



The Role of Local Manufacturers in Producing Essential Malaria Commodities: Nigeria and Uganda Case Studies

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About M-TAP

- Funded by BMGF and supported by RBM Secretariat
- Two-year evidence-gathering and targeted advocacy project
- Goals and Objectives:
 - Support sustainable access to anti-malaria commodities
 - Rekindle advocacy for removal of taxes, tariffs, non-tariff barriers
 - Engage Heads of State and Ministers of Finance in malaria-endemic countries
 - Create materials and partnerships to support advocacy under RBM

Materials Development

- Case studies
- Tariff data for 76 malaria-endemic countries
- Modeling Tool

Advocacy

- Maps and fact sheets
- Active partnership with ALMA (WEF, AU Summit, MDG Summit)
- Tax and tariff removal adopted as key ALMA policy objective
- Significant media coverage (*WSJ*, *Guardian*, *FT*)
- Renewed commitments to remove taxes and tariffs by several African Heads of State



Social Justice Context

Affordable and Sustained Access to Healthcare

- Millennium Development Goals (Nos. 4, 5, 6, 8)
- Abuja Declaration of the Africa Summit on Roll Back Malaria (2000)
- World Health Assembly (2008)
- UN General Assembly (2009)
- ALMA Resolution (2010)

Methodology

- Semi-structured interviews with key stakeholders involved in malaria control
- Nigeria: 37 interviews in Abuja, Calabar, Kano, Lagos, Port Harcourt
- Uganda: 36 interviews in Entebbe and Kampala



Potential Long-term Benefits from Local Manufacturing

Donor Funding for Malaria Control

- Historically cyclical and unpredictable so there is a need for local private sector engagement
- Recent scaling-up of treatment and prevention will create a significant increase in demand

Mobilization of Resources for Local Production

- Reduce long procurement processes
- Reduce stock-outs of anti-malaria commodities
- Job creation and workforce development
- Reduce delivery times
- Catalyze economic growth for malaria-endemic countries
- Encourage country-level ownership of malaria control efforts

Disincentives for Local Manufacturing

- Commodities produced by local manufacturers in sub-Saharan Africa are more expensive than imported ones
- Multinational companies (Sanofi Aventis and Novartis) provide ACTs at lower negotiated prices through financial mechanisms such as the Affordable Medicines Facility for Malaria (AMFm)
- Difficult for local manufacturers to compete with subsidized and donated ACTs and LLINs



Challenges for Local Manufacturers

Sub-Saharan Africa

- Currently none of the ACTs produced in sub-Saharan Africa meet the standards of Good Manufacturing Practices (GMP) required for WHO prequalification status
- Only one local manufacturing facility in sub-Saharan Africa (A to Z Textile Mills in Tanzania) has achieved recommended status under the WHO Pesticide Evaluation Scheme (WHOPES) for LLIN production

Nigeria and Uganda

- 5% VAT applied to raw materials, machinery and packaging in Nigeria
- Since the removal of taxes and tariffs in Uganda, non-tariff barriers associated with regulatory and registration processes are problematic
- Low access to financial and technical capital
- Volatile infrastructures for energy and transport lead to higher production costs



RBM Resolution on Local Manufacturing

May 2010 RBM Resolution

- Strengthen the technical capacity of national regulatory agencies to ensure quality anti-malaria goods
- Strengthen the capacity of local manufacturers to reach GMP and WHO prequalification standards
- Develop joint ventures with partners who can provide investment, technology transfer, technical assistance and access to regional and global markets
- Encourage African leaders to cooperate on steps to strengthen local industrial capacity by creating a business enabling environment



Policy Implications

North-South Cooperation

- Develop a transparent and predictable trading and financial system in Nigeria and Uganda that allows for greater access to markets in other malaria-endemic countries
- Eliminate or reduce 5% VAT applied to production inputs in Nigeria in order to increase access to malaria treatment and prevention
- Encourage GMP through joint ventures that build local industrial capacities in management, planning and forecasting, and technology and expertise

South-South Cooperation

- Relax NTBs by harmonizing the registration of anti-malaria products by region or trade bloc to reduce the cost of retooling production facilities
- Create new incentives for exports earning foreign exchange in tax savings such as exemptions, deductions or credit



Thank You

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Roll Back Malaria Partnership

Nigerian National Malaria Control Program

Ugandan National Malaria Control Program

Africa Fighting Malaria

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