

Socio-Economic Integration in the EAC

Pharmaceutical Sector Promotion and Portability of Social Health Protection

The challenge

In 2005, the World Health Assembly reaffirmed that “everyone should have access to health services without having to suffer from financial hardship in the process.” To date, less than one quarter of the East African population has a basic health insurance.

The socio-economic integration agenda of the EAC responds to the need to improve East African citizens’ access to health services by enabling them to use their local Social Health Protection system across the EAC region.

Manufacturers face difficulties selling their products in EAC Partner States and therefore cannot materialise the full potential of a common market. A lack of regional harmonisation of the registration of medicines and public procurement regulations further hinders the industry’s growth potential and consequently restricts people’s access to safe and high quality medicines. The Treaty Establishing the East African Community (EAC) calls for the promotion of health and the harmonisation of policies, regulations, strategies, standards and systems in the Health Sector of the EAC. The EAC has identified the pharmaceutical sector as one of six strategic regional industries because of its relevance for both economic development and the promotion of health. Harmonising the regulations, strategies and systems in the health sector is a key aspect of the EAC Common Market Protocol.

Our approach

We support local manufacturers by cultivating a business environment conducive to business environment, including intra-regional market access to allow for the full benefits of the common market. We also focus on the portability of health care benefits in the EAC region to facilitate the free movement of labour in the common market.

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The project applies a broad set of instruments and processes aimed at strengthening individual and organisational capacities. These include technical support; facilitating and strengthening multi-sectorial stakeholder platforms; supporting advocacy and lobby efforts of the manufacturers’ associations; and cooperating with related programmes within German Development Cooperation and beyond to create positive synergies and maximise the project’s impact.

The priority is to support the actors in a cooperation system to develop strategies for joint action and to create long-term visions.

Our partners in this process, all of whom are engaged to different degrees and for different actions in project implementation, include:

- The EAC Secretariat
- The ministries of health, labour, industry and trade in EAC Partner States
- Medicines regulatory authorities, and procurement agencies
- National Health Insurance Fund
- Pharmaceutical manufacturers
- Pharmaceutical associations
- Health and insurance service providers
- Civil society organisations.



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Socio-economic integration in the EAC deals with fostering the local pharmaceutical industry and portability of social health protection systems across borders.

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The benefits

Our intervention aims to enhance the business environment and market access for the local pharmaceutical manufacturers by supporting adequate policy, legal and regulatory changes. The interests and views of pharmaceutical manufacturers are incorporated into national and regional decision-making processes.

The new updated EAC Regional Pharmaceutical Manufacturing Plan of Action 2017-2027 - a regional roadmap towards promoting the pharmaceutical sector - will include veterinary pharmaceuticals in line with the World Health Organization's One-Health Concept.

In Social Health Protection (SHP), our intervention aims to establish cross-border portability of health care benefits in the region for selected professional groups in order to facilitate the intra-regional mobility of workers. This involves the harmonisation of regulations, strategies and systems in the health sector and the establishment of framework conditions for cross-border portability of health care benefits within EAC.

Success factors

Institutional capacity at the EAC Secretariat and Partner States

The EAC Health Department and the Department for industrial Development as the lead departments for our area of activities are dedicated to attain the project objectives and have included them in their performance contracts and approved departmental calendars of activities. The ministries of health, industry and trade at Partner State level have also designated competent and experienced personnel to support the implementation of project activities.

All relevant ministries and affiliated institutions are working together at regional and national levels through formally recognised and institutionalised coordination committees and communication channels.

Background studies and situation analyses provide the evidence base for convincing policy makers within the established EAC decision-making organs such as the technical working groups and sectoral committees. A fully mobilised, informed and involved public sector is crucial to creating the conditions for successful project implementation.

The Private Sector recognises and seizes opportunities created by integrating markets. They have established a regional apex body, the Federation of East African Pharmaceutical Manufacturers (FEAPM) with national chapters in the Partner States. The private sector has already developed ideas for the cross border portability of health insurance, which our project will take up to develop best practices and address existing challenges.

Our project recognises the critical role of **Civil Society Organizations** in bringing salient issues to the attention of governments, policy makers and other decision makers. We involve them in all levels of our activities.

Building on synergies and partnerships

We cooperate with a great number of actors and projects that complement our work, such as the EAC Medicines Regulation Harmonisation Project, the EAC-PTB project on support to quality infrastructure in the pharmaceutical sector, UNIDO, UNCTAD or the GIZ Polifund Global Project on Access to Medicines. The EAC Secretariat actively brings together partners to promote synergies, avoid duplication of efforts and provide opportunities for the adoption of best practices.

An example from the field

The East African market is dominated by imported medicines, with market shares of, for example, 95% in Burundi and 70% in Kenya. Due to a variety of reasons, pharmaceutical manufacturers from the EAC region produce at higher costs than large international generic manufacturers, making locally manufactured medicines uncompetitive compared to imports.

The Federation of East African Pharmaceutical Manufacturers (FEAPM) seeks to foster the growth of the nascent local industry and has developed an East African pharmaceutical manufacturing incentive package of tax incentives, price preferences and import classifications. High profile lobby and advocacy work in all five EAC Partner States served to promote the incentive package. As a result, the current Uganda National Medicines Policy (2015) and the National Pharmaceutical Sector Strategy (2015 – 2020) have included the incentive package recommendations. In Kenya, the ministries of health and industry are already working on its implementation.