

# WHY DISCUSSING THE NEED TO GALVANISE PROCURING INSTITUTIONS IN AFRICA TO WORK WITH LOCAL MANUFACTURERS IS AFRICA'S MOST IMPORTANT TOPIC AS THE CONTINENT RECOVERS FROM COVID-19 PANDEMIC

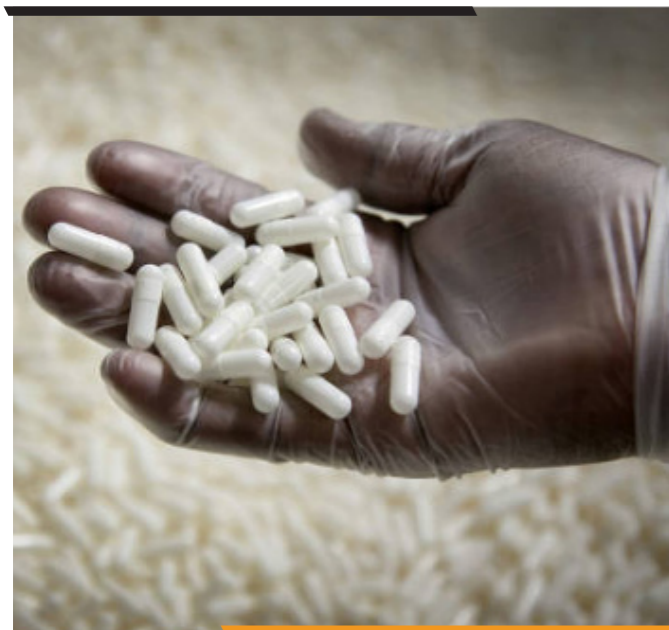
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“Good Health and well-being” is deemed a basic human right and forms one of the sustainable development goals nations aim to achieve by 2030 (UN, 2015). While the goal is multifaceted, a key component is easy access to medicines. According to a 2017 study by the United Nations (UN) nearly 2 billion people have no access to medicines. The African continent is no exception, although steps towards availability of quality medicines and health care have been made, greater improvements are necessary. The COVID-19 pandemic has made it undeniably apparent; the continent is heavily reliant on imports of basic medicines and healthcare equipment and this is not sustainable and as a matter of national and continental security this needs to change.

Stakeholders across the pharmaceutical and healthcare spectrum have identified the continent needs to consolidate local production of medicines and procuring processes. As a result, discussing the need to galvanise both donor funders and procuring institutions in Africa in order for them to work seamlessly with local manufacturers is Africa’s most important topic as the continent recovers from COVID-19 Pandemic.

There are two major issues to be considered when discussing access to essential medicines in Africa. On one hand you have to deal with the supply side and on the other, you have to consider the inefficiencies in the procurement process.



Key issues faced in procurement and supply of essential medicines in Africa include availability, accessibility, and affordability of quality, safe, and efficacious essential medicines; capacity building for relevant staff; and efficiency in the procurement and supply management system. Local manufacturing of pharmaceutical products in Africa would make access to efficacious medicines more affordable and increase delivery of high-quality medicine.

A Shift in procurement criteria can consolidate purchasing to include diversification in supply, capacity and demand. This means if more manufacturers become qualified suppliers, competitive pricing comes into play, increasing quality of goods and decreasing the burden on the few manufacturers catering to the high local demand. This also, allows for geographical diversification in supply of essential medicines. As identified through COVID-19 induced disruption, single points of supply do not have the resilience and potential to cater for the high and continuously growing demand.

The presumption is that if local manufacturing scale its supply of medicines, the supply side of the equation would be resolved. Leaving us with the procurement side which requires careful analysis. The transformation of procurement practices of health products would be achieved by reimagining procurement models and the consolidation of policies and regulations.

Additionally, there needs to exist greater political will and aggregation of supply chain systems. These systems need to be seriously considered and used as tools for evaluation and analysis at every stage. Technical Guidance, including re-evaluating or changing regulatory systems and policies have shown to be important. Subsequently partnerships are needed to create the balance required between local demand and supply.

DFS Africa analysis suggests that in order for procurement practices to improve in Africa, global and national procurement agencies must analyse existing efforts on the continent and align it with best practices in other LMICs such as India and China to identify potential blueprints, challenges and opportunities for improvement. This would assist in producing more resilient and efficient procurement systems catering to the needs of each country or region on the continent. Our research also shows that there is a need for investment in technology to build adequate procurement platforms in order to take advantage of the benefits of improved supply of products. This includes creating incentives to buy from local manufacturers of pharmaceutical products.

Furthermore, access to information is critical to the successful procurement of health products in Africa. Experts agree that the procurement process must become more transparent in order



for procuring agencies to benefit from technology and the economies of scale and scope. This could be achieved through publishing of suppliers and manufacturers on well-established platforms such as the WHO procurement register. This would lend credibility to local producers who are certified and encourage other manufacturers to be certified. It will also boost the availability and access to high-quality products. Additionally, transparency will make the pharmaceutical market more enticing to Development financial institutions (DFIs) and other investors. Policies and regulations can be set out by donors and DFIs to help mitigate the cost of imports (whether it be raw material or finished goods) as well as other inevitable costs such exchange rates and taxation which make the cost of the final good more expensive to the end users.

When we have procuring agencies motivated to buy from local manufacturers and we have the right incentives for manufacturers to produce quality assured products. It will be a massive win for access to essential medicines for over 800Million Africans who earn below \$5 per day. Not only will this promote better quality products but also help with employment opportunities as the manufacturing companies will require both skilled and unskilled labour. Furthermore, this will provide education, skills and training to Africans and provide greater security in the access of medicines.

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