

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

UNIÃO AFRICANA

---

Addis Ababa, ETHIOPIA

P. O. Box 3243

Telephone : 011-551 7700

Fax : 011-551 7844

website : [www.africa-union.org](http://www.africa-union.org)

---

**SECOND SESSION OF THE SPECIALISED TECHNICAL  
COMMITTEE ON HEALTH,  
POPULATION AND DRUG CONTROL  
(STC-HPDC-2)  
ADDIS ABABA, ETHIOPIA  
20-24 MARCH 2017**

***Theme: "Youth, Health and Development: Overcoming the Challenges towards Harnessing the  
Demographic Dividend"***

**EXECUTIVE SUMMARY OF THE POSITION PAPER ON THE ESTABLISHMENT OF FAP-D**

**AFRICAN UNION**

**الاتحاد الأفريقي**



**UNION AFRICAINE**

**UNIÃO AFRICANA**

---

**Addis Ababa, ETHIOPIA**

**P. O. Box 3243**

**Telephone: 5517700**

**Fax: 5517844**

**Website: [www.africa-union.org](http://www.africa-union.org)**

---

**POSITION PAPER ON**

**THE ESTABLISHMENT OF A FUND**

**FOR THE DEVELOPMENT OF**

**THE AFRICAN PHARMACEUTICAL MANUFACTURING SECTOR**

## **EXECUTIVE SUMMARY**

In recognition of the critical importance of the pharmaceutical manufacturing sector to Africa's health and sustainable development, the Heads of State and Government (Abuja, 2005) mandated formulation of the Pharmaceutical Manufacturing Plan for Africa (PMPA) and subsequently approved the business plan (PMPA-BP) for its implementation (Addis Ababa, 2012). The vision of PMPA is to strengthen Africa's ability to produce high quality, affordable medicines that will contribute to improved health outcomes and the realization of direct and indirect economic benefits.

While progress has been made in implementing aspects of the plan, critical components, such as attainment of international standards of Good Manufacturing Practices (GMP) and building of the requisite capacity in the industry are lagging behind.

This is because, as identified in the PMPA-BP, these mandates require, among other things, the physical modification of most existing manufacturing facilities, construction of new structures, procurement, installation and qualification of GMP-compliant equipment and building of human capital in technology and innovation. These activities are capital intensive and require long-term low-cost financing, which currently falls outside the scope of most facilities of the African banking and financial systems. The full and timely implementation of PMPA is therefore at risk of failure.

This jeopardizes the success of the PMPA and the numerous benefits expected, including access to medicines, technological advancement, harnessing of the demographic dividend through training of the youth in science and technology, job creation and poverty alleviation. Furthermore, it leaves Africa still incapable of self-sufficiently responding to health emergencies, such as HIV and Ebola epidemics, in a timely manner. The current situation therefore poses an existential security threat and should not be allowed to persist.

This proposal calls for the establishment of the Fund for African Pharmaceutical Development (FAP-D) to address the critical issue of access to capital by the industry and enable full and successful implementation of the PMPA. FAP-D will provide affordable financing for activities geared toward attainment of GMP, capacity building and enabling growth of the African pharmaceutical sector. The fund will also provide technical advisory services, oversee efficient use of financing, support partnerships and collaborations to enable private sector engagement in the development of herbal and traditional medicines, thereby seeking solutions through African innovation.

Precedence for the success of such funding mechanisms in the development of an indigenous pharmaceutical sector was set by India which, after mandating its fledgling industry to attain international standards, established a dedicated fund to transition the

sector into the 4<sup>th</sup> leading pharmaceutical industry in the world. Another example is the International Fund for Agricultural Development, established by the UN, which has been successfully used for the development of that critical sector as an approach to rural development and poverty alleviation.

It is proposed that Member States take all necessary measures to approve the establishment of FAP-D as a matter of urgency and call for its expeditious funding from multiple sources including Member State contributions, private donors, development partners and foundations. The value of a robust and sustainable pharmaceutical sector cannot be overemphasized. Deriving the benefits of a fully implemented PMPA must therefore not be delayed any further.