

MANUFACTURING AFRICA

Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO).



Partnership for Africa Vaccine Manufacturing: Market Design and Demand Intelligence

Only 1% of vaccines consumed by African countries are produced on the continent. Achieving sustainable and reliable volumes to reach economies of scale is one of the most critical enablers to expand African vaccine manufacturing.

The African Union announced the launch of the Partnership for Africa Vaccine Manufacturing (PAVM) whose aim is to support the development of a continental strategy that will maintain both scale and cost-competitiveness of local vaccine manufacturing and promote equity and security for all countries involved.

The strategy focused specifically **on demand/offtake certainty**. A prerequisite for expanding African vaccine manufacturing is to achieve sustainable and reliable volumes with economies of scale for manufacturers, and for countries; ensuring the people needing vaccination have uninterrupted access to affordable, high-quality vaccines.

This pillar, called the “Market Design and Demand Intelligence workstream” of the PAVM, was led by UNECA (the UN Economic Commission for Africa), with MA’s technical support.

PAVM has developed a strategy across critical enablers to African vaccine manufacturing including:



Demand/Offtake
Certainty



Infrastructure



Access to Finance



Talent



Intellectual
Property

THE CHALLENGE



Uncertainty around offtake is one of the pivotal roadblocks to increased investment in Africa vaccine manufacturing, as reported by companies and investors alike. This creates a dilemma because companies need scale to reduce prices that will garner greater offtake, but uncertainty around that future offtake reduces the investment that would result in said scale.



The market also faces additional challenges related to demand, from pricing (for countries not procuring through the Gavi/UNICEF system – those that have Gavi support have some of the lowest prices in the world), difficulties accessing adequate financing mechanisms (for manufacturers and non-Gavi-supported countries alike) and limited supplier diversification for several products.

MA SUPPORT

Our support to the PAVM Market Design and Demand Intelligence working group spanned four main areas:

1 Empowering the **Market Design and Demand Intelligence** pillar of Africa CDC's Partnership for African Vaccines Manufacturing (PAVM) initiative led by the United Nations Economic Commission for Africa (UNECA) in collaboration with other key stakeholders, ensuring consistency and coordination with ongoing initiatives that impact market shaping



MA supported UNECA leadership with weekly workstream meetings and held more than 10 individual/group interviews with key stakeholders to develop fact base, pressure test options and refine thinking.



We conducted two large workshops with 80+ attendees to explore and align on future demand dynamics and potential pooled procurement architecture.

2 **Developing a common fact base around African vaccine demand dynamics across all vaccine types**, building upon existing market analyses from other organisations such as Gavi, UNICEF, the World Health Organization (WHO), Linksbridge, and previous work done with FCDO support on the topic.



MA developed African demand forecasts for vaccines across plausible scenarios to account for future uncertainty by vaccine type and geography.



We evaluated scenarios to explore whether the forecasted demand might be funded either by the public sector or by other sources (e.g., donors) by modeling potential growth in country-specific vaccine expenditure.

3 Identifying and designing a concept for next-generation market shaping for African vaccines, including the type of support that will be required, and develop the Framework for Action chapter for market shaping.



We catalogued both country and manufacturer challenges specifically linked to vaccine-market design and demand.



The MA team identified the key objectives and design dimensions of a potential pooled procurement architecture and developed a robust design framework grounded in the key learnings from several existing procurement initiatives (e.g., PAHO RF, the Pan American Health Organization’s Revolving Fund for vaccines).



We codified the emerging consensus for what the future state procurement architecture could look like as a result of deep stakeholder engagement, which has centered around the expansion of AVATT (the African Vaccine Acquisition Task Team, which brought Africa Union Member States together to procure COVID-19 vaccines during the pandemic).

During this project we have engaged with a broad range of stakeholders

NON-EXHAUSTIVE

Donors and foundations	Global health actors (agenda-setters, global advocates, implementing partners)	Procurement agencies and organisations	Development finance institutions and banks	Manufacturers

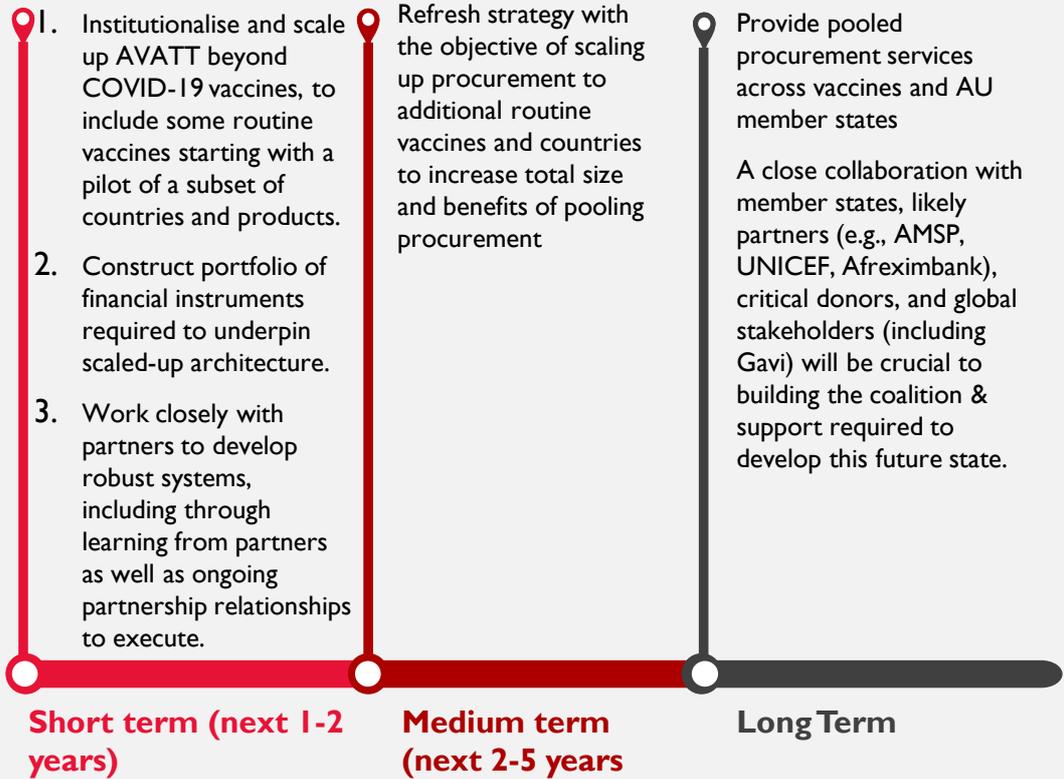
The PAVM Market Design and Demand Intelligence workstream conducted 2 workshops, with over >80 participants, to discuss and develop the underlying fact base to inform the design of a new demand mechanism for vaccines in Africa

THE WAY FORWARD

The PAVM market design and intelligence workstream has been successful in understanding future market demand and distilling the emerging consensus of critical stakeholders on the future state procurement architecture.

This work was codified into the PAVM's Framework for Action, which has undergone scientific peer review as well as presentation to the PAVM Advisory Board. This Framework for Action will soon be published to drive the path forward.

The PAVM has highlighted AVATT as the entity to take the next steps forward, as this organization is expected to be the focal point of the next wave of pooled procurement for vaccines. High level objectives were defined for 3 upcoming time periods as follows:



This programme is funded by UK aid from the UK government; however, the views expressed do not necessarily express the UK government's official policies.

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