EXEMPLARS SERIES

AFRICAN RENAISSANCE

Cross-Border Cooperation for medicines and vaccines, procurement and health workforce

South Africa

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South Africa's exemplar looks beyond national reform to its wider continental role in vaccine manufacturing, regulatory maturity, and cross-border support. It examines how that industrial and institutional capacity contributes to regional health sovereignty.

Core exemplar

Vaccine manufacturing, cross-border cooperation, and regional continental anchoring through firms such as Aspen, Biovac, and Afrigen.

Why it matters for ALM: It shows how industrial capacity, regulatory maturity, and regional coordination can strengthen health sovereignty far beyond national borders.

Primary ALM contribution: More health for the money, governance and accountability, and health product sovereignty through PMPA-aligned regional manufacturing and supply chains.

Replicability potential: High for countries building regional manufacturing, pooled procurement, and cross-border health-security roles.

1. Context: South Africa as a Regional Pharmaceutical and Vaccine Hub

South Africa's strength is not only domestic reform but its wider role as Southern Africa's industrial and regulatory anchor for medicines and vaccines. By market size, regulatory depth, manufacturing capacity, and research infrastructure, it sits at the centre of the continental supply chain. It is estimated to supply about 60% of the pharmaceuticals consumed in sub-Saharan Africa. Its three best-known vaccine actors—Aspen Pharmacare, the Biovac Institute, and Afrigen Biologics & Vaccines—each shape access well beyond South Africa's borders, especially in Mozambique, Lesotho, Eswatini, Botswana, Namibia, and Zimbabwe.

That cross-border role became even more important in 2025–2026. Neighbouring countries were facing repeated outbreaks, including cholera and mpox risk, while the 2025 US foreign-assistance freeze exposed how heavily many HIV programmes still depend on external funding. At the same time, South Africa's own National Health Insurance Act added a new layer of regional uncertainty. Even before full implementation, NHI policy can affect workforce flows, pharmaceutical pricing, and cross-border care networks across SADC.

2. Mechanism: Four Channels of Cross-Border Support

Channel 1 — Vaccine Manufacturing and Export (Aspen, Biovac, Afrigen)
Aspen Pharmacare's sterile facility in Gqeberha (Port Elizabeth) produced Johnson & Johnson COVID-19 vaccines under the African Union's 2021 Africa Vaccine Acquisition Task Team (AVATT) agreement, enabling continental-scale delivery backed by Afreximbank's USD 2 billion facility. Biovac, a public-private partnership established in 2003, has delivered more than 450 million vaccine doses across Southern Africa, including COVID-19 vaccines and routine paediatric vaccines (polysaccharide-conjugate platforms owned since 2006). In April 2026, Biovac received a R1.47 billion (EUR 75 million quasi-equity from EIB Group plus USD 20 million senior loan from IFC, with further mobilisation under way) investment package to build Africa's first end-to-end multi-vaccine manufacturing facility — the largest single financing event in continental vaccine manufacturing history. The project is aligned with AVMA and contributes to the AU Vision 2040 target of 60 % local vaccine production. Afrigen hosts the WHO mRNA vaccine technology-transfer hub, which is coordinating technology transfer with African and Latin American manufacturers. Collectively, these three firms anchor the continental vaccine supply chain and route doses directly into Mozambique, Eswatini, Lesotho, Namibia, Botswana, Zimbabwe, and the DRC.

Channel 2 — Pharmaceutical Supply Chain and Regional Distribution
The SADC Pooled Procurement Services (SPPS) — hosted by Tanzania's Medical Stores Department since November 2017, upgraded September 2025, and reviewed at the March 2026 Dar es Salaam harmonization meeting — is expected to reduce essential-medicine costs by up to 40 %. Eight Member States (Botswana, Eswatini, Malawi, Mozambique, Namibia, Tanzania, Zambia, and Zimbabwe) have completed in-country assessments and training for full operationalization of the SPPS group-contracting model. South Africa's role in this architecture is pivotal: domestic tendering evidence from 2003–2016 showed that South Africa's centralized medicine tenders reduced prices by an average of 40 %+, with tender prices consistently lower than private-market prices. South Africa's pricing and supplier intelligence therefore serves as a reference for SADC partners negotiating collectively, directly operationalizing ALM Commitment 4 (private-sector engagement) and Commitment 5 (PMPA)

Channel 3 — Cross-Border Vaccination Campaigns and Health Security
The 2 February 2024 SADC Extra-Ordinary Summit on Cholera — chaired by Angola, attended by South Africa's Minister of International Relations Dr Naledi Pandor — explicitly directed SADC Member States to "jointly plan and implement synchronized cross-border cholera vaccination campaigns, and mobilize vaccines for affected and non-affected countries at risk." President Hakainde Hichilema of Zambia was designated regional Cholera Champion. Between January 2024 and October 2025, 19 African countries conducted 64 reactive OCV campaigns — with South Africa providing technical and laboratory support to neighbours, and with Mozambique among the heaviest campaign users (following recurrent outbreaks linked to Cyclones Idai in 2019, Filipo in 2024, and Jude in March 2025). The NICD (National Institute for Communicable Diseases) in Johannesburg publishes monthly Cholera Global and Southern Africa Updates that underpin regional surveillance. Border-health coordination was further institutionalized through the US CDC / Health Systems Trust Border Health Preparedness Assessment covering South Africa, Botswana, Lesotho, Mozambique, Namibia, Eswatini, Zambia, and Zimbabwe.

Channel 4 — NHI Spillovers and Workforce Migration

The NHI Act (No. 20 of 2023, Presidential assent 15 May 2024) establishes a National Health Insurance Fund as sole purchaser and payer. Although as of April 2026 no effective dates have been proclaimed and multiple legal challenges are pending, the downstream cross-border implications are already visible. First, SADC health workers — particularly clinicians from Mozambique, Zimbabwe, and Lesotho — constitute a significant share of the South African health workforce; NHI provider-contracting rules and payroll-tax changes will alter migration economics. Second, medical-tourism flows from Mozambique, Namibia, and Botswana into South African private tertiary hospitals (Discovery Health, Netcare, Life Healthcare) will be re-priced under NHI. Third, the National Essential Medicines List will become the continental reference for therapeutic-reference pricing.

3. Outcomes: Quantifying the Cross-Border Footprint

Channel	Scale (2024-2026)	Principal SADC beneficiaries
Aspen J&J COVID-19 production	400+ million doses under AVATT; $2 B Afreximbank guarantee	All 55 AU states; SADC prioritized
Biovac routine paediatric vaccine supply	450+ million doses cumulative	Mozambique, Lesotho, Eswatini, Namibia, Botswana, Zimbabwe
Biovac end-to-end multi-vaccine site (2026)	R1.47 B / €75 M EIB + $20 M IFC + Team Europe €611 M	Continental — target 60 % local production by 2040
Afrigen mRNA Tech-Transfer Hub	15+ LMIC manufacturing partners	Technology transfer to Kenya, Nigeria, Senegal, Egypt
SADC Pooled Procurement Services	Projected up-to-40 % price reduction; 8 MS operational	All 8 pilot MS incl. Mozambique, Zambia, Zimbabwe
Cross-border cholera vaccination support	64 reactive campaigns across 19 AU states, 2024-2025	Mozambique, Malawi, Zambia, DRC, Angola
Border Health Preparedness (CDC/HST)	Training 2021–2022; continued regional coordination	Botswana, Lesotho, Mozambique, Namibia, Eswatini, Zambia, Zimbabwe

Table SA-1. Sources: EIB/EC/IFC press release (April 2026), SADC Secretariat communiqué (March 2026), WHO Multi-Country Outbreak of Cholera External Situation Report #32 (November 2025), AU press release on cholera champions (June 2025), Africa News Agency.

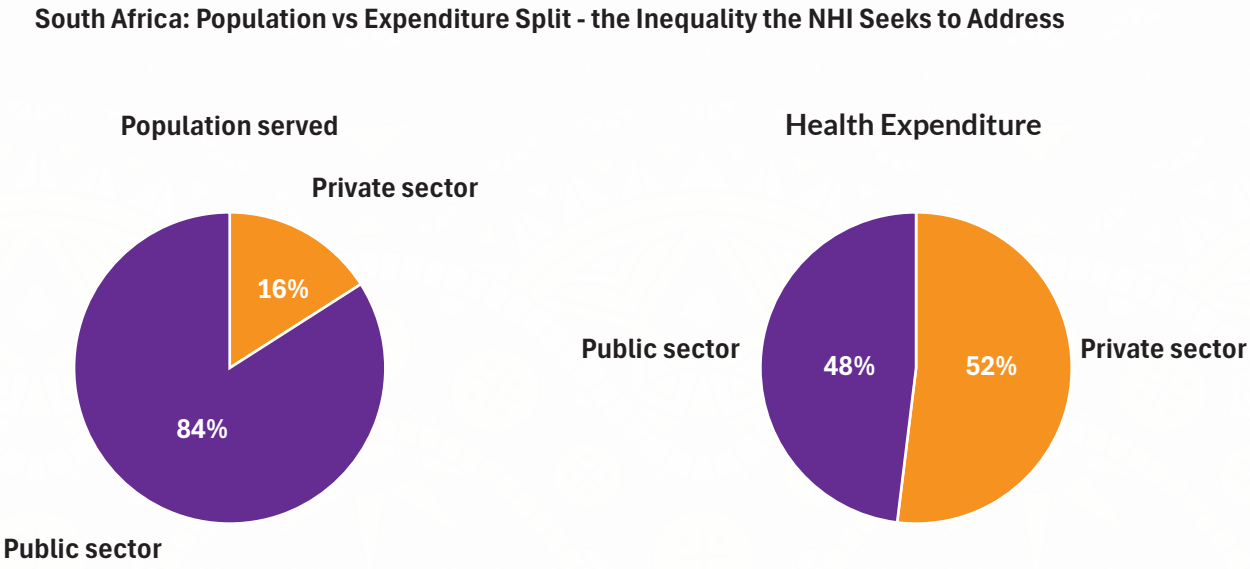

Figure SA-1. South Africa: Population vs Expenditure Split. The public sector serves 84 % of the population with 48 % of total health expenditure, while the private sector serves 16 % with 52 % of THE — the structural inequality the NHI Act (2024) aims to address.

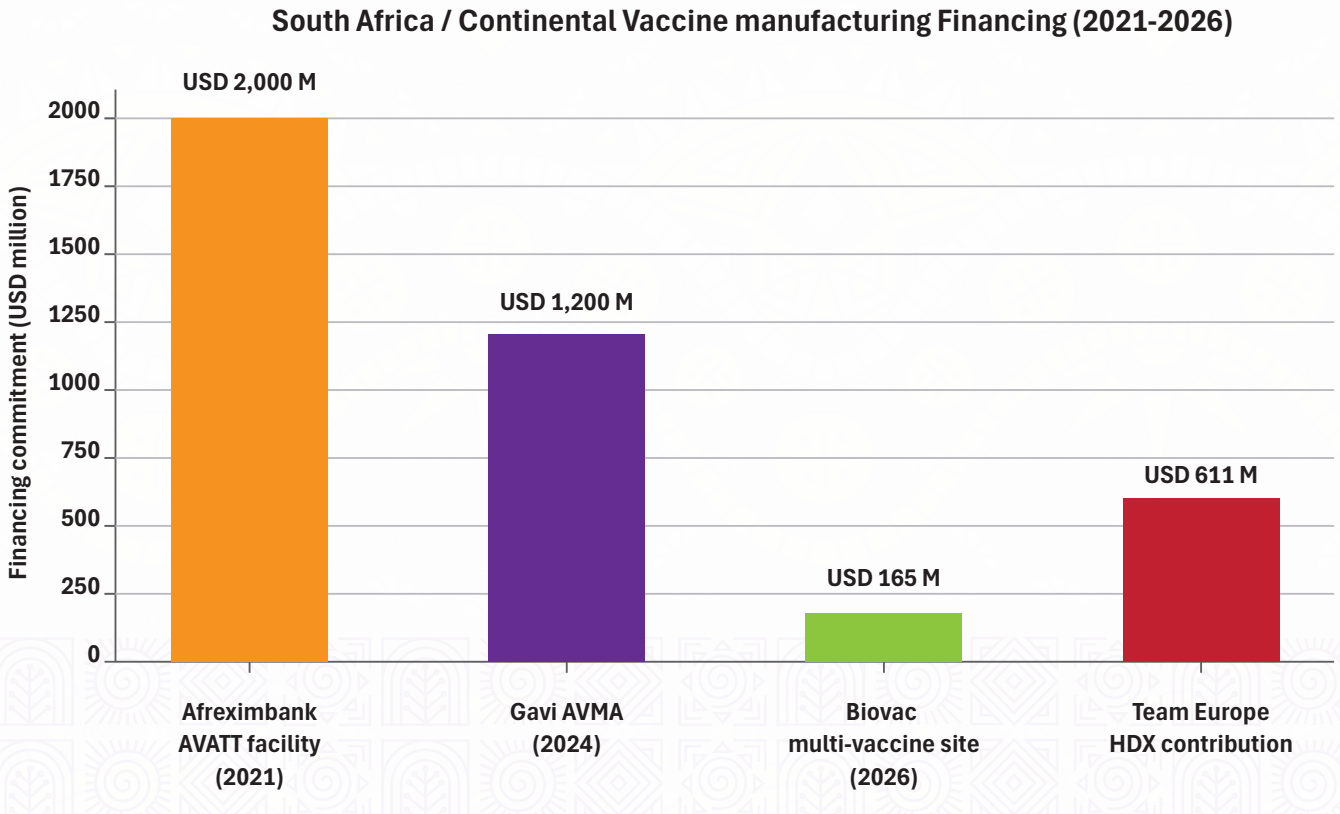

Figure SA-2. South Africa / Continental Vaccine Manufacturing Financing (2021–2026). The April 2026 Biovac multi-vaccine facility deal complements Aspen's AVATT role and Gavi's AVMA commitments to anchor continental supply chains.

4. Mozambique-Specific Cross-Border Flows

The cross-border dynamic with Mozambique is especially consequential and runs in both directions. Mozambique has been among the heaviest recipients of Biovac-manufactured routine paediatric vaccines, of Aspen-produced AVATT J&J doses during COVID-19, and of OCV deliveries for cholera outbreaks linked to Cyclones Idai (2019), Filipo (January 2025), and Jude (March 2025). The SADC Pooled Procurement Services is reducing Mozambique's essential-medicine costs through shared contracts aligned with South African reference prices. Border-health surveillance at the Lebombo and Ressano Garcia crossings has been a focus of the US CDC/HST border-health project. Simultaneously, Mozambique's rural workforce has long supplied migrant labour to South African gold, platinum, and citrus-farming sectors — creating longstanding HIV/TB cross-border dynamics that PEPFAR funded through both countries until the January 2025 freeze, after which Mozambique absorbed a 14 % drop in new ART initiations and a 38 % drop in adult viral load testing. South Africa's Anova Health Institute in Johannesburg similarly suffered mass terminations. The mutual dependence cuts both ways: without regional pharmaceutical supply chains anchored in South Africa, Mozambique's response capacity to the 2025 aid shock would be considerably weaker.

Key Vulnerability

- **What is at risk:** The durability of Southern Africa’s medicine and vaccine supply chain if South Africa’s regulatory and procurement “anchor” weakens.

- **Why it matters (evidence):** South Africa’s continental role depends heavily on private-sector capacity and partnership finance rather than a single, guaranteed public-investment stream. If SAHPRA remains under-funded, if NHI procurement rules do not create reliable demand for African-made vaccines, or if SPPS governance deteriorates, regional supply-chain consolidation could reverse. The 2025 US foreign-assistance freeze stress-tested the system and exposed gaps: although AVMA commitments exceed USD 1.2 billion, the procurement guarantees that turn African production into bankable demand (e.g., UNICEF, Gavi, and Global Fund contracting) remain structurally thin. Meanwhile, NHI implementation uncertainty creates planning risk for neighbouring ministries, particularly around pharmaceutical pricing and workforce flows.

- **What would reduce the risk:** Stable, predictable financing for SAHPRA and regional regulatory cooperation under AMA; clearer NHI procurement pathways that recognise African manufacturing; and strengthened SPPS governance and contracting so pooled procurement delivers consistent, transparent price and supply outcomes.

5. South Africa on the ALM Scorecard

South Africa's ALM scorecard demonstrates substantial continental weight and industrial depth, with six commitments rated On Track and three rated Partial. The strongest areas are political agenda, partner leverage, private-sector participation, PMPA harmonization, monitoring and reporting, and the use of AU-linked continental platforms. The Partial ratings reflect the still incomplete alignment of domestic mobilization, operational undertakings, and accountability structures with the wider ambition of the ALM framework. Overall, the scorecard is consistent with a country that is already a continental anchor but still has unfinished domestic reform tasks.

ALM Scorecard Heat-Map	
Country	**South Africa**
1. Political Agenda	
2. Leverage Partners	
3. Domestic Mobilization	
4. Private Sector	
5. PMPA Harmonization	
6. Operational Undertakings	
7. Monitoring & Reporting	
8. Accountability Framework	
9. Hosting Role	
10. Leveraging AU Support	

Legend: Green = On Track; Amber = Partial; Red = Off Track

5. Key Lessons and Policy Implications

- Private-public co-financed vaccine manufacturing is the scalable model. Biovac's 2026 expansion — blending EIB quasi-equity, IFC senior debt, a European Commission EFSD+ guarantee, Team Europe contribution, and Gates Foundation support — is the template other African states (Senegal's IPD, Kenya's BioHealth, Nigeria's local manufacturers) should adapt. Pure state manufacturing and pure private investment both fail; blended finance with public-offtake guarantees is the winning structure.
- Regional pooled procurement must be operationalised, not just declared. The SADC SPPS has been on the books since 2017 but only began full operationalisation in 2025/26. For Mozambique and other SADC neighbours, losing the structural South African price reference would substantially raise essential-medicine costs.
- Cross-border cholera (and future mpox, Ebola) vaccination requires harmonized planning. The February 2024 SADC directive for joint planning and synchronized campaigns, with President Hichilema as Cholera Champion, is the operational blueprint. Mozambique's repeated post-cyclone cholera outbreaks show the infrastructure gap.
- NHI implementation uncertainty exports risk. South Africa's 13-year journey from Green Paper (2011) to presidential assent (2024) with still no effective date reinforces the cautionary lesson already visible in Uganda and Kenya: legislative ambition without fiscal and institutional readiness creates policy uncertainty — and in South Africa's case, that uncertainty propagates across SADC borders.
- Workforce migration must be governed multilaterally. With Mozambican, Zimbabwean, and Lesotho clinicians forming a significant share of South Africa's health workforce, and with PEPFAR cuts forcing redundancies, a SADC framework on health-worker migration — analogous to the WHO Global Code of Practice — is urgently needed to prevent a second wave of brain drain from the already-stressed sending countries.
- SAHPRA to African Medicines Agency. SAHPRA's 2025 elevation to ICH membership positions it as the de facto reference authority within the nascent African Medicines Agency (AMA). Operationalizing this role across SADC is the fastest route to Commitment 5 (regulatory harmonization) compliance for the region.

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ALM score card sources: ALM score card sources: South Africa (7/10 On Track, 3 Partial)
C1: Political agenda — On Track Indicators: NHI Act No.20/2023 signed May 2024; AIM2030; SADC Cholera Champion Sources: NHI Act (gov.za/documents/national-health-insurance-act); AIM2030
C2: Leverage partners — **On Track**Indicators: EIB €75M + IFC $20M + EC €611M + Gates = R1.47B Biovac Apr 2026 Sources: EIB press release 16 Apr 2026 (eib.org); IFC press release; SAnews 17 Apr 2026
C3: Domestic mobilisation — **Partial** Indicators: Public 84% pop / 48% THE; private 16% pop / 52% THE; NHI no effective date; ~8.6% GDP Sources: StatsSA Health Satellite Accounts; NHI Act White Paper; SA Treasury MTEF
C4: Private sector — **On Track** Indicators: Discovery + 80+ schemes; Biovac (60% private); Aspen Gqeberha; Afrigen mRNA hub Sources: Council for Medical Schemes Annual Report; Aspen (aspenpharma.com); Afrigen (afrigen.co.za)
C5: PMPA — **On Track** Indicators: SAHPRA ICH member 2025; Biovac end-to-end facility; Afrigen WHO mRNA hub Sources: SAHPRA (sahpra.org.za); WHO mRNA Hub Cape Town
C6: Operational — **Partial** Indicators: Strong PPP in vaccines; SADC SPPS (Tanzania-hosted); NHI passed but no effective date Sources: NHI Act legal challenge status; SADC SPPS (msd.go.tz/spps)
C7: Monitoring — **On Track** Indicators: StatsSA Health Satellite Accounts; DHIS2 expanding; NHI Fund monitoring architecture Sources: StatsSA series; NDoH Annual Reports
C8: Accountability — **Partial** Indicators: NHI Tribunal not yet operational; parliamentary oversight; Auditor-General; legal challenges Sources: NHI Act architecture; Auditor-General SA; Portfolio Committee on Health
C9: Hosting role — **On Track** Indicators: G20 Presidency 2025; SADC Cholera Champion; SAHPRA continental reference; Biovac anchor Sources: G20 Johannesburg Nov 2025; SADC Cholera Champion designation
C10: Leveraging AU — **On Track** Indicators: AU AMA host candidate; PAVM participant; AVMA Steering Committee; AU Vision 2040 anchor Sources: AU PAVM Framework; AVMA Steering Committee; AU Vision 2040

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