

Regional manufacturing

Equitable access to affordable, quality-assured health products is an essential part of sustainable health systems. But with the majority of the world's health products produced in just a few, mainly high-income, countries, most low- and middle-income countries do not have stable, affordable access to the tests, treatments and tools they need.

For example, while Africa shoulders 25% of the world's disease burden – including major infectious diseases like HIV, tuberculosis (TB) and malaria – more than 95% of the active pharmaceutical ingredients and 70% of the pharmaceuticals consumed on the continent are imported. This leaves countries vulnerable to price volatility, supply chain disruptions or unavailability of essential health products, particularly during periods of supply scarcity in the face of surges in regional or global demand or after climate-related shocks or extreme weather events.

This vulnerability became clear during the COVID-19 pandemic, when global lockdowns, increased demand and supply interruptions meant entire regions that did not have nearby manufacturing capacity did not have access not only to COVID-19 tools, but also to routine medical supplies.

To ensure countries are better prepared to prevent and respond to new global health emergencies, people have continued access to the health commodities they need, and to build resilience to climate change, we must strengthen regional manufacturing of health products.

How we contribute to strengthening regional manufacturing

At Unitaid, we save lives by making new health products available, adapted, and affordable for people in low- and middle-income countries. We identify challenges that are slowing progress towards global health goals, find and invest in innovative products and solutions, then work with countries and partners to take them to scale so people everywhere can benefit.



Photo: Weston Kandawasvika takes a HIV self-test. Through Population Services International, Unitaid is funding the largest effort ever to kickstart wider use of HIV self-testing. © Unitaid

Key challenges to strengthening regional manufacturing include the cost and complexity of achieving quality and regulatory compliance, unstable economies, poor access to finance, suboptimal infrastructure, and unpredictable public sector demand. Our regional manufacturing strategy draws on our unique role of identifying and investing in new health products and approaches, our experience of market shaping and our extensive network of partners – from manufacturers to procurers.

Our approach

We are focusing first on Africa, where countries rely the most on imported health products and where increased local capacity would greatly improve sustainability and access to products, addressing regional needs. The goal is to transition to a sustainable African manufacturing industry that delivers a range of health products at scale, meeting the required quality standards and priced competitively. We will, in parallel, seek to identify opportunities for impact in Latin America and the Caribbean, as well as other underserved regions of the world.

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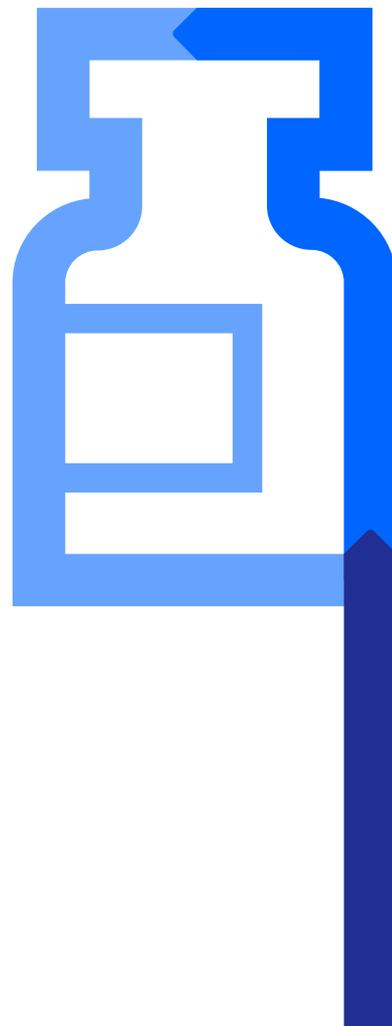
Identifying high-potential health products and local manufacturers: In the first phase of our strategy, we identified a priority set of health product categories and pathfinder products within each – early examples that could contribute to regional sustainability and preparedness if made at the regional level. The categories included sterile injectables, oral pills, and lateral flow technology; the pathfinder products included antiretroviral therapy for people with HIV, medicines to treat postpartum hemorrhage, antimalarials, rapid diagnostic tests, and medical oxygen. We also conducted a landscape analysis to identify African-owned manufacturers with the capacity to produce these products at scale and to understand the barriers and opportunities they face.

Market shaping: On their own, very few countries are able to meet the minimum quantity for orders at reduced bulk prices. In our role as a connector, Unitaid is working to bring together the partners needed to help countries move toward supporting regional economic communities such as the Southern African Development Community (SADC), the Economic Community of West African States (ECOWAS) and East African Community (EAC) to pool demand. Continental, Regional and national leadership from the African Union, the Africa Centres for Disease Control and Prevention (Africa CDC), ECOWAS, SADC, EAC and national ministries will be key to building regional markets large enough to benefit from economies of scale and bulk pricing.

Connecting relevant partners: To build the capacity of these manufacturers and identify procurement partners and platforms for their products, we are leveraging new and existing partnerships such as with the Africa CDC, African Pharmaceutical Technology Foundation, African Society for Laboratory Medicine, African Union Development Agency-NEPAD (AUDA-NEPAD), the European Commission, the Foundation for Innovative New Diagnostics (FINN), the Global Fund to Fight AIDS, Tuberculosis and Malaria, Medicines Patent Pool, Pan American Health Organization (PAHO), the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), Regional Economic Communities, and the World Health Organization (WHO) Department of Regulation and Prequalification. We are also connecting with existing manufacturers in other regions that could provide technology transfer – training, equipment, quality control guidance – to local producers to boost their capacity and meet required regulations. We are further catalyzing financing by engaging with key development finance institutions – including the World Bank Group, African Development Bank, Afreximbank, European Investment Bank, and British International Investment – as well as other partners, to unlock investment for regional manufacturers and strengthen Africa's health product manufacturing ecosystem.

Our impact

Our new regional manufacturing strategy builds on our existing work. For example, to strengthen diagnostics manufacturing during the COVID-19 pandemic, together with partners we spearheaded the transfer of rapid diagnostic testing technology across three continents, ensuring supply security and contributing to a lower global price for these tests. In Senegal, we supported diaTROPIX, a nonprofit manufacturer that is part of Institut Pasteur Dakar. Bionote and Mologic, two diagnostics developers, provided technology transfer – the instructions, raw materials, equipment and quality control needed to create the tests – to diaTROPIX, enabling the production of high-quality tests in Senegal.



As the world transitions from the COVID-19 pandemic, we are supporting diaTROPiX to produce a portfolio of tests needed in the region, including for HIV. This strengthens regional manufacturing capacity both for products needed today and keeps the facility functioning and ready to expand to make tests for other diseases when another local outbreak or global pandemic occurs.

Together with the Medicines for Malaria Venture, we also supported Universal Corporation Ltd in Kenya to become the first African manufacturer to gain WHO prequalification of sulfadoxinepyrimethamine, an effective and affordable medicine used to prevent malaria in pregnant women and infants, and for SP+AQ, the combination treatment for seasonal malaria chemoprevention to protect children under 5.

Unitaid is now expanding this work through two new flagship investments – the MADE and MedSuRe Africa programs – totalling nearly US\$50 million to strengthen regional manufacturing of diagnostics and medicines across Africa. Implemented with African partners and institutions, these initiatives will lay the foundation for more resilient, self-sustaining health systems and mark the beginning of a new phase in regional manufacturing.

Looking ahead

Strengthening regional manufacturing is not only critical to achieving the health-related Sustainable Development Goals and supporting climate targets by reducing transport costs and carbon emissions; it is also becoming a necessity in a changing global health architecture. Regional manufacturing is therefore a key part of our Climate and Health Strategy, which calls for a move to climate-smart health products that are not harmful to the environment, resilient, responsive to climate change, locally adapted and regionally produced.

Moving forward, we will also support other strategic initiatives in Africa and Latin America to help build demand and to contribute to an enabling environment for a more sustainable, regional manufacturing sector to ensure affordable access to quality health products for people in low- and middle-income countries. To ensure countries are better prepared to prevent and respond to new global health emergencies, people have continued access to the health commodities they need, and to build resilience to climate change, we must strengthen regional manufacturing of health products.



About Unitaid:

We save lives by making new health products available and affordable for people in low- and middle-income countries. We work with partners to identify innovative treatments, tests and tools, help tackle the market barriers that are holding them back, and get them to the people who need them most – fast. Since we were created in 2006, we have unlocked access to more than 100 groundbreaking health products to help address the world’s biggest health challenges, including HIV, TB, and malaria; women’s and children’s health; and pandemic prevention, preparedness and response. Every year, more than 300 million people benefit from the products we’ve helped roll out.