

EIB launches EUR 50 million Africa pharmaceutical manufacturing initiative



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The European Investment Bank today launched the first ever scheme to strengthen local production of Active Pharmaceutical Ingredients in Africa and scale up drug manufacturing essential to improve public health.

The EIB's new EUR 50 million pharmaceutical investment initiative, initiated together with kENUP Foundation, will contribute to reducing dependency on drug imports and address medical supply chain weaknesses linked to COVID-19. The programme will improve availability of specialist drugs and tackle supply chain challenges that currently damage public health across Africa.

Scaling up pharmaceutical investment in Africa will help to protect millions of people from disease and disability and strengthen resilience to ongoing and future pandemics.

"Accelerating high-impact pharmaceutical investment across Africa is crucial to improve public health, address medical supply chain weaknesses and unlock long-term economic development. The European Investment Bank is pleased to launch the first ever-financing initiative to scale up local production of Active Pharmaceutical Ingredients in Africa. This scheme has been designed with African and global experts and builds on the EIB's unique global technical experience and financing expertise supporting health and innovation investment." said Thomas Östros, European Investment Bank Vice President.

"COVID-19 has highlighted how public health in Africa is vulnerable to global supply chains and dependent on international production. Increasing local specialist manufacturing of Active Pharmaceutical Ingredients will help

to improve the public health of millions of Africans. This new initiative demonstrates how specialist pharmaceutical and financing expertise can create jobs and a better future for Africa.” said Dr Mariângela Batista Galvão Simão, World Health Organisation Assistant Director- General responsible for Access to Medicines and Health Products.

“Team Europe’s new support to scale up African manufacturing of advanced pharmaceutical ingredients and build on the strengths of existing manufacturing expertise, in Kenya and elsewhere in Africa, will help to protect millions of people from disease and disability. The demand for pharmaceuticals is expected to double in Africa by the end of the next decade. This provides huge business opportunities for African pharmaceutical companies.” said Simon Mordue, European Union Ambassador to Kenya.

The Active Pharmaceutical Ingredients financing initiative was formally launched earlier today with participation of representatives from the European Investment Bank, World Health Organisation, EDCTP, Global Access in Action at Harvard Law School and kENUP Foundation. Kenyan-based non-profit APIFA (API for Africa) contributed their expertise throughout the process of establishing this financing facility and will act as a non-exclusive promotor to the facility.

“In the spirit of leaving no region behind in the pursuit of Sustainable Development Goals, we warmly welcome the launch of the API for Africa initiative. This will add value to future Research & Development with more active involvement of the African region.” said Michael Makanga, Executive Director of the European & Developing Countries Clinical Trials Partnership (EDCTP).

“This is a timely facility that will transform the pharmaceutical manufacturing industry on the continent and thus enhance access to essential medicines for vulnerable populations. We call on all relevant stakeholders to now work together to support manufacturers in this transformation journey and ensure the long-term viability of this initiative”, says Gerald Macharia, a founding director of APIFA.

This new initiative is aligned with World Health Organisation goals and the recently announced cooperation between the EIB and WHO to combat COVID-19 and strengthen health system resilience to better face future pandemics.

Long-term financing will be available in USD, EUR and local currency and can cover more than 50% of the total cost of eligible investment, as part of the EIB's exceptional response to COVID-19. EIB financing can co-finance projects alongside philanthropic, equity, development financing or support from commercial banks.

In recent months the global COVID-19 pandemic has stained fragile supply chains and led to acute local shortages of medical and pharmaceutical supplies, including drugs to treat HIV. Increasing local production will reduce dependency on imports and exposure to counterfeit drugs.

The scheme will enable Africa to benefit from predicted doubling in local pharmaceutical sales over the next decade, improve access to healthcare and create specialist jobs on the continent. Demand for pharmaceutical products in Africa is expected to double to EUR 60 billion by 2020.

The EIB initiative will provide long-term financing for pharmaceutical production across sub-Saharan Africa and specifically target manufacturing of Active Pharmaceutical Ingredients that constitute 45% of final drug costs.

The new financing programme will also ensure that African pharmaceutical manufacturing can benefit technological innovation that is transforming the industry and making local production easy through digital connectivity, automation and cloud computing.

Building on the EIB global response to COVID-19

The European Investment Bank is the world's largest international public bank and a leading financier of public health and innovation investment.

Since the start of the COVID pandemic the EIB has been working with partners across Europe and around the world to

accelerate vaccine development, strengthen public health and help business to invest during the crisis, with more than EUR 27 billion of COVID related investment approved in recent months.

Last year the EIB provided more than EUR 3 billion for public and private investment across Africa.

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