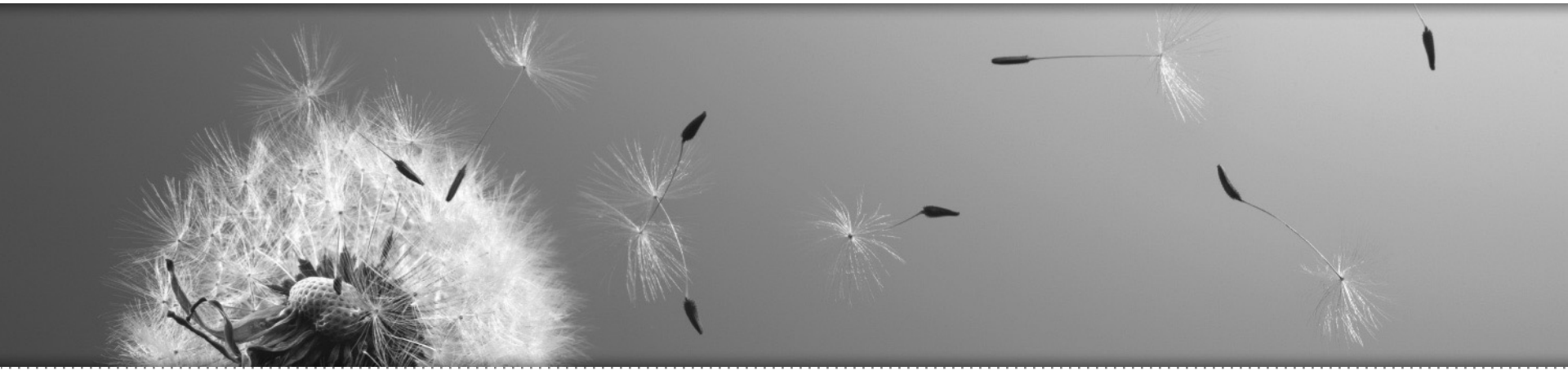

THE CRITICAL ROLE OF THE PRIVATE SECTOR IN THE ROLLOUT OF COVID-19 VACCINES ACROSS AFRICA

JULY 2021

ANADACH GROUP

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THE GLOBAL COVID-19 VACCINE ROLLOUT LANDSCAPE.

LANDSCAPE OVERVIEW

- The largest vaccination campaign in modern history is currently ongoing – the global COVID-19 vaccination
- The UK was the first country to kick off its national campaign, starting its rollout on December 8th, 2020. Many other countries would follow soon after
- As at July 2021, **over 3.3 billion** COVID-19 vaccine doses have been administered across 180 countries
- However, distribution has been inequitable with **high income countries reportedly giving jabs at 30 times the rate of those in lower income countries**
- Africa is one of the largest continents in terms of population size (2nd to Asia), making up over 16% of the world's population, but it is also the **continent with the the lowest COVID-19 vaccination rate** (Fig. 1)
- Additionally, while some countries such as the US are poised to achieve herd immunity by the end of 2021, majority of the countries in Africa are predicted to reach the same feat in 2023 or even later (Fig. 2)
- Issues preventing Africa from vaccinating at the rate of other continents abound but include an over-reliance on COVAX vaccine supplies, lack of large scale local manufacturing capacity, weak & underfunded healthcare systems, lack of the needed political will, vaccine hesitancy and vaccine nationalism
- One thing is clear: for Africa to achieve the widespread COVID-19 vaccine coverage needed to not be left behind, ALL hands are needed on deck and **the participation of the private sector is critical**

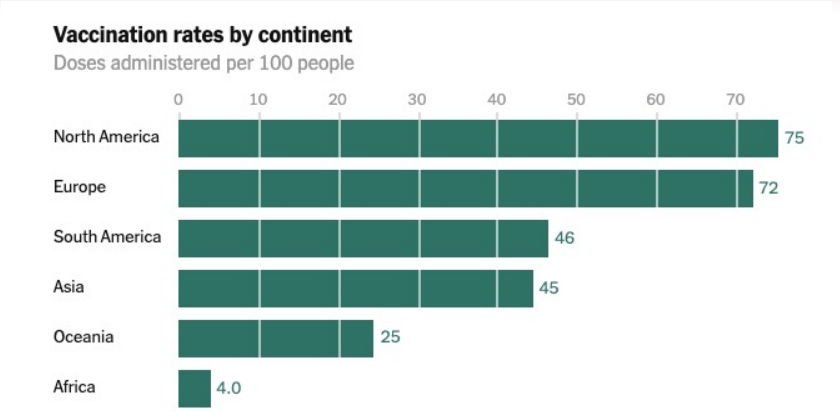

Fig. 1 *Vaccination rates by continent depicted by COVID-19 vaccine doses administered per 100 people. Data is from the NY Times World COVID Vaccinations Tracker dashboard [accessed 8th July, 2021]*

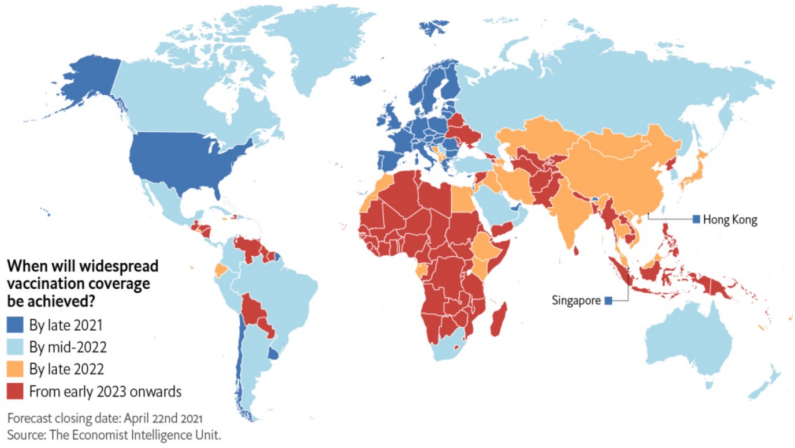

Fig. 2 *This map depicts January 2021 forecasts from The EIU for the rollout of coronavirus vaccines, reflecting the time when countries may expect to have vaccinated the majority (60-70%) of their adult population. The data has also been adjusted by analysts to reflect specific conditions on the ground .*

THE SITUATION IN NIGERIA.

ILLUSTRATIVE SPOTLIGHT ON NIGERIA

- In Nigeria, COVID-19 has had a disruptive impact on the economy and people's livelihoods
- Economic output slumped from a growth rate of 1.87% in Q1 2020, to a negative growth rate of -6.1% in Q2 2020
- At the end of 2021, things had improved with a growth rate of 0.55% however with the COVID-19 pandemic ongoing and vaccine coverage low, this is a volatile situation
- Another wave of COVID resulting in a series of lockdowns (like the one just experienced by India during its catastrophic 2nd wave) would hurl the Nigeria back into a recession which would worsen already dire socioeconomic indices such as high inflation rate (17.92%), high unemployment rate (33%) and rising insecurity
- As at July 2021 even as a 3rd wave seems imminent, **only about 0.5% of the population have been fully vaccinated** i.e. received two doses of the AstraZeneca vaccine (Fig. 3)
- Additionally, healthcare in Nigeria is still primarily private sector driven. According to the Health Federation of Nigeria, about 2//3 of healthcare spending comes from the private sector and up to 95% of that are out of pocket expenditures
- Nigeria's private sector contribution to healthcare needs to grow and there is an urgent need for policies and initiatives that will foster that growth and position the private sector as a sustainable partner to the government and not simply a channel. **Notably, this thinking applies to many other countries across SSA***
- The private sector has contributed significantly via the **Collaboration Against COVID-19 (CACOVID)** as well as **Sterling Bank** that has contributed to CACOVID and has also independently made progress in aggregating funding targeted at testing, vaccination, & supporting frontline healthcare workers

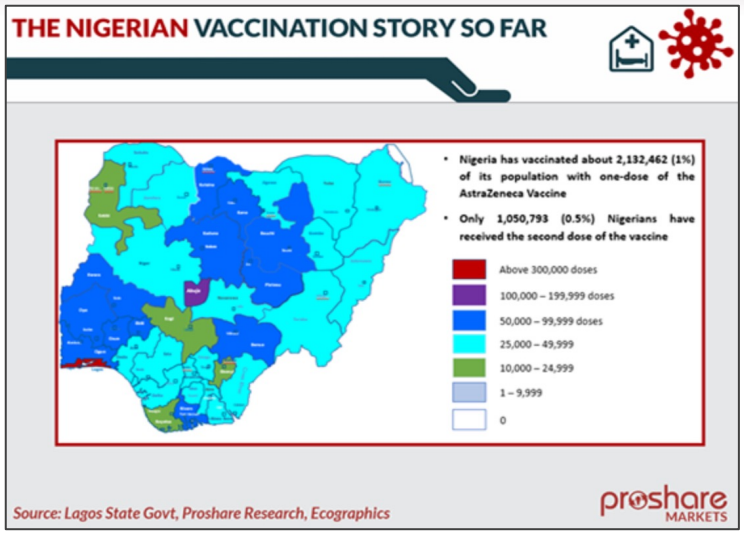

Fig. 3

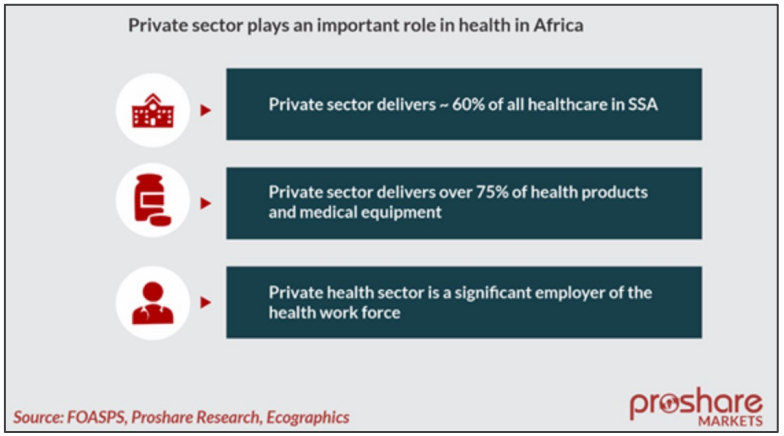

Fig. 4

* SSA – Sub-Saharan Africa

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PRIVATE SECTOR PARTICIPATION.

WHY IS PRIVATE SECTOR INVOLVEMENT IN THE COVID-19 VACCINE ROLLOUTS CRITICAL?

- Many LMICs* governments lack the public sector resources and healthcare delivery systems needed to successfully vaccinate 60-70% of its populations in a timely fashion, to achieve herd immunity
- It is critical for governments to utilize and mobilize all extra resources to fill gaps in funding of vaccines, as well as gaps in the actual storage, distribution and administration of vaccines
- The private sector is motivated and incentivized to participate in COVID-19 vaccine rollouts because the pandemic has adversely and significantly impacted upon the economy and ease of business and hence the private sector has a vested interest in the return to normalcy
- There are many steps in the process from vaccine manufacture to administration to monitoring and evaluation and even vaccine hesitancy solutions and workforce shortage solutions that the public sector simply does not have the capacity for
- Instead of focusing on capacity building, it would seem that it would instead be imperative for governments to partner with private sector players OR that governments support policies that support private sector involvement in their national vaccination campaigns
- Strong governance and sufficient political will is needed to optimally harness the private healthcare sector and to ensure bottlenecks are overcome with the overall aim of guaranteeing a rapid, safe, and equitable response
- Public- Private Partnerships (PPPs) have successfully been leveraged by LMICs since the commencement of the global COVID-19 vaccine rollout – proof that these partnerships are worthwhile

5 KEY OPPORTUNITIES FOR PRIVATE SECTOR INVOLVEMENT IN COVID-19 VACCINE ROLLOUTS

THE BENEFITS AND RISKS ASSOCIATED WITH PRIVATE SECTOR INVOLVEMENT IN COVID-19 VACCINE ROLLOUTS

* LMIC – Low to middle income country

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THE ROLE OF THE PRIVATE SECTOR (1/3) .

TAKING ON SOME OF THE COSTS

- Private funders will need to join forces with public donors and governments to provide a substantial amount of financial support if a successful global COVID-19 rollout is ever to become a reality
- Vaccines need to be administered in a timely and equitable fashion to as many people as possible and ideally free of charge at the point of delivery
- If vaccines are not free this will serve as a major disincentive especially in LMICs* where significant portions of the population live in poverty
- However, 'free vaccines' are paid for by someone – in developed nations such as the UK that is the government, but across most of SSA, **governments simply cannot fund the never-before-done task of vaccinating the majority of their populations in a timely fashion and must rely on the private sector**
- Although there was an initial reluctance amongst some public sector players to partner with the private sector to rollout COVID-19, the obvious folly in that was quickly recognized and now in many LMICs, partnerships between the private and public sectors in the deployment of the COVID-19 vaccine are being leveraged
- Private sector contributions have been strong but need to exponentially increase. To date, the contributions by private players such as Mastercard, TransferWise and TikTok account for less than 5% of the secured COVAX funding. **Much more is needed**
- In addition to direct grant support, the private sector can also strategically use its funds to catalyze and maximize impact:
    - Small-size private players can rally round to aggregate grant funding either through a pooled fund or by matching commitments
    - Results based financing can be a good mechanism to ensure accountability. Typically with traditional funding, funding is tied to inputs but private players are more nimble and can explore alternative mechanisms and even provide concessional support to financially constrained private and public players within the COVID-19 vaccine supply chain
- Finally, private players such as large employers for example, can simply take on the responsibility of shouldering the costs of vaccinating its employees. Apart from increased vaccinations being in the interest of the general public, it should also very much be in the interest of businesses and companies to support the efforts to achieve widespread vaccination coverage as this will herald a return to normalcy and allow for an economic up-turn. **A win-win situation for all involved**

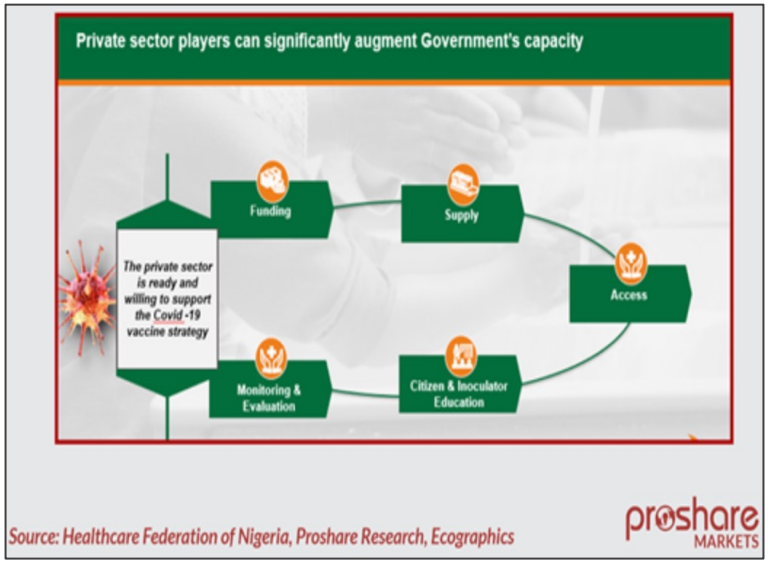

Fig. 5

* LMIC – Low to middle income country

THE ROLE OF THE PRIVATE SECTOR (2/3) .

BRIDGING THE FUNDING GAP

- The funding gap can be defined as the costs associated with the difference between the doses Africa is expecting or has secured, and the doses it actually needs to achieve widespread COVID-19 vaccination coverage
- In June 2021, South Africa's President Ramaphosa who is also Chair, AVATT (African Vaccine Acquisition Task Team) pleaded with G7 members to support the WHO's Access to COVID-19 Tools Accelerator to close the **$16.8 billion funding gap for this year needed for its vaccine arm COVAX to supply 20% of vaccines needed to 190 COVAX- participating countries (many of which are African countries),** and also to support the TRIPS waiver that could help boost vaccine production and improve supply to emerging markets
- Multilateral development financial institutions such as the African Development Bank and the World Bank along with its private sector development branch – the IFC will also be crucial in bridging funding gaps on the continent and that is particularly significant in West, East, and Central African countries that have tended to be highly reliant on GAVI for their vaccine programs in the past
- Additionally, countries must move to mobilize all resources at its disposal and this will most definitely involve the engagement of its private sector. Examples below:
  - In **Nigeria,** the Coalition Against COVID-19 (CACOVID) is a private sector group set up in partnership with the government and the WHO to pull resources across industries to support local COVID related projects
  - Outside of Africa, governments in Southeast Asia are allowing private organizations to co-fund vaccine roll outs. In the **Philippines**, logistics costs for vaccine delivery is expected to be managed by the private sector in an agreement with the Philippines government i.e. PPPs. The country's president has also **relaxed restrictions on private sector imports of vaccines**. In **Indonesia,** the ministry of health has allowed private companies to secure vaccines for their own employees and to bear the associated expenses, in order to speed up its national COVID-19 vaccination campaign

Note: Numbers may vary depending on other or evolving assumptions. We assumed 20% coverage in 2021 for all scenarios and additional coverages in 2022, depending on their final target coverage (Ex.: for 70% total coverage, 20% in 2021 and 50% in 2022).

Fig. 6 *Total Financing Needs Estimates for Sub-Saharan Africa (SSA) by Components and Coverage.*

Though COVAX is expected to supply 20% of the vaccine doses needed, further mobilization by countries is important as herd immunity requires about 70% of the population be fully vaccinated.

"*In addition to $9.5 billion for vaccines, 48 SSA countries will also require $762 million for supply chain, $508 million for climate-friendly cold chain, $1.8 billion for service delivery (Figure 3). The total of **$12.5 billion** amounts to approximately $15.17 per person in the region, with variations ranging from $26.83 for Namibia to $14.25 for Lesotho.*"

- The World Bank (May 2021)

THE ROLE OF THE PRIVATE SECTOR (3/3) .

INCREASING MANUFACTURING CAPACITY ACROSS THE CONTINENT

- Strong, innovative partnerships between local, national, and above country stakeholders will be how Africa builds back bigger and better, and how the continent ensures it is more ready for the next global health crisis
- Africa's goal to reduce reliance on manufacturers outside the continent for vaccines can only be actualized via partnerships and will be driven by the private sector
- Africa CDC has disclosed a goal of 99% of vaccines being locally produced vs. only 1% of vaccines produced on the continent prior to COVID-19 (Fig. 7)
- Partnerships with several private players such as pharmaceutical manufacturers, universities, research institutes and laboratories as well as partnerships between private players across countries and regions will also be important
- For example, a regional vaccine manufacturing hub is likely more feasible than every country trying to build their own manufacturing plant

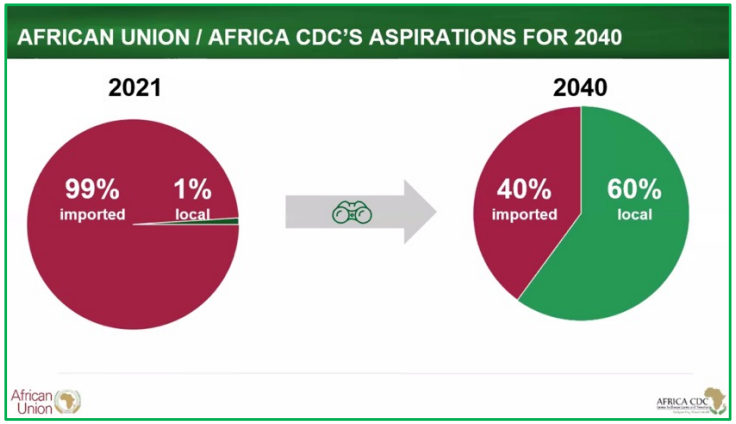

Fig. 7

ILLUSTRATIVE SPOTLIGHT ON SOUTH AFRICA

South Africa is a case study in excellence with regards leveraging upon private players to scale up manufacturing. The two key players in South Africa are **Aspen Pharmacare** which is privately owned, and **the Biovac institute** which is the result of a public-private partnership between the SA government and the Biovac consortium. Aspen Pharmacare is currently the only manufacturer on the continent with the rights to compound, fill, finish and package the J&J vaccine. Aspen will aid J&J in fulfilling its deal with the African Vaccine Acquisition Trust (AVAT) to deliver at least 220 million doses of its vaccine to the African Union

In July 2021, Pfizer announced a partnership that would enable the Biovac institute to manufacture the Pfizer COVID-19 vaccine (using drug substances imported from Europe), for exclusive distribution within the African Union (AU) by 2022

In March 2021, a deal between US based ImmunityBio and Biovac was announced which would see Biovac acquiring the technological know-how to manufacture the ImmunityBio COVID-19 vaccine candidate. **If successful, this partnership will result in Biovac joining Senegal's Institut Pasteur de Dakar to become one of two companies able to make vaccines from start to finish in SSA**

As the world moves into a post-pandemic era, Africa will likely be left picking up the pieces when nations in the West have long moved on. Partnerships that will facilitate financing, innovation and technology transfer, and improved economy and health system' preparedness against the next disaster will become key

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CASE STUDY – THE PHILIPPINES

'ALL HANDS ON DECK'

The Philippines national COVID-19 campaign commenced on the 1st of March, 2021 and since then **over 8 million doses have been administered**.

Soon after the rollout began, **the government realized that without private sector involvement it would not be able to achieve its goal to vaccinate 70% of the population.** The COVID-19 Vaccination Program Act of 2021 was passed to allow private players (in conjunction with the DOH*) purchase COVID-19 vaccines.

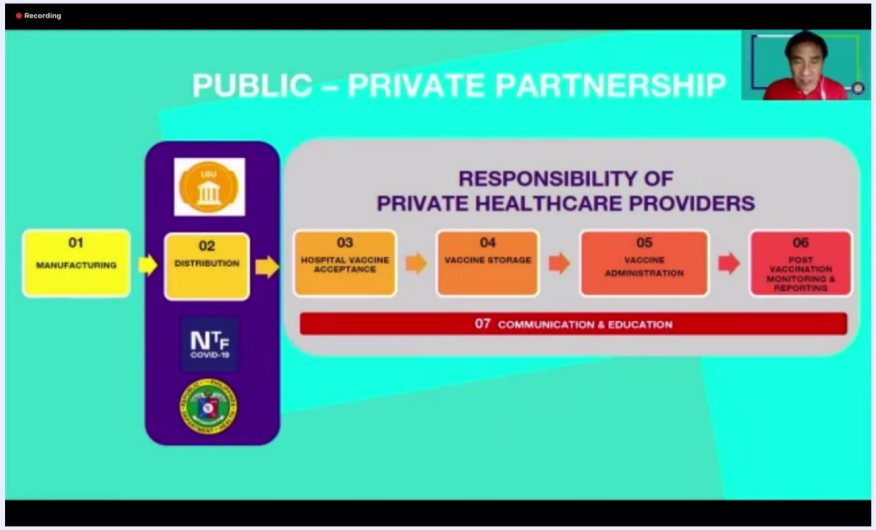
The private sector has played a big role in the rollouts – from funding the purchase of millions of doses to super malls offering their malls to be used as vaccination centers, to multiple public-private partnerships geared towards a successful national vaccine campaign and a successful re-start to the economy thereafter.

Notably, in May 2021, **a private sector led campaign** – ***Ingat Angat Bakuna* Lahat** saw several top businesses such as McDonalds as well as media companies working closely with the DOH* and the national COVID-19 vaccine taskforces on a large scale multimedia campaign with a focus on reducing vaccine hesitancy which has been a significant challenge in the country.

Additionally, at the launch of this campaign, **a private sector pandemic partnership between select private healthcare providers and Local Government Units (LGUs), to boost the effectiveness of nation's vaccine rollout was also announce**d.

The former health secretary Dr. Manuel Dayrit gave a presentation outlining what would be **the private sector's significant role in the storage and administration of the COVID-19 vaccines, as well as in the monitoring of side-effects (Fig. 8)**.

The agreement was that while the government would provide the vaccines and PPE needed for the vaccination exercises, select private healthcare providers would shoulder the cost of administering the vaccines i.e. vaccination sites / venues and the needed manpower.



SCREENSHOT FROM DAYRIT'S PRESENTATION

Fig. 8

* DOH – Department of Health

CASE STUDY – GHANA

'FIRST IN CLASS (IN AFRICA)'

On March 1st, 2021 Ghana became the first country in Africa to receive its COVAX facility COVID-19 vaccine consignment. The next day, it launched its national COVID-19 vaccine rollout.

However, on the 30th of March 2021, the CEO of the Ghanaian healthcare startup – **mPharma**, announced via Twitter that earlier in the month, it had helped the Ghanaian government procure additional COVID-19 vaccines through a bilateral supply agreement. This announcement made the startup **the first company to do this in Ghana** and likely the first company to do this across the continent as well.

mPharma had achieved this feat with the help of several other private sector players all interested in closing the funding gap that many LMIC* markets face when it comes to the rollout of enough COVID-19 vaccines to achieve herd immunity i.e. 60-70% of the population being fully vaccinated.

mPharma collaborated with a consortium comprised of all banks, telecommunication companies, and some FMCG and oil companies in Ghana that had decided that they would finance the vaccination of their employees.

In addition to sponsoring the vaccination of their employees, **the consortium also planned to 'match' vaccine dose**s i.e. giving the same number of doses administered to their employees, as free doses to the government.

Noteworthy of mention is the fact that when the first doses of vaccines that mPharma and the consortium had purchased arrived in Ghana, **these private sector stakeholders put the public interest ahead of theirs**, deciding to pivot from their initial plan to prioritize the vaccination of their employees and instead all the doses were given to the government for the vaccination of health workers.

SCREENSHOT OF TWEET FROM mPHARMA CEO – GREGORY ROCKSON

For mPharma, which has a presence in eight sub-Saharan African countries, Rockson hopes that this framework which has proven to be successful in Ghana would be adopted in other countries to increase financing capacity for more vaccination.

"We need to think of how we can mobilise domestic financing in a period where several countries' budgets are under severe strain because of the pandemic. If the government uses all its funds to buy COVID vaccines, what are they going to use to improve the education sector or to build roads?"

DIRECT QUOTE FROM mPHARMA CEO – GREGORY ROCKSON

* LMIC – Low to middle income country

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KEY TAKEAWAY FOR STAKEHOLDERS IN AFRICA.

COVID-19 vaccine rollout strategies within Africa vary by country; from the number of phases, to the priority groups, to the percentage of the population to be immunized, and the timelines set to achieve that target. However, there exists commonalities in the factors that have either aided or impeded success thus far. Outlined below are the key learnings we have identified from a study of 5 select African countries conducted by the Anadach Group

LEARNINGS FROM AFRICA ON KEY FACTORS SUPPORTING A SUCCESSFUL COVID-19 VACCINE ROLLOUT

- WHOLE GOVERNMENT COOPERATION AND **WIDESPREAD PUBLIC & PRIVATE STAKEHOLDER ENGAGEMENT** - RESOURCE MOBILIZATON & OPTIMIZATION
- STRONG REGULATORY BODIES THAT CAN EXPEDITE VACCINE REGISTRATION & APPROVAL
- A ROBUST LOGISTICS PLAN FOR THE IMPORTATION, COLD CHAIN STORAGE, AND TIMELY DISTRIBUTION OF VACCINES
- SUSTAINABLE VACCINE SUPPLY EITHER BY LEVERAGING LOCAL CAPACITY OR SECURING THE NEEDED DOSES FROM DONORS AND/OR MANUFACTURERS
- COMMUNITY ENGAGEMENT AND PUBLIC AWARENESS TO FIGHT MISINFORMATION & VACCINE HESITANCY
- TECHNOLOGICAL INFRASTRUCTURE WITH REGARDS DIGITIZING DATA, SURVEILLANCE AND MONITORING SYSTEMS, AND VACCINATION CERTIFICATION