships, African nations can bridge gaps in funding, infrastructure, and service delivery, enabling them to achieve their health-related goals more effectively.

Dr. Francis Aminu, Director, Health and Nutrition, Aliko Dangote Foundation (ADF) provided an incisive perspective on the complexities of healthcare systems in Africa and the need for innovative approaches to strengthen them.



"We need to put in place in African Countries a kind of 'Triple Helix Model' that focuses on fostering an innovative ecosystem through hybrid organizations like incubators, accelerators, venture capital firms, and technology transfer offices"— Dr Francis Aminu- Director, Health and Nutrition, Aliko Dangote Foundation (ADF)

The realities of a mixed health system in the region—one that incorporates both public and private sectors, each with distinct but interdependent roles. The insights revolved around the imperative to adopt a flexible, iterative, and context-sensitive approach to healthcare system strengthening.

Africa's healthcare landscape cannot thrive on rigid, one-size-fits-all strategies. Instead, the system requires a framework that acknowledges its multifaceted nature and inherent challenges. Rather than attempting to conceptualize the entire healthcare improvement process in one fell swoop, he advocated for a dynamic

methodology that allows stakeholders to engage at different points in time, depending on their capabilities and contexts. This framework prioritizes flexibility, enabling both public and private actors to identify their positions within the broader health system, assess their contributions, and collaborate effectively to achieve sustainable outcomes.

This approach is the recognition that healthcare systems in Africa are subject to diverse and evolving challenges. These range from insufficient infrastructure and limited local production capacity for essential drugs to systemic inequities and gaps in access to care. The outlook called for designing a process that equips stakeholders with the tools to adapt to these challenges in real-time. By enabling them to identify potential pathways for action, the system fosters inclusivity and ensures that no stakeholder, whether in the public or private domain, is left without a meaningful role to play.

Crucially, this process is iterative and cyclical, not linear. At its core is the ability to reassess and refine strategies as new challenges arise. This adaptability ensures that the system remains resilient in the face of crises, such as pandemics, supply chain disruptions, or emerging diseases. For example, in addressing an engagement challenge or the introduction of new policies, this framework allows stakeholders to realign their priorities without compromising the system's overarching goals of equity and sustainability. By promoting such continuous recalibration, the system avoids stagnation and instead becomes a living structure, capable of responding to both immediate needs and long-term objectives.

From a public health perspective, this framework carries profound implications. It prioritizes the creation of locally relevant solutions that align with the diverse cultural and socioeconomic contexts of African communities. The integration of public and private sector contributions under a unified yet adaptable strategy ensures that health services are accessible to underserved populations while maintaining efficiency and innovation. Additionally, this model aligns with global health objectives, such as achieving universal health coverage, by focusing on equity, inclusivity, and quality.

The iterative nature of the proposed framework ensures that the lessons learned from one challenge can be effectively applied to others. It promotes a culture of resilience and preparedness, enabling stakeholders to respond to future engagement challenges with confidence and clarity. The integration of public and private sector efforts, coupled with a focus on local capacity building, creates a sustainable model for healthcare improvement that can be scaled and adapted to various contexts.



“The 3 D’s to solve public health challenges are – Diagnose, Design and Deliver” – Dr. Mustapha Jubril, Ex Chair, Health Commissioners Forum (HCF)

Dr. Mustapha Jibril, former Chair of the Health Commissioners Forum and erstwhile Commissioner for Commerce and Investment in Niger State, emphasized the critical need to address the systemic challenges hindering healthcare delivery in Africa. Drawing from his extensive experience, he introduced a structured and holistic framework referred to as the “3Ds”; Diagnose, Design, and Deliver, as an effective methodology to resolve public health challenges and enhance local production capacity in the pharmaceutical sector. This approach states the importance of first identifying the root causes of the healthcare system's inefficiencies before designing targeted solutions and implementing strategies to deliver measurable outcomes.

The diagnosis phase involves an analysis of existing gaps within the healthcare ecosystem. This stage focuses on uncovering the constraints in drug production, distribution, and access, alongside identifying policy and infrastructural deficiencies that impede sustainable growth. In the context of local drug manufacturing, this diagnostic process aims to expose the underlying factors that contribute to Africa's overdependence on imported medical commodities. Issues such as inadequate research and development, lack of regulatory alignment, and the absence of robust financing models are critical barriers requiring thorough examination.

The design phase centers on crafting tailored interventions to tackle the identified problems. Here, the emphasis lies on integrating innovative policies, leveraging technology, and fostering partnerships to transform the healthcare landscape. For example, enhancing the local production of medical commodities requires a multi-pronged approach that includes investment in manufacturing infrastructure, workforce capacity building, and the creation of an enabling environment for private-sector participation. Strategic collaborations between governments, the private sector, and international partners play a role in designing solutions that are context-specific and scalable.

Delivery, the final phase, focuses on the practical implementation of these solutions. This involves mobilizing resources, ensuring stakeholder alignment, and fostering accountability at all levels of

governance. The assurance of more active engagement with federal structures signifies a commitment to harmonized efforts across states and regions, which is vital for achieving sustainable healthcare outcomes. By delivering on these interventions, the goal is not only to strengthen local production capacity but also to address broader public health objectives, such as improving access to essential medicines, reducing healthcare costs, and enhancing resilience to emergencies.

During his tenure as Commissioner, a Drug Management Agency was established, a move aimed at streamlining the supply chain for medical commodities and addressing the challenges posed by rising demands during emergencies. The establishment of such an agency highlights the need for proactive governance in managing healthcare systems. The initiative serves as a model for other regions, showcasing how effective institutional frameworks can drive significant improvements in public health outcomes. Opportunities within the federal landscape were also highlighted, with a call for more robust engagement and collaboration to unlock potential synergies between state-level initiatives and national strategies. By leveraging these opportunities, there is immense potential to build a more resilient healthcare system capable of supporting local production, reducing dependency on external supply chains, and achieving self-reliance in meeting public health needs.

The broader implication of these insights reflects a pressing need to recalibrate Africa's healthcare trajectory towards one that prioritizes sustainability and equity. The integration of the 3Ds framework into policy planning and execution provides a blueprint for addressing the multifaceted challenges of healthcare delivery while fostering resilience and innovation. Local manufacturing strengthens Africa's healthcare resilience by reducing reliance on global supply chains and ensuring uninterrupted access to essential medicines during crises.

Education and workforce development are equally vital. Building a skilled workforce capable of managing sophisticated pharmaceutical production processes is essential for the long-term success of local manufacturing initiatives. This requires investment in training programs, academic partnerships, and knowledge exchange to equip local professionals with the expertise needed to operate and innovate within the sector.

With the right investments and partnerships, Africa can transition from being a passive consumer of imported healthcare products to a global leader in pharmaceutical innovation and manufacturing, ensuring that its people have access to the quality healthcare they deserve. This vision, rooted in sustainability, resilience, and equity, holds the potential to redefine Africa's healthcare future, making it not only sustainable but transformative for generations to come.



"With the exit of multinationals like GSK, Africa faces a dual challenge and opportunity: to transform vulnerability into resilience by investing in local pharmaceutical production and breaking free from over-reliance on imports." – Dr Shriram Iyer, COO, CHI Pharma

Dr. Shriram Iyer, the Chief Operating Officer of Chi Pharma, highlighted the immense opportunities available within Africa's private sector to drive sustainable healthcare solutions. He discussed Chi Pharma's journey as a manufacturing plant and its critical role in transforming local drug production. Before venturing into manufacturing, the pharmaceutical market in the region operated in a manner akin to a non-profit model, where market forces were largely inefficient, creating an environment that was neither viable nor sustainable for long-term growth.

Over the past decade, the industry faced persistent challenges, particularly with pricing structures that rendered many operations unprofitable. The prices in the market often fell below production costs, making it difficult to sustain manufacturing facilities. This dynamic exemplified the fragile state of local pharmaceutical production and underscored the need for innovative interventions to shift the trajectory.

A critical point raised was the significant gap left by the exit of multinational companies like GlaxoSmithKline (GSK) from the African pharmaceutical industry. The departure of such key players signals both a challenge and an opportunity for local stakeholders to fill the void. This absence has exacerbated existing vulnerabilities within the region's healthcare ecosystem, where over-reliance on imports has undermined the continent's ability to independently meet its public health needs. The retreat of multinational corporations also highlights systemic barriers, such as the lack of investment in infrastructure, limited access to technology, and an underdeveloped regulatory framework, all of which impede the growth of local production capacity.

One of the primary solutions lies in addressing the critical need for investment in manufacturing facilities. Establishing and upgrading local production capacity would enable the continent to produce essential medicines and medical commodities at scale, reducing dependency on external supply chains. This shift is particularly crucial in addressing public health challenges, as it ensures greater availability of affordable medicines and reduces the impact of global disruptions, such as pandemics or geopolitical tensions, on the local healthcare supply.

This approach aligns with the broader objectives of public health, particularly in promoting equitable access to healthcare resources. By bolstering local production, African countries can improve the supply of life-saving drugs to underserved populations, thus addressing the pervasive issue of healthcare inequities. This initiative would also contribute to strengthening health systems by creating more resilient supply chains capable of responding to emergencies and supporting preventive healthcare measures.

Investments in local manufacturing also have broader economic implications. They would stimulate job creation, foster innovation, and encourage the transfer of technical expertise to local industries. These developments not only improve healthcare outcomes but also contribute to economic development, creating a positive ripple effect across sectors. Additionally, fostering partnerships between the public and private sectors can enhance the effectiveness of these efforts. Collaboration with government agencies, regulatory bodies, and international organizations can help to streamline processes, secure funding, and establish a supportive policy environment for pharmaceutical production.

Transitioning from a dependency model to one of self-reliance requires a multifaceted strategy that incorporates investment, innovation, and collaboration. By addressing the systemic inefficiencies that have plagued the industry, stakeholders can create a healthcare ecosystem that is not only sustainable but also capable of driving broader development goals.



"We must create a platform to bring the private sector to the government, the government to the table, and the people to the table."- Rhoda Robinson, Co-Founder, HACEY Initiative

Rhoda Robinson, Co-Founder of HACEY, spoke extensively on the importance of collaborative partnerships in building resilient healthcare systems in Africa, particularly through a focus on innovation, technology, and human capital development. She emphasized the role of various stakeholders, including state and federal governments, the private sector, and community actors, in creating a sustainable healthcare ecosystem that can effectively address public health challenges. The approach she outlined calls for a multi-sectoral engagement model that integrates efforts across these groups to deliver impactful and sustainable healthcare outcomes.

Healthcare systems in Africa have made progress but remain far from reaching their full potential. The existing gaps in healthcare delivery are not merely a result of

resource constraints but also inefficiencies in leveraging available assets. By fostering collaborations, particularly in maternal health services, stakeholders can harness social capital to address critical public health needs. Social capital, as described, is about mobilizing the trust, networks, and shared values within communities to empower healthcare delivery. This can be achieved by training and supporting healthcare workers, enabling them to deliver high-quality care while ensuring community-based systems are strengthened to promote wellness and reduce health disparities.

Innovation and technology are central to achieving healthcare resilience. With technology-driven solutions, healthcare systems can scale their impact, ensuring that critical services are accessible to underserved populations. For example, digitization of health records, telemedicine platforms, and mobile health applications can bridge the accessibility gap, bringing healthcare services closer to those in remote and rural areas. Such technologies also have the potential to optimize resource allocation and enhance service delivery by providing real-time data for decision-making.

The role of human capital in this context cannot be overstated. Healthcare systems are only as strong as the workforce that supports them. Investing in training and development for healthcare professionals is vital to ensuring that they possess the skills required to manage evolving health challenges. Continuous professional development programs, alongside incentives for retaining talent within the sector, are necessary to address the brain drain that has long plagued healthcare in Africa. By supporting healthcare workers, not only is the quality of care improved, but the morale and capacity of the workforce are significantly enhanced.

Another key aspect of the discussion is the need to create platforms that facilitate dialogue and cooperation between the private sector, governments, and the general population. The private sector, with its resources, expertise, and innovative capacity, is uniquely positioned to complement governmental efforts in addressing public health challenges. However, such collaborations require robust frameworks to ensure alignment of goals and equitable distribution of benefits. Governments must also be willing to engage with private entities to create enabling environments that foster innovation and investment in healthcare. This includes streamlining regulatory processes, providing financial incentives, and ensuring transparency in public-private partnerships.

Bringing the voices of communities to the table is critical in ensuring that healthcare interventions are responsive to the needs of the people they aim to serve. Community engagement not only fosters trust but also ensures that interventions are culturally sensitive and sustainable. It allows for the co-creation of solutions

that are more likely to be embraced and sustained over the long term.

Health financing is also significant challenge and opportunity. The current models of health insurance in many parts of Africa remain inaccessible to a large portion of the population. By addressing this, healthcare systems can ensure greater equity and access. Simplifying health insurance processes and making them more inclusive can alleviate the financial burden on households, particularly for vulnerable populations. Innovative financing models, such as community-based health insurance schemes or public-private funding pools, could be explored to bridge the gap.



"The Private Sector can bridge gaps, improve medical tourism, and inspire confidence in Africa's health systems, we can treat Nigerians in Nigeria, like the standard if they went abroad" - Dr Modupe Elebute-Odunsi, Founder, Marcelle Ruth Cancer Centre.

Dr. Modupe Elebute-Odunsi, Founder of the Marcelle Ruth Cancer Centre and the Women in Healthcare Network, offered significant insights during the ABCHealth Roundtable on "Driving Sustainable Healthcare in Africa through Improved Local Production Capacity of Drugs and Medical Commodities." She stated the urgent need to address the increasing cancer burden across Africa, emphasizing the critical role of innovation, investment, and collaboration in healthcare delivery.

The discussion began with a focus on the Marcelle Ruth Cancer Centre's efforts in responding to the alarming rise in cancer diagnoses. Within a span of four years, the center has provided care to over 6,000 patients, underscoring the growing prevalence of the disease and the pressing need for accessible, high-quality cancer care within the continent. The achievement exemplifies the potential of private healthcare institutions to fill critical gaps in public health by offering services that meet global standards, thus reducing the need for Nigerians to seek treatment abroad. This not only alleviates the financial burden on patients but also strengthens confidence in the local healthcare system.

In the broader context of public health, cancer exemplifies a challenge that requires multi-sectoral efforts to address effectively. Strengthening local production capacity for medical commodities, including oncology drugs, is a key component in building resilient healthcare systems. Dependence on imported drugs and medical supplies often leads to high costs, supply chain vulnerabilities, and inequitable access to care. By advancing local pharmaceutical manufacturing, healthcare systems can improve the availability and affordability of essential medications, thus enhancing patient outcomes. This approach also generates economic benefits by creating jobs, stimulating industrial growth, and reducing foreign exchange pressures.

There is an urgent need to align cancer care and other public health interventions with international standards. The emphasis on providing treatment comparable to what patients might receive abroad underscores the importance of quality assurance, continuous professional development for healthcare workers, and the adoption of advanced technologies. These measures not only improve clinical outcomes but also elevate the reputation of African healthcare systems, making them more competitive on a global scale.

Empowering women in healthcare was another essential theme. Women play a central role in healthcare delivery, both as caregivers and professionals. Supporting women's leadership in the sector is essential to sustaining innovation, inclusivity, and a deeper understanding of patient needs. Platforms such as the Women in Healthcare Network (WIHCN) create opportunities for mentorship, capacity building, and collaboration among female healthcare professionals, enabling them to contribute more effectively to public health outcomes. Moreover, addressing gender disparities in access to healthcare resources and decision-making roles is crucial for achieving equity and sustainability in the sector.

Public funding plays a vital role in ensuring equitable access to health services, especially for underserved populations. Expanding government support for healthcare initiatives, particularly those that enhance local production and infrastructure, is essential for achieving long-term sustainability. Collaboration between the public and private sectors can mobilize the resources, expertise, and innovation needed to address complex public health challenges.

Cancer care, as a subset of public health, requires an integrated approach that combines prevention, early detection, treatment, and palliative care. Raising awareness about cancer risk factors, promoting regular screenings, and establishing robust referral systems are critical to improving early diagnosis and survival rates. Integrating these efforts with broader public health strategies, such as strengthening primary healthcare systems and addressing social determinants of health, ensures a more holistic approach to tackling the disease burden.

Technology and data also emerged as transformative tools for improving healthcare delivery. Leveraging technology to monitor disease trends, track patient outcomes, and optimize resource allocation is essential for addressing the growing demands on healthcare systems. The conversations reinforced the importance of building resilient healthcare systems that are patient-centered, equitable, and sustainable. The vision of a healthcare system that delivers world-class care within the continent is not only achievable but also essential for improving public health outcomes and driving socioeconomic development.

AfCFTA: KEY TO IMPROVING LOCAL CAPACITY IN DRUG MANUFACTURING IN AFRICA

Dr. Jane Karonga, an Economic Affairs Officer in the Regional Integration and Trade Division of the United Nations Economic Commission for Africa (ECA) in her presentation demonstrated how the AfCFTA can drive sustainable healthcare on the continent through improved local production capacity of drugs and medical commodities.



Africa's pharmaceutical industry presents significant opportunities for growth, improved public health outcomes, and economic development under the African Continental Free Trade Area (AfCFTA).

However, the sector faces many challenges, such as limited manufacturing capabilities, low intra-African trade levels, and a lack of coordination across initiatives.

In recent years, there has been a proliferation of initiatives aimed at strengthening Africa's pharmaceutical sector, including the African Union's Pharmaceutical Manufacturing Plan for Africa (PMPA), the African Medicines Regulatory Harmonization (AMRH) programme, the African Medicines Agency (AMA), the Platform for Harmonized African Health Products Manufacturing (PHAHM), the African Pharmaceutical Technology Foundation, and various other national and regional efforts.

Numerous dialogues, conferences, and reports have further advanced discourse around pharmaceutical manufacturing and regulatory harmonization. For example, the 2nd World Local Production Forum, organized by the World Health Organization in 2023, made critical recommendations for strengthening local pharmaceutical manufacturing ecosystems across Africa. These forums provide platforms for stakeholders to share insights, propose solutions, and advocate for investment in the pharmaceutical sector.

In addition to multilateral efforts, public-private and private-private partnerships are playing a key role in fostering growth within the sector. Several collaborations have been announced in recent years, focusing on enhancing local manufacturing, improving supply chains, and scaling production capacity. Development agencies and international organizations have also contributed to this momentum by conducting feasibility studies, providing technical and financial support to local manufacturers, and facilitating capacity-building initiatives.

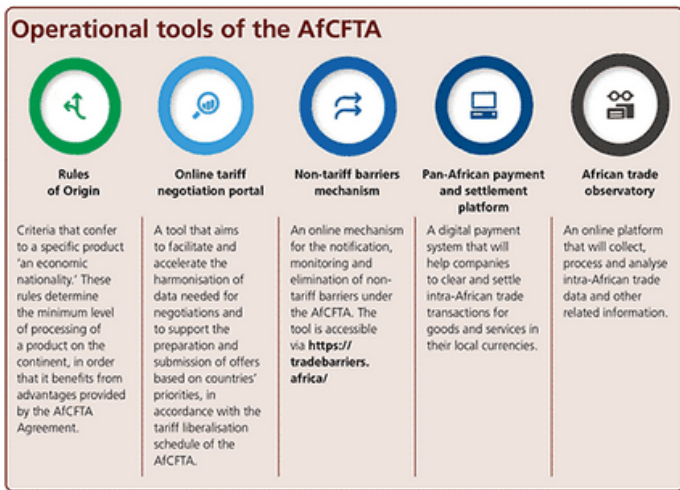
However, a critical challenge remains: the lack of alignment and coordination among these various efforts. While individual initiatives are valuable, their impact is often diluted due to the fragmented approach and lack of resource alignment across projects and markets. The overlapping mandates and limited coordination risk undermining the collective potential of these efforts.

AfCFTA provides an unparalleled opportunity to address these gaps by fostering a unified, coordinated strategy for pharmaceutical development across the continent. By leveraging AfCFTA's framework, African countries can harmonize regulatory standards, streamline trade policies, and create economies of scale that will attract investments and reduce production costs. Additionally, promoting regional value chains and strengthening cross-border collaboration will be critical to achieving a competitive pharmaceutical sector that meets the continent's growing healthcare demands.

Under the AfCFTA, Africa's pharmaceutical sector will enjoy unprecedented development facilitated by comprehensive mapping of markets in terms of their pharmaceutical manufacturing capabilities, production volumes, workforce skills and comparative advantages to identify strengths, gaps, priority product categories and potential contribution to the efficiency and competitiveness of the pharmaceutical value chain. The African Continental Free Trade Area (AfCFTA) is a free trade area encompassing most of Africa. It was established in 2018 by the African Continental Free Trade Agreement, which has 43 parties and another 11 signatories, making it the largest free-trade area by number of member states, after the World Trade Organization, and the largest in population and geographic size, spanning 1.5 billion people (2025 data) across the world's second largest continent.

Under the agreement, AfCFTA members are committed to eliminating tariffs on most goods and services over given periods depending on the country's level of development or the nature of the products. General long-term objectives include creating a single, liberalised market; reducing barriers to capital and labor to facilitate investment; developing regional infrastructure; and establishing a continental customs union. The overall aims of AfCFTA are to increase socioeconomic development, reduce poverty, and make Africa more competitive in the global economy.

On January 13, 2022, the AfCFTA took a major step towards its objective with the establishment of the Pan-African Payment and Settlement System (PAPSS), which allows payments among companies operating in Africa to be done in any local currency; and in April 2024, the AfCFTA entered into its operational phase of the agreement. The operational phase effectively puts the agreement into force.



The significance of the AfCFTA cannot be overstated. The agreement's scope is quite large and has ambitious aims for the continent which will also impact the global economy. It presents a significant prospect for countries in Africa with the potential to transform markets and economies throughout the region including:

- Boosting intra-Africa trade by 52.3%
- Expanding the size of Africa's economy to US\$29 trillion by 2050
- Enhancing Africa's income by \$450 billion by 2035
- Lifting 30 million Africans out of extreme poverty
- Improving the incomes of 68 million Africans living on <\$5.50 a day
- Raising wages of skilled workers by 9.8%; unskilled workers by 10.3%
- Engendering a wage spur of 10.5% for women
- Increasing Africa's exports by \$560 billion (mostly in manufacturing)
- Adding \$76 billion to the world's income

AFCTA IMPACT ON AFRICA'S PHARMACEUTICAL MARKET

A transformative mechanism designed to foster greater economic integration and to create a single market for goods and services, AfCFTA holds significant potential for strengthening local capacity in drug manufacturing across Africa.



Unlocking Africa's Health Market Potential through AfCFTA

Stakeholders agree that sustainable healthcare cannot be achieved without improved local production of drugs and essential medical supplies. The establishment of the AfCFTA mechanism, its deployment, especially in the healthcare industry and supported by the establishment of the Africa Medicines Agency (AMA), are indicative of how Africa's leaders are shifting priorities as informed by a deepening understanding of the linkage between population health and economic prosperity.

Research has shown that a country's income per capita is associated with the complexity of its diseases - more complex diseases are prevalent in countries with higher income per capita, while non-complex diseases are prevalent in countries with lower income per capita. The studies also show that countries with higher disease burdens have a lower GDP per capita with increasing gaps between demand and supply. Other common indices include:

- Rising Government Costs/Debts: Medicines consume 45-60% of nation's healthcare budget - >70% of budget is spent on medicine imports while smaller nations pay premium prices to source their medicines due to weakened bargaining positions.
- Poor Quality Medicines: Up to 70% of medicines available to save lives of young mothers are sub-standard while ~45% of Africans have seen / used falsified drugs
- Supply insecurity - stock outs, expiry: 83% of LMICs reported 1-9 stockouts in the preceeding years while 41% of pregnant women surveyed had limited access (1+ shortages) to critical antibiotic for syphilis
- Lost Productivity: Nearly 50% of Africans went without medical care in the preceeding years
- Devastating out-of-pocket spending: ~70-90% of household spending was on purchase of medicines/products

Mainstreaming health in the implementation of the AfCFTA has been a key objective. Consequently, the AfCFTA Secretariat has closely collaborated with the Africa CDC and AUDA-NEPAD to support the localisation of pharmaceuticals, vaccine production, and trade under the AfCFTA framework.

Since the AfCFTA is projected to improve Africa's economic prosperity, it is expected that the mechanism will serve to effectively solve the continent's critical healthcare challenges and help to foster a resilient health market with benefits including:

- Economies of scale of a health market with a projected value of US\$259 billion and 16 million jobs by 2030
- AfCFTA's Rules of Origin will propel RVC development and address shortage of drugs and essential medical commodities
- Harmonize private sector environment for investment attraction and healthy competition for health goods and services

TECH TRENDS IN PHARMACEUTICAL PRODUCTION

The concept of technology-driven pharmaceutical production is crucial in the ongoing discourse on achieving sustainable healthcare systems in Africa. The integration of advanced technology into pharmaceutical production offers a transformative pathway to address long-standing challenges in accessibility, affordability, and quality of essential medicines. Technology has the potential to redefine how pharmaceutical products are developed, manufactured, and distributed across Africa, thereby ensuring a resilient and self-reliant healthcare ecosystem.

The pharmaceutical sector in Africa has long been constrained by infrastructural deficits, inefficient supply chains, and limited capacity for large-scale production. These challenges have been exacerbated by the lack of alignment between production systems and the unique health needs of the continent, leaving many populations underserved. Technology offers the tools necessary to bridge these gaps by enhancing production efficiency, reducing costs, and improving the quality of outputs. For instance, automated manufacturing processes can streamline production cycles, significantly increasing output while maintaining stringent quality standards. The deployment of robotics and artificial intelligence (AI) in production facilities can optimize resource utilization and minimize errors, ensuring a higher yield of pharmaceutical products that meet regulatory compliance.

Data-driven technologies, such as predictive analytics and machine learning, are essential in forecasting demand and managing supply chains effectively. The ability to anticipate disease outbreaks or health trends enables manufacturers to produce medicines proactively, thereby preventing shortages and overstocking. Such precision in production and distribution is critical in a continent where healthcare needs are diverse and often unpredictable. These technologies also enhance decision-making, allowing pharmaceutical companies to allocate resources strategically and invest in areas with the highest public health impact.

Technology-driven pharmaceutical production is also central to ensuring sustainability and reducing the environmental impact of manufacturing processes. Green technologies, such as energy-efficient equipment and waste-reduction systems, can be incorporated into production lines to promote environmentally responsible practices. This aligns with global goals of reducing carbon emissions and fostering a circular economy in the pharmaceutical industry. By adopting such practices, Africa can position itself as a leader in sustainable pharmaceutical manufacturing, attracting investments and partnerships that further strengthen the sector.

The public health implications of technology-driven production are profound. A robust local pharmaceutical industry, powered by technology, ensures a steady supply of affordable medicines, thereby improving access to healthcare for millions. It directly addresses the issue of inequity in healthcare by reducing reliance on expensive imports and mitigating the risk of counterfeit drugs, which currently account for an estimated 30% of the pharmaceutical market in some African countries. Advanced technologies such as blockchain can be deployed to track and verify the authenticity of drugs across the supply chain, enhancing patient safety and building trust in locally produced medicines.



Moreover, technology enhances the capacity for precision medicine, a growing field that tailors treatments to individual genetic profiles. This is particularly relevant in Africa, where genetic diversity is vast, and a one-size-fits-all approach to treatment is often ineffective. The integration of genomic research and digital health tools into pharmaceutical production enables the development of targeted therapies, improving treatment outcomes and reducing healthcare costs in the long term.

Economic benefits also emerge from a technology-driven approach. A thriving pharmaceutical sector catalyzed by technology creates jobs, develops skills, and stimulates research and development (R&D). It fosters a knowledge economy where local expertise is harnessed to address local challenges. Countries such as South Africa and Nigeria, with growing pharmaceutical industries, can serve as regional hubs for technology-driven production, driving intra-continental trade and reducing the overall cost of healthcare delivery across Africa.

Globally, pharmaceutical markets are projected to grow to over \$1.5 trillion by 2025, and Africa must strategically position itself to capture a significant share of this market. Technology provides the competitive edge required to meet international standards and compete on a global scale. For example, adherence to Good Manufacturing Practices (GMP) and the use of advanced technologies can help African manufacturers penetrate regulated markets, such as Europe and North America, opening new revenue streams and reinforcing the continent's pharmaceutical sovereignty.



Technology is fundamentally reshaping the healthcare landscape in Africa, and its integration into pharmaceutical production represents a transformative step toward achieving sustainable healthcare.

At the frontline of this revolution is Mobihealth International, led by its visionary CEO, Dr. Funmi Adewara. Mobihealth's commitment to leveraging digital technology to enhance healthcare accessibility and affordability serves as a compelling model for how technology-driven pharmaceutical production can address critical public health challenges across Africa.

Mobihealth International epitomizes the power of technology to bridge healthcare gaps, especially in underserved and remote areas. By offering telemedicine services that connect patients with licensed medical professionals worldwide, Mobihealth has set a precedent for integrating technology into healthcare delivery. This approach not only addresses the shortage of healthcare professionals in Africa but also provides a scalable framework for pharmaceutical production that prioritizes accessibility and efficiency.

The Isanlu Telehealth Clinic in Kogi State, launched by Mobihealth in collaboration with former Nigerian Health Minister Professor Eytayo Lambo in May 2022, exemplifies the intersection of technology, healthcare, and public health. Situated in an underserved community, the clinic leverages digital technology to deliver quality medical services, including teleconsultations, prescription services, and timely medication delivery. The success of this initiative underscores the potential for a technology-driven pharmaceutical production ecosystem that mirrors Mobihealth's model of accessibility and inclusivity. By decentralizing healthcare services and integrating digital tools, pharmaceutical manufacturers can similarly adopt a localized yet scalable approach, ensuring that essential drugs and medical commodities reach those who need them most.

Mobihealth's innovative partnership with Airtel Nigeria in November 2024 further highlights the potential for technology-driven solutions to revolutionize healthcare and pharmaceutical production. This collaboration enables Nigerians, particularly in remote areas, to access medical professionals through mobile technology, creating a seamless connection between patients and essential healthcare services. Similarly, pharmaceutical production in Africa can leverage mobile and digital platforms to streamline distribution networks, monitor supply chains, and ensure timely delivery of life-saving medications. Through the utilization of tools such as telemedicine platforms and mobile health applications, manufacturers can optimize drug distribution, minimize wastage, and address the logistical challenges that have historically hindered pharmaceutical access in Africa.

With a focus on harnessing the power of data, artificial intelligence (AI), and compliance frameworks, Data Factory is helping to reshape the pharmaceutical landscape by empowering businesses to innovate, streamline operations, and ultimately improve access to affordable and quality healthcare products for millions across Africa.



Data Factory Global, under the leadership of its Founder/CEO, Chibby Dangana, is playing a significant role in advancing data-driven solutions that hold immense potential for revolutionizing pharmaceutical production and improving public health outcomes.

Data Factory Global specializes in empowering organizations through cutting-edge data solutions, artificial intelligence (AI) models, and compliance frameworks. Recognized as a Data Protection Compliance Organisation (DPCO) by the Nigerian Data Protection Commission, the company bridges the gap between data providers and consumers, enabling businesses to unlock the potential of data responsibly and effectively. This expertise positions Data Factory as a critical partner in the shift toward technology-driven pharmaceutical production, a subtheme that aligns seamlessly with its vision of leveraging data to drive innovation and growth.

The application of data-driven technology in pharmaceutical production addresses many of the challenges plaguing Africa's healthcare systems, including the availability, accessibility, and affordability of essential drugs and medical commodities. By enabling real-time data collection and analysis, organizations like Data Factory provide the tools necessary for pharmaceutical companies to optimize production processes, monitor supply chains, and respond to market demands with precision. This data-driven approach ensures that resources are allocated efficiently, reducing waste and enhancing the cost-effectiveness of local pharmaceutical manufacturing. For instance, the use of predictive analytics powered by AI models can forecast demand for specific medications based on disease prevalence and seasonal trends, allowing manufacturers to anticipate needs and minimize shortages.

In public health, access to accurate, timely, and actionable data is paramount for decision-making and resource allocation. For example, by analyzing epidemiological data, pharmaceutical manufacturers can prioritize the production of critical medications for diseases that disproportionately affect African populations. This targeted approach aligns with the broader goal of reducing health inequities and ensuring that local production capacity meets the continent's unique healthcare demands.

NON-HEALTH SECTOR, IMPACTING HEALTH SECTOR

Achieving sustainable healthcare in Africa requires contributions from all sectors of society, not just the traditional health system. Non-health sectors, including manufacturing, finance, technology, agriculture, and infrastructure—are uniquely positioned to drive transformative change in healthcare by leveraging their resources, expertise, and innovation. These sectors form the foundation of multi-sectoral collaboration, creating synergies that can address critical gaps in healthcare delivery and strengthen local production capacity for drugs and medical commodities.

Manufacturing offers the technical know-how to establish and expand pharmaceutical production facilities, while the finance sector provides investment and funding models that ensure scalability and sustainability. Technology, with its potential to enhance supply chain efficiency and foster innovation, is indispensable in reducing costs and increasing access to life-saving treatments. Infrastructure development facilitates the seamless distribution of medical products, particularly to underserved communities, and agriculture plays a vital role in providing raw materials for pharmaceutical production.

The interplay between these sectors and health systems represents the foundation of multi-sectoral collaboration, where collective action can achieve outcomes unattainable by any single entity. By integrating diverse strengths, Africa can accelerate progress toward self-reliance in healthcare, reduce dependency on imports, and build resilient systems capable of addressing the unique needs of its growing population.

This segment builds on these insights, exploring the critical role of multi-sectoral collaboration in driving sustainable healthcare through improved local production capacity for drugs and medical commodities. It highlights actionable strategies and key partnerships that can shape a thriving ecosystem to support Africa's health goals.



“The Private Sector must have a business case; If you want people to invest, you have to show what is in for them”-
Odunayo Sanya- Executive Director, MTN Foundation

Ms. Odunayo Sanya, the Executive Director of MTN Foundation, pointed out the critical state of primary healthcare systems across Africa, drawing attention to the urgent need for structural reform and strategic

interventions. With over 30,000 primary healthcare centers available, less than a thousand are functional, underscoring the depth of systemic inefficiencies that plague the sector. The importance of functionality within primary healthcare facilities cannot be overstated, as these centers are foundational to equitable access to healthcare, particularly for rural and underserved communities.

A troubling statistic was highlighted, revealing that only two in fifty healthcare facilities have access to water. This fundamental issue illustrates the barriers to delivering effective healthcare, as water is not only a basic necessity but also a basis of health and hygiene. Without adequate water supply, healthcare facilities are ill-equipped to meet even the most basic requirements for infection prevention, sanitation, and medical procedures. This gap undermines efforts to improve health outcomes and exacerbates vulnerabilities within communities reliant on these centers.

Addressing the private sector's role, the necessity of a robust business case for engagement in healthcare was emphasized. For meaningful and sustained involvement, stakeholders must clearly articulate the value proposition of investing in health systems. This requires showcasing the potential for impact, return on investment, and alignment with broader societal goals. It is not sufficient to appeal to corporate social responsibility alone; the value chain within healthcare must be mapped out comprehensively to highlight the opportunities and incentives for private sector participation. When stakeholders understand how their contributions will drive both measurable outcomes and long-term sustainability, investment becomes more viable and attractive.

Trust is a critical factor influencing collaboration between the private and public sectors. Historically, mistrust has hindered partnerships, creating barriers to progress. Building trust requires transparency, accountability, and the demonstration of mutual benefits. This trust must flow in both directions, while the private sector seeks assurance that their investments will yield tangible results, the public sector must feel confident that private partners are acting in good faith to address public health challenges. Establishing this equilibrium is essential for forging strong partnerships that can drive change at scale.

Transparency in the formulation of business cases enhances funding opportunities by creating an environment of accountability and clarity. When stakeholders, including development partners, governments, and investors, are presented with a transparent plan that outlines goals, metrics, and

anticipated outcomes, confidence in the initiative is strengthened. Such transparency not only facilitates funding but also fosters alignment among diverse stakeholders working toward shared objectives.

The concept of mapping the value chain is integral to understanding the interdependencies within the healthcare ecosystem. Identifying key stakeholders, including manufacturers, distributors, healthcare providers, and policymakers, is crucial for developing a cohesive strategy that ensures efficiency and effectiveness. The mapping process sheds light on bottlenecks, such as supply chain inefficiencies or regulatory hurdles, and provides a roadmap for addressing these challenges collaboratively. By leveraging this comprehensive understanding of the value chain, initiatives can be designed to maximize impact and optimize resource allocation.

The discussion also touched upon the need for a multi-sectoral approach to healthcare development. Recognizing that health outcomes are influenced by a range of factors—economic, social, and infrastructural—efforts to drive change must be holistic and inclusive. This involves engaging stakeholders across sectors, from telecommunications and finance to education and agriculture, to address the broader determinants of health. Collaboration between these sectors can amplify the impact of interventions, ensuring that healthcare initiatives are both sustainable and scalable.

Addressing the deficiencies in primary healthcare infrastructure, fostering private sector engagement through compelling business cases, and building trust between stakeholders are all critical components of this effort. Through adopting a transparent, collaborative, and value-driven approach, the continent can move closer to achieving sustainable healthcare systems that meet the needs of all its citizens.



“Whatever the outcomes may be, affordable healthcare and medical commodities have to be available. It is a no brainer”-
Soromidayo George, Board Chair,
UN Global Compact

Ms Soromidayo George, Board Chair of the United Nations Global Compact in Nigeria, delivered an incisive address highlighting the urgent need to revitalize Africa’s healthcare manufacturing sector. Her insights underscored the interconnectedness of industrial innovation, public health, and sustainable economic development, offering a compelling vision for a resilient and self-sufficient healthcare ecosystem on the continent.

The conversation began with an acknowledgment of

the systemic manufacturing challenges that have plagued Africa’s healthcare industry for decades. Productivity remains at an all-time low, and this has exacerbated the continent’s reliance on imported drugs and medical supplies. Such dependence leaves African nations vulnerable to external disruptions, as evidenced during the COVID-19 pandemic, when supply chain disruptions critically hampered access to essential medical commodities. This pressing issue requires immediate and coordinated action, with the private sector, government, and civil society working together to address gaps in production capacity and create an ecosystem that prioritizes self-sufficiency.

A remarkable step in this direction has been the establishment of an Industrial Revolution Working Group led by the Ministry of Industry. This initiative signals a commitment to fostering collaborative efforts aimed at enhancing the production of medical commodities locally. However, collaboration alone is insufficient without innovation. She emphasized the need for Africa to capitalize on its unique opportunities to embrace advanced technologies and research-based solutions, which are critical to reshaping healthcare systems across the continent. Innovation must be at the heart of efforts to make healthcare affordable and accessible to the people who need it most.

Despite significant funding poured into Africa’s healthcare sector, the tangible impact remains minimal, raising questions about the efficacy of investments. The disconnect between financial allocations and measurable progress stems from inefficiencies in policy implementation, infrastructure development, and resource management. She stressed the need for accountability frameworks and governance structures that ensure every dollar invested translates into improved health outcomes. This approach not only improves trust but also lays the foundation for long-term sustainability.

Central to the roundtable discussions was the critical role of local production in transforming Africa’s healthcare narrative. A robust local pharmaceutical industry would reduce dependency on imports, curtail healthcare costs, and position African nations as global players in medical manufacturing. Moreover, local production fosters economic growth through job creation, skills development, and enhanced competitiveness. However, systemic barriers such as infrastructure deficits, high production costs, regulatory inconsistencies, and limited access to raw materials must first be addressed.

The public health implications of local production are profound. A thriving local industry would ensure a steady and affordable supply of essential drugs, enabling healthcare systems to respond effectively to prevalent health issues such as infectious diseases and the growing burden of non-communicable diseases. It would promote equity by improving access to quality

healthcare for underserved populations. Local manufacturing offers Africa the unique advantage of tailoring solutions to its specific health needs, fostering a healthcare environment that is both inclusive and adaptable.

In framing a vision for the future, there is need for an integrated approach that combines industrial strategy with public health priorities. Stakeholders must work together to align goals, streamline regulatory frameworks, and leverage technology to optimize healthcare delivery. Public-private partnerships will play an essential role in driving innovation, mobilizing resources, and scaling impactful solutions.

The path to achieving sustainable healthcare through improved local production capacity is undoubtedly challenging but not insurmountable. Africa's healthcare transformation hinges on collective action, bold investments, and a commitment to fostering homegrown solutions. The insights from this roundtable provide a powerful blueprint for addressing the continent's healthcare challenges and advancing the dual goals of sustainability and equity. By empowering local production, Africa can build a future where quality healthcare is not a privilege but a guaranteed right for all.



“There is so much money to be made when the healthcare value chain is transformed” -
Habiba Suleiman- Head of Strategic Partnerships, TGI Group

Ms. Habiba Suleiman, Head of Strategic Partnerships at Tropical Group Investment, clarified the critical role of government participation in driving transformative discussions surrounding the local manufacturing of drugs and medical commodities. She underlined that government presence is not merely beneficial but fundamentally required to establish an environment conducive to achieving the objectives of sustainable healthcare development in Africa. By actively engaging in these conversations, governments can provide the necessary regulatory framework, policy support, and

infrastructural investments that enable the private sector to thrive in the manufacturing domain.

The focus on local manufacturing was presented as a cornerstone of improving healthcare resilience across the continent. Strengthening domestic production capacities ensures the availability of essential medicines, reduces reliance on imports, and mitigates the vulnerabilities experienced during global supply chain disruptions, as seen during the COVID-19 pandemic. A robust local manufacturing sector not only guarantees access to high-quality and affordable medical commodities but also fosters self-reliance and strengthens health systems, contributing to improved public health outcomes.

An essential dimension of this agenda is job creation. Expanding local manufacturing capabilities directly translates into opportunities for employment, particularly for skilled labor in pharmaceutical production, distribution, and related industries. Moreover, the indirect economic benefits extend to auxiliary sectors such as logistics, research, and technology, collectively stimulating economic growth. This approach has a multiplier effect on communities, alleviating poverty and creating a ripple effect that fosters socio-economic stability.

She pointed out the untapped financial potential within the healthcare value chain, urging stakeholders to recognize the substantial economic benefits that can be realized when the sector is transformed. By investing in local production, governments and private sector actors can unlock significant revenue streams, reducing foreign exchange losses associated with drug imports while increasing export potential. This transformation not only strengthens national economies but also positions Africa as a competitive player in the global pharmaceutical market.

A well-structured and efficient healthcare value chain was highlighted as fundamental to achieving these objectives. From sourcing raw materials to manufacturing, distribution, and delivery, every stage must be optimized to ensure affordability, accessibility, and quality of healthcare services. She emphasized the need for strategic partnerships between governments, private entities, and international organizations to harness resources, share expertise, and drive innovation.

The broader implications for public health were equally stressed. A transformed healthcare value chain underpinned by local manufacturing enhances the ability to respond swiftly to public health emergencies, ensures the steady supply of life-saving medications, and addresses health disparities by making treatments accessible to underserved populations. This initiative aligns with the global agenda for achieving universal health coverage (UHC), as it builds the foundation for sustainable, equitable, and resilient healthcare systems.

The potential for economic and social progress within Africa's healthcare sector is immense, contingent upon the active collaboration of all stakeholders. Through deliberate and coordinated efforts, the vision of a self-sufficient, resilient, and thriving healthcare ecosystem can be realized, bringing profound benefits to public health and the continent's economic landscape.



"The biggest buyers of pharmaceutical production is the government"-
Ms Oghogho Makinde-Partner,
Aluko & Oyeboode

Ms. Oghogho Makinde, Partner, Aluko & Oyeboode asserted the critical role of strengthening an ecosystem that not only prioritizes local pharmaceutical production but also ensures equitable access for all African users. A staunch advocate of the African Continental Free Trade Agreement (AfCFTA), she stressed the need for aligning regional trade mechanisms with public health objectives, particularly in the context of pharmaceuticals. Her insights underscored the imperative of integrating production, distribution, and financing strategies within the broader healthcare framework to enhance sustainability and accessibility.

One of the key highlights of her remarks was the acknowledgment that governments remain the largest buyers of pharmaceutical products on the continent. This insight emphasizes the critical role of public sector procurement in shaping the viability of local production ecosystems. By leveraging the substantial purchasing power of governments, it is possible to create predictable and stable demand that incentivizes local manufacturers to invest in scaling production capacity. This approach also aligns with broader efforts to reduce dependency on imports, mitigate supply chain disruptions, and enhance health system resilience. However, she reinforced that the benefits of increased local production must extend beyond fulfilling government contracts. There must be deliberate efforts to ensure that the products reach the hands of everyday users across urban, rural, and underserved areas.

In addressing this challenge, the development of innovative financing and insurance models emerged as a crucial solution. Insurance schemes tailored to the diverse socio-economic realities of African populations could play a transformative role in bridging the gap between production and access. For example, sub-national entities such as state governments or municipal authorities could serve as pivotal drivers of these insurance models. By decentralizing healthcare financing and aligning it with localized needs, these entities can ensure that healthcare services and commodities are accessible to all, irrespective of income levels or

geographical location. This approach also allows for better targeting of resources, greater efficiency, and enhanced accountability in healthcare delivery.

Building a system that supports these insurance models requires a paradigm shift in how public health is conceptualized and financed. Instead of relying solely on traditional tax-based healthcare funding, there is an opportunity to explore innovative mechanisms that pool

resources from various stakeholders, including governments, private companies, and civil society organizations. This approach not only diversifies funding sources but also ensures that the financial burden of healthcare is equitably distributed. The integration of micro-insurance schemes tailored to specific demographic groups, such as street traders or informal sector workers, could serve as a practical example of adapting healthcare financing to the realities of the African economy.

The discussion further probed into the concept of affordability and inclusivity in healthcare financing. A particularly compelling idea was the proposition of channeling a small portion of daily economic activities into healthcare funding. For instance, allocating a fraction of revenue from informal sector activities—such as contributions from every 100 Naira earned by Lagos residents could significantly bolster healthcare financing at the grassroots level. This model not only ensures that healthcare remains affordable for the most vulnerable populations but also fosters a sense of ownership and responsibility among community members. Such approaches could be integrated with broader health system reforms to enhance efficiency, transparency, and equity in resource allocation.

The alignment of local production with accessible financing models holds transformative potential for public health in Africa. Increased production capacity, when coupled with well-designed insurance schemes, can address some of the most pressing challenges in healthcare delivery, including the affordability of essential medicines, the availability of medical commodities in rural areas, and the overall resilience of health systems. Furthermore, it can catalyze economic growth by creating jobs, fostering innovation, and reducing reliance on costly imports. This alignment is not only a pragmatic response to the continent's health challenges but also a strategic investment in its economic future.

The overarching message was clear: achieving sustainable healthcare in Africa requires a multidimensional approach that integrates production, financing, and policy frameworks within a cohesive strategy. By harnessing the potential of local production, leveraging innovative financing models, and aligning these efforts with public health goals, it is possible to create a healthcare ecosystem that is both inclusive and

resilient. Such an ecosystem would not only improve health outcomes for millions of Africans but also position the continent as a global leader in sustainable healthcare innovation.



“We should all have a common vision. I see a lot of opportunities, energy and hope”-
Ms Olapeju Ibekwe- CEO,
Sterling One Foundation

Ms. Olapeju Ibekwe, CEO of Sterling One Foundation, expressed an optimistic vision for the future of healthcare in Africa. She emphasized the transformative potential of adopting a unified vision across stakeholders, underscoring the necessity of aligning efforts to drive substantial changes within a year. The lack of a shared understanding and purpose was highlighted as a significant obstacle, which, if resolved, could pave the way for remarkable advancements in sustainable healthcare.

The need for a common vision lies at the heart of solving Africa’s healthcare challenges. A disjointed approach, where stakeholders define and interpret the problems differently, results in fragmented efforts and inefficiencies. By crafting a collective vision, stakeholders can establish a unified framework that embodies shared objectives and values, ensuring clarity in purpose and direction. This alignment would serve as a foundation for decision-making, resource allocation, and the implementation of impactful strategies.

Addressing the complexities of healthcare in Africa requires more than policy adjustments; it necessitates a paradigm shift in how challenges are approached. A well-defined vision would enable all players—governments, private entities, civil society, and multilateral organizations—to converge their efforts toward mutually beneficial goals. Such a vision must be inclusive, reflecting the diverse needs of the population while leveraging the inherent capacities that exist within each stakeholder group. This inclusivity extends to prioritizing the perspectives of underserved communities, ensuring their health challenges are not overlooked in the pursuit of broader goals.

A collective vision also fosters collaboration and innovation. By working together under a shared framework, stakeholders can pool resources, share expertise, and develop innovative solutions tailored to Africa’s unique challenges. This approach is critical for scaling local drug and medical commodity production. Local manufacturing not only addresses supply chain vulnerabilities but also reduces dependence on external

markets, bolsters economic resilience, and ensures timely access to essential medications. Enhanced local production capacity aligns with broader public health objectives, including improving health security, promoting equitable healthcare access, and advancing universal health coverage (UHC).

Central to this vision is the acknowledgment of the existing capacities within African institutions, industries, and communities. Harnessing these capacities effectively requires deliberate efforts to empower individuals and organizations to realize their potential. Capacity-building initiatives, skills development, and investments in infrastructure are crucial to creating a robust ecosystem that supports sustainable healthcare development. Empowering local manufacturers, for example, would involve not only technical training and financial support but also the establishment of enabling environments through supportive policies and regulations.

The concept of shared vision extends to creating a ripple effect within the healthcare sector and beyond. Improved local production capacity stimulates economic growth by creating jobs, fostering innovation, and strengthening ancillary industries such as logistics and technology. It also has a transformative impact on public health outcomes by ensuring the availability of high-quality, affordable medicines. This, in turn, reduces the burden of preventable diseases, enhances health system resilience, and improves the overall quality of life for communities.

The emphasis on collaboration amplifies the need to bridge gaps between various sectors and stakeholders. Governments, for instance, play a pivotal role in providing the regulatory framework and policy support necessary for local production initiatives to thrive. Similarly, the private sector’s investments and innovations are indispensable for scaling operations and achieving efficiency. Civil society organizations contribute by advocating for equitable access and holding stakeholders accountable to their commitments. When these efforts are harmonized within a shared vision, they create a powerful synergy capable of addressing complex healthcare challenges.

Achieving sustainable healthcare in Africa requires a commitment to continuous improvement, adaptability, and a focus on long-term goals. By embodying a collective vision, stakeholders can illuminate a path toward a more equitable and resilient healthcare ecosystem. The journey requires not only strategic planning and execution but also an unwavering belief in the continent’s potential to overcome its challenges. With determination and a shared sense of purpose, the vision for sustainable healthcare can become a reality, bringing lasting benefits to Africa’s people and its future.

ENHANCING HEALTHCARE DELIVERY THROUGH INNOVATIVE SOLUTIONS AND PARTNERSHIPS: GLOBAL CASE STUDIES AND LESSONS

A vibrant local pharmaceutical industry is critical for achieving universal health coverage, enhancing regional resilience, and strengthening health security in Africa. Despite hosting approximately 390 pharmaceutical manufacturing facilities, their distribution is uneven, with North Africa accounting for 45%, West Africa 30%, East Africa 15%, and Southern Africa 10%. This imbalance underscores the urgent need for broader investment, particularly in underrepresented regions. Currently, only 30–40% of Africa’s pharmaceutical needs are met locally, with the remaining 60–70% imported—primarily from Europe, Asia, and the United States—costing the continent \$10–15 billion annually and exposing health systems to supply chain vulnerabilities.

This report presents detailed case studies from countries that successfully transitioned from import dependency to robust local production:

- **India:** The Pharmaceutical Policy of 2002 catalyzed domestic production through tax incentives, the establishment of manufacturing clusters, and a strengthened regulatory framework. These measures transformed India into a global pharmaceutical hub.
- **Indonesia:** Strategic regulations, such as mandatory local content requirements and subsidies for research and development, significantly boosted Indonesia’s pharmaceutical capacity. The establishment of industrial estates provided critical infrastructure support.
- **Thailand:** The introduction of a National List of Essential Medicines (NLEM) and comprehensive industry development plans propelled Thailand into becoming a leading pharmaceutical producer in Southeast Asia.

Indonesia: A Case of Strategic Regulation and Development



At the start of the millennium, Indonesia relied on imports for over 90% of its pharmaceutical needs, but transformative government policies revolutionized the industry. The 2005 National Pharmaceutical Industry Development Policy and subsequent regulations mandated local production, incentivized private-sector investment through tax breaks and subsidies, and established pharmaceutical industrial estates with essential infrastructure. These measures led to increased domestic production, reduced import dependency, improved access to affordable medicines, and significant job creation, positioning the pharmaceutical sector as a key driver of Indonesia’s economy.

Thailand: Building A Competitive Pharmaceutical Industry



Thailand transformed from an import-dependent nation to a pharmaceutical hub by implementing a national strategy that prioritized domestic production through the National List of Essential Medicines (NLEM) and the Pharmaceutical Industry Development Plan. Regulatory reforms, tax incentives, and public-private partnerships fostered innovation, improved infrastructure, and ensured quality. These efforts boosted local production, reduced imports, improved affordability, and enhanced public health.

India: A Blueprint for Transforming Pharmaceutical Production



Public-private partnerships and R&D investments drove competitiveness, making India the world’s top supplier of generic medicines and a global healthcare supporter. This shift improved healthcare access, created millions of jobs, and positioned India as the “pharmacy of the world,” offering a model for regions like Africa to build sustainable pharmaceutical industries.

RECOMMENDATIONS

The vision of a healthier, more self-reliant Africa hinges on the collective commitment of all stakeholders to act decisively and collaboratively – only then can the continent fully realize its potential to manufacture its own medicines and achieve equitable healthcare for all. In terms of improving the continent’s capacity for local manufacturing of drugs and essential medical commodities, the following recommendations are advanced:

Accelerate the implementation of the AfCFTA and AMA in the pharmaceutical sector to boost health and economic resilience in Africa – AfCFTA offers access to a larger market base for health services and goods providers in Africa. It can reduce production costs and increase economies of scale for local producers and exporters in the health industry. In particular, rules of origin in regional trade agreements will propel regional value chain development in pharmaceutical goods. Academic institutions and international organizations should increase efforts towards building trade capacity of governments and the private sector.

Develop Policy Frameworks and Governance – Developing a unified continental pharmaceutical strategy, spearheaded by bodies such as the African Union, would provide a foundation for regional collaboration. Policies must prioritize local content requirements, tax incentives, and investment in research and development.

Establish pooled procurement mechanisms that earmarks locally manufactured goods – A pooled procurement mechanism that earmarks locally manufactured goods can incentivise manufacturers and investors to invest and upscale manufacturing capacity. It can also incentivise local manufacturers’ compliance with continental or international qualification standards as well as to enhance their competitiveness against extra-continental manufacturers. Pooled Procurement can lower prices, supply chain costs and administrative burdens.

Make Healthcare a priority sector in AfCFTA services negotiations – African countries would benefit from agreeing on the prioritization of healthcare and education services in next phase of AfCFTA negotiations on liberalization of services in priority sectors within the AfCFTA. The AfCFTA is going to be a powerful tool for strengthening the health ecosystem in Africa, and the omission of these essential services sectors from the list of priority sectors leaves a significant gap in the implementation and potential of the AfCFTA to boost health and economic resilience in Africa.

Public and private sectors should deepen collaboration – Critical stakeholders in the public and private sectors

including governments, business leaders, entrepreneurs, academia should work together to formulate contextual policies and practices that can expedite development in the system.

Investments in Infrastructure and Technology – Investment in state-of-the-art manufacturing facilities, powered by digital technologies such as AI and predictive analytics, would modernize production and enhance efficiency. Such technologies can also mitigate risks associated with human error and improve quality assurance.

Collaborative Financing Models: Africa can adopt innovative financing models, such as blended finance and PPPs, to pool resources for large-scale pharmaceutical projects. Partnerships with international development agencies and private investors would be essential.

CONCLUSION

The session emphasized the multifaceted benefits of enhancing local production capabilities. It recognized that local production has the potential to:

- **Strengthen Healthcare Independence:** By reducing dependency on external suppliers, Africa can secure its healthcare supply chains, mitigate risks during global crises, and ensure consistent availability of essential drugs.
- **Promote Economic Growth:** A thriving pharmaceutical manufacturing sector can spur industrialization, create jobs, and stimulate economies across the continent.
- **Enhance Public Health Outcomes:** Locally produced drugs are often more accessible and affordable, ensuring that critical medications reach underserved populations.
- **Foster Regional Collaboration:** Frameworks such as the African Medicines Agency (AMA) and the African Continental Free Trade Area (AfCFTA) are key in harmonizing regulations and creating conducive environments for cross-border manufacturing and distribution.

The Roundtable acknowledged the challenges that have historically hindered progress in local production including regulatory constraints, insufficient infrastructure, limited investment in research and development, and inadequate access to financing for small and medium-sized enterprises in the pharmaceutical sector. The discussions illuminated strategies to overcome these barriers, leveraging public-private partnerships, technology transfer agreements, and policy reforms to unlock Africa’s potential. In this context, the session served as a powerful convergence of ideas and expertise.



“Healthcare must be underpinned by sustainable business practices—the foundation for delivering responsible healthcare.”—
Dr Tokunbo Shitta-Bey, CEO,
Duchess International Hospital

In his closing remarks, Dr. Tokunbo Shitta-Bey illustrated the acute importance of addressing the high costs of healthcare delivery in Africa, reaffirming it as a primary duty for all stakeholders committed to achieving affordable and equitable healthcare for the continent's population. He urged that the journey toward affordable healthcare begins with deliberate efforts to lower the costs associated with healthcare services and medical products. This, he explained, requires a systemic shift in how resources are mobilized, allocated, and sustained across the healthcare value chain.

The notion of affordability, however, cannot exist in isolation. It must be underpinned by models of sustainability that align with ethical and socially responsible business practices. Sustainable healthcare delivery, he argued, is not merely an ideal but a necessity in regions grappling with resource limitations and complex healthcare challenges. By integrating sustainability into healthcare business models, the sector can achieve the dual goals of operational efficiency and expanded access to care for underserved populations. This approach ensures that healthcare systems remain resilient and adaptable in the face of evolving public health demands, fostering long-term trust and confidence among the communities they serve.

Healthcare sustainability also necessitates a deeper alignment with policies and frameworks that prioritize equitable access. Governments, policymakers, and industry leaders must collaborate to create an enabling environment for innovation and growth in local production. This involves addressing barriers such as regulatory bottlenecks, infrastructure deficits, and financial constraints that currently hinder the development of a thriving pharmaceutical and medical supplies industry on the continent. By fostering a policy landscape that incentivizes investment and streamlines processes, stakeholders can unlock the potential of Africa's healthcare sector to deliver transformative change.

The dire situation in Africa, describes a clarion call for action. The challenges may be immense, but so too are the opportunities to create impactful and lasting solutions. The continent's healthcare crisis demands not only innovation but also collective responsibility. Proposing solutions that are context-specific and driven by the needs of local communities will be key to addressing systemic inequities. The time for transformative change is now, and it begins with the

transformative change is now, and it begins with the shared commitment to making healthcare accessible, affordable, and sustainable for all.

Stakeholders explored actionable solutions, from enhancing skills development and capacity building to fostering strategic investments in pharmaceutical hubs across the continent. Conversations also extended to aligning local production efforts with broader sustainability goals, such as environmental responsibility and equitable access to healthcare innovations.



As part of ABCHealth's mission to drive meaningful collaborations between the public and private sectors, the session underscored the importance of aligning business priorities with public health goals. This alignment ensures that initiatives are not only economically viable but also socially impactful, addressing the diverse health needs of Africa's growing population.

The Roundtable's discourse highlighted that Africa's progress in healthcare is deeply intertwined with its economic and industrial advancement. By tying the improvement of local production capacity to SDGs and Agenda 2063, the session stated the need for a holistic and multi-sectoral approach. Sustainable healthcare systems can act as a catalyst for economic transformation, and vice versa, fostering a virtuous cycle of development that benefits individuals, communities, and nations alike. Through this alignment, the ABCHealth Roundtable not only addressed immediate healthcare challenges but also positioned itself as a strategic contributor to Africa's long-term vision. Operationalizing the synergies between these global and continental frameworks, the outcomes of this session have the potential to drive systemic change, ensuring that Africa's health sector is resilient, self-reliant, and poised for sustainable growth.

By prioritizing local production of drugs and medical commodities, the continent can chart a path toward resilient healthcare systems that are self-reliant, equitable, and sustainable. The discussions and resolutions from this session will undoubtedly contribute to shaping policies and initiatives that support Africa's long-term health security and economic development.

A VISION FOR A SELF-RELIANT AFRICA

The final segment of the session painted a vision for Africa's future. A continent that invests in local pharmaceutical production would not only reduce its import dependency but also create jobs, stimulate economic growth, and improve public health outcomes. The speaker urged African governments to demonstrate bold leadership by implementing supportive policies, investing in infrastructure, and fostering regional integration.

Private sector players were called upon to champion innovation and invest in local facilities, while international partners were encouraged to provide technical assistance and financing. Healthcare providers and civil society organizations were also identified as critical stakeholders in promoting locally produced medicines and advocating for systemic reforms.

This vision of a healthier, more self-reliant Africa hinges on the collective commitment of all stakeholders to act decisively and collaboratively. Only then can the continent fully realize its potential to manufacture its own medicines and achieve equitable healthcare for all.



PHOTO ALBUM







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