A New Model for African Health

By Mariana Mazzucato and Vera Songwe

LONDON/ADDIS ABABA – For many people, the rollout of COVID-19 vaccines in under a year marked the beginning of the end of the acute phase of the pandemic. But not for Africa. Eighteen months after the first vaccines were approved, <u>not even 16%</u> of the continent's population has been fully vaccinated, owing largely to a lack of consistent international support.

African regional institutions, meanwhile, have been world leaders in responding to pandemic-related challenges at the local level. For example, the African Centers for Disease Control has played a pivotal role in coordinating a <u>continental pandemic strategy</u>. The pan-African Partnership to Accelerate COVID-19 Testing has substantially increased testing capacity in 43 countries, providing more than <u>90 million test kits</u>. And the African Union has formed a partnership with the African CDC, the United Nations Economic Commission for Africa (ECA), and the Afrieximbank to create a digital <u>platform</u> for one-stop procurement of medical supplies.

But perhaps the most powerful example of Africa's "common good" approach to the pandemic is the South African government's <u>partnership</u> with the African CDC, the World Health Organization, and other stakeholders to expand low- and middle-income countries' capacity to produce their own mRNA vaccines. At a time when some pharmaceutical giants in rich countries are hoarding technology, such efforts fill a critical need.

There has also been dynamic leadership at the national level, where "whole of government" approaches are proving highly effective. In Togo, for example, the information minister worked across departments – from the president's office and the Ministry of Finance down to the post office – to build a digital cash-transfer program that provided urgent assistance to hundreds of thousands of people in its first two months.

More broadly, Africa's response to COVID-19 has demonstrated the power of collective intelligence for advancing the goal of "health for all" within and across governments. It has illustrated the value of innovation policies designed to advance the common good, rather than encouraging the pursuit of private profit and then asking the public sector to step in to fix predictable "market failures." By identifying and working toward collective goals – like developing an <u>African mRNA vaccine</u> or increasing testing capacity – all countries on the continent stand to reap the benefits of new public goods.

But Africa's COVID experience has also demonstrated that coordinated public-sector innovation for the common good is not enough. Countries also need fiscal capacity to make serious long-term investments in health and pandemic preparedness and response (PPR).

G20 countries recently agreed to establish a Financial Intermediary Fund to close the \$10.5 billion global PPR investment gap. Whether African countries will benefit from the FIF will depend largely on how it is designed over the coming months. If all stakeholder countries are involved in setting priorities collectively, the FIF could become a first-in-class innovative financing mechanism.

In addition to greater global investments in PPR, we also need more robust national policy responses to address the structural conditions that led to the current crisis. Governments should stop thinking about health as a discretionary annual expenditure and start viewing it as a critical long-term investment in society and future prosperity.

The ECA's recent <u>Conference of Ministers</u> in Dakar, Senegal, offered an opportunity for African ministers of finance to rethink their policymaking roles. They should see themselves not only as guarantors of stability but also as active supporters of healthy and equitable societies. Efforts to curtail inflation, build reserves, and reduce debt must be balanced with greater investments in health and well-being. All ministries – not just those with "health" in their name – should be encouraged to measure the impact of their policies against the collective goal of health for all.

Elevating health for all as an overarching fiscal priority will require substantial external support, well beyond what even a properly designed FIF could provide. Health expenditures have been trending down in many low-income countries since the 2008 global financial crisis. It is thus imperative for African governments, international financial institutions, and ratings agencies to recognize health spending as a capital investment that contributes to economic stability, growth, and resilience, rather than as an unwelcome drag on a country's debt-to-GDP ratio.

That means not stigmatizing African countries with credit-rating downgrades, or punishing them with odious interest rates when they take on new debt to fund essential services. It also means helping African countries move away from donor dependency in critical areas like health innovation, manufacturing, and production.

We will need to change how we govern health innovation up front, to include issues like equity, access, and localization in the design of public-private partnerships. Only with a new model in which Africa owns its health investment can we achieve health – and thus prosperity – for all.

Mariana Mazzucato, Founding Director of the UCL Institute for Innovation and Public Purpose and Chair of the World Health Organization's Council on the Economics of Health for All. Vera Songwe, Under-Secretary General of the United Nations and Executive Secretary of the Economic Commission for Africa (ECA).