



Blended financing, vaccine manufacturing and procurement

Africa



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Blended financing, vaccine manufacturing, and pooled procurement have become central pillars of Africa's post-COVID health-financing agenda. This chapter examines how continental institutions, development finance actors, and regional manufacturing partnerships are reshaping Africa's approach to health sovereignty, market coordination, and pharmaceutical resilience.

Core exemplar

Continental blended-financing and pooled-procurement architecture for vaccine manufacturing and health-product sovereignty through AVATT, AVMA, and the African Pooled Procurement Mechanism (APPM).

Why it matters for ALM: It shows how continental coordination, blended finance, and pooled procurement can strengthen African manufacturing capacity, improve negotiating power, and reduce dependence on external supply chains.

Primary ALM contribution: More money for health, more health for the money, and governance and accountability through continental procurement coordination, manufacturing investment, and regulatory harmonization.

Replicability potential: High for regional economic communities and continental institutions seeking to aggregate demand, mobilize blended finance, and create sustainable markets for African-manufactured health products.

1. Context: COVID-19 as Catalyst for Continental Sovereignty

COVID-19 made a long-standing weakness impossible to ignore: Africa manufactured less than 1% of the vaccines it used, so African countries were pushed to the back of the global supply queue. The crisis triggered a coordinated response led by the African Union and Africa CDC. Importantly, this did not end with emergency procurement; it evolved into permanent structures aimed at health product sovereignty. By 2025, commitments to vaccine manufacturing and procurement had passed USD 3.5 billion—one of the clearest areas of delivery against ALM Commitment 5 (the Pharmaceutical Manufacturing Plan for Africa).

2. Mechanism: Three-Pillar Continental Architecture

AVATT (2020): Africa Vaccine Acquisition Task Team

Established by President Cyril Ramaphosa as AU Chair, AVATT aggregated demand and negotiated procurement for AU Member States. Afreximbank provided a USD 2 billion guarantee, enabling the historic procurement of 400 million Johnson & Johnson doses manufactured principally at Aspen Pharmacare's Gqeberha facility in South Africa. AVATT demonstrated that African institutions can coordinate vaccine procurement with greater speed and alignment than donor-driven models.

AVMA (2024): African Vaccine Manufacturing Accelerator

Launched in Paris in June 2024 by Gavi, Africa CDC, and France, AVMA secured USD 1.2 billion in commitments over 10 years (with a contribution of EUR 611 million from Team Europe). AVMA provides milestone payments to African manufacturers upon WHO Pre-Qualification and per-dose accelerator payments upon successful UNICEF tender awards. AVMA targets support for at least four African manufacturers to win UNICEF tenders producing 800 million+ doses over 10 years. Priority antigens include yellow fever, malaria, cholera, Ebola, measles–rubella, and rotavirus. Eligible manufacturers can receive up to USD 250–300 million per project in milestone funding, with additional incentives of USD 0.40–0.50 per supplied dose.

African Pooled Procurement Mechanism (APPM)

Currently being designed for 10 priority RMNCAH products in 10 pilot countries, modelled on Egypt's Unified Procurement Authority. The mechanism aims to aggregate demand, lower costs, and guarantee markets for African-manufactured products. The 2026 Dar es Salaam harmonization of the SADC Pooled Procurement Services (hosted by Tanzania's Medical Stores Department) operationalizes an analogous mechanism at sub-regional level, with expected essential-medicine price reductions of up to 40 %.

3. Outcomes: Expanded Vaccine Manufacturing and Pooled Procurement Capacity

Total commitments exceed USD 3.5 billion (AVMA USD 1.2 B, Afreximbank USD 2 B, other DFIs ~USD 300 M). Africa CDC's 2025 survey identified 574 health product manufacturers across the continent, including 25 vaccine producers (10 with WHO PQ or in the pipeline). Regional Centers of Competence in the Network (RCCN) have been established across all five AU regions. In April 2026 the EIB Group, European Commission, and IFC announced a landmark R1.47 billion investment in Biovac to build Africa's first end-to-end multi-vaccine manufacturing facility — enabled by EIB's EUR 75 million quasi-equity investment and IFC's USD 20 million senior loan under the Human Development Accelerator (HDX). Gavi announced improvements in cholera vaccine availability from 2 million doses in 2013 to over 21 million in 2025, and delivery of 1.9 million rapid diagnostic kits for outbreak detection. Nine African companies are already producing vaccines, including Aspen and Biovac in South Africa, Institut Pasteur de Dakar in Senegal, BioNTech in Rwanda, Vacsera in Egypt, Biovaccines Nigeria, Sothema in Morocco, and manufacturers in Algeria, Tunisia, and Ethiopia.

4. Key Lessons and Policy Implications

- **Autonomy in aid management.** AVATT demonstrated that African institutions can coordinate vaccine procurement with greater speed and alignment than donor-driven models. This is the conceptual foundation for ALM Commitment 2 (leveraging international partners on African terms).
- **Market shaping as prerequisite.** Manufacturing capacity without guaranteed demand is unsustainable. AVMA + APPM create a demand-supply nexus that incentivizes production. The Nigeria, Mozambique, and Zambia experience of 2025 — where procurement-conditionality has been used to demand local manufacturing — shows this principle is now being adopted bilaterally too.
- **Afreximbank as health finance institution.** The USD 2 B Afreximbank facility positions the bank as Africa's de facto health security investment platform, complementing the AfDB role envisioned under ALM Commitment 2.
- **Blended finance as the scalable model.** The 2026 Biovac package — EIB quasi-equity + IFC senior debt + European Commission EFSD+ guarantee + Team Europe contribution + Gates Foundation support — is the reference architecture for African vaccine manufacturing. Pure state investment and pure private investment both fail; blended finance with public-offtake guarantees is the winning structure.
- **Regulatory harmonization as bottleneck.** Achieving WHO pre-qualification is the rate-limiting step for African manufacturers to receive AVMA milestone payments. This signals to stakeholders to invest in regulatory-system strengthening (AMA, SAHPRA elevation to ICH) as a prerequisite for continental manufacturing scale-up.

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