

POST FORUM REPORT ON

BRIDGING THE SKILLS GAP FOR THE PHARMACEUTICAL INDUSTRY IN SOUTH AFRICA

 Multi-Stakeholder Consultative Forum 

Midrand Conference Centre, Midrand, Johannesburg: 27-28 May 2015



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1. Background

South Africa recently launched its National Development Plan (NDP) which plans to reduce poverty and inequality by 2030. Whereas the achievement of the objectives of the NDP requires progress on a broad front, the following are deemed as top priority:

- Raising employment through faster economic growth
- Improving the quality of education, skills development and innovation
- Building the capability of the state to play a developmental and transformative role

Furthermore, the NDP recognizes that business, labour, communities and government will need to work together in order to achieve “higher rates of investment and competitiveness, and expanding production and exports”. The Industrial Policy Action Plan (IPAP) is one of the key instruments through which the government plans to drive economic growth and development. The IPAP has identified the chemical sector (including the pharmaceutical industry) as one of the key sectors of the economy that ought to be prioritized in order to achieve the overall growth of the economy.

The Department of Trade and Industry (DTI), which is a custodian of the IPAP in South Africa, raises alarming statistics in its biennial publication that sets out the goals and plans to drive the IPAP. According to the IPAP 2013/2014 - 2015/2016 South Africa experienced a massive shrinkage of its pharmaceutical manufacturing capacity following a closure of 37 manufacturing plants in the late 90s and early 2000s. Furthermore, it is reported that the penetration rate of pharmaceutical imports in the country is at the staggering 65%. Lastly, the pharmaceutical industry has been cited as a fifth leading driver of the current account deficit in the country.

There are two immediate concerns arising from these findings, one is that South Africa is evidently under a considerable threat to the security of supply of medicines. Secondly, the current situation is not supportive of the goals of the NDP. It is against this background that the DTI, funded by the United Nations Industrial Development Organization (UNIDO), sought to host a Multi-Stakeholder Consultative Forum with a view to initiating a dialogue aimed at addressing the situation with special focus on skills development.

A successful two day forum was held on the 27th - 28th of May 2015 at Midrand Conference Centre in Johannesburg, South Africa. The consultative forum was well attended and enjoyed representation across the pharmaceutical value chain with the exception of the producers of the raw materials.

In line with the title of the event, Appendix I, the forum was designed to be consultative in nature with a view to soliciting the views of various stakeholders in terms of how the industry ought to plan for growth in line with the NDP. The wide ranging inputs of the delegates are tabulated below. There are planned post forum activities that are aimed at ensuring that the recommendations that were made are taken forward. Central to the post forum activities is the engagement of the Human Resources Development Council (HRDC) to assist with the removal of the identified human resources constraints.

2. Purpose of the Multi-Stakeholder Consultative Forum

The purpose of the multi-stakeholder consultative forum was to further advance government efforts as they relate to the country's human capital (HC) relevant for the pharmaceutical industry's growth and development by:

- Taking stock of/revisiting existing plans and earlier action recommendations and collect new proposals;
- Identifying priority action(s) and agreeing on concrete follow-up initiatives/activities; and
- Distilling the forum's results into a report that DTI will submit to HRDC for consideration and possible follow-up action.

3. Delegates to the Multi-Stakeholder Consultative Forum

In order to meet the growth imperatives of the IPAP as well as support the economic objectives of the NDP it is vitally important to ensure that skills' planning in the pharmaceutical industry is not fragmented. Against this background arrangements were made to have a broad audience that covers key role players in this industry. A total of 120 delegates attended the two day event. The following stakeholders were represented at the event:

- Departments of Government
 - Department of Health (DOH)
 - Department of Higher Education and Training (DHET)
 - Department of Trade and Industry (DTI)
- Statutory Authorities
 - Medicines Control Council (MCC)
 - South African Pharmacy Council (SAPC)
 - Medical Research Council (MRC)
 - South African Council for Natural Scientific Professions (SACNSP)
 - Human Resources Development Council (HRDC)
- Regulatory Science Institute
- Skills Education Training Authorities (SETAs)
 - Chemical Industries Education and Training Authority (CHIETA)
 - Health and Welfare Seta (HW SETA)
- Associations (Professional and Trade)
 - South African Association of Pharmacists in Industry (SAAPI)
 - Innovative Pharmaceutical Association of South Africa (IPASA)
 - National Association of Pharmaceutical Manufacturers (NAPM)
 - Southern African Pharmaceutical Regulatory Affairs Association
- Pharmaceutical Companies and Pharmaceutical Distributors/Wholesalers
- Non-Governmental Organizations
- Universities - 10 institutions that offer pharmacy and natural sciences
- Muhimbili University (Tanzania) - International guest
- UNIDO - Funder

4. Discussion Themes

To kick start the event and set the scene for the discussions that were to follow a high impact presentation by a renowned industry expert (Dr. S. Ngozwana) was sought, Appendix II. Dr. Ngozwana made the following recommendations:

- Create a framework for policy alignment, develop a national vision and strategy for the sector,
- Review and revise training curriculum,
- Create international partnerships and strengthen collaborations

In order to have a meaningful dialogue on the pertinent issues, with special focus on skills development, it was deemed necessary to focus on the pharmaceutical value chain in its entirety. Additionally, it was also deemed to be vitally important to have an inclusive discussion about skills development that focus on all critical skills that are employed in the pharmaceutical industry.

Accordingly, there were seven working groups that sought to provide an appraisal of the human capital outlook in every segment of the pharmaceutical value chain. The following working groups were established:

- Clinical Research
- Production of Raw Materials
- Production of Finished Pharmaceutical Products
- Quality Systems
- Regulatory Systems
- Natural Sciences
- Distribution

Each working group had a chairman, rapporteur, and about fifteen members. A concerted effort was made to allocate the delegates to the working groups that focus on areas of their interest. Chairmen were chosen based on their expertise in their respective fields and the rapporteurs comprised of the heads of the schools of pharmacy from the local universities.

In keeping up with the theme of the NDP as regards vision 2030, the members of the working groups were requested to imagine the South African pharmaceutical industry in 2030 and consider the skills requirements that must be prioritized in order to achieve it.

Vision 2030 was stated (provisionally) as follows: *“South Africa has a globally competitive pharmaceutical manufacturing industry that is able to supply the majority of its requirements for cost effective high quality medicines.”*

The working groups were asked to do a gap analysis by identifying the current skills situation in relation to the skills that will be required to sustain pharmaceutical vision 2030. Chairmen of the working groups provided plenary feedback based on the discussions that took place in their respective working groups. The key points that were raised by the working groups were consolidated, Appendix III, and are summarized in the table below.

5. Recommendations from the Forum

The recommendations emanating from the Forum were a mix of ‘higher level’ or more broad-based ones on the one hand and more specific, directly skills-related ones on the other. The need to embed proposed action to bridge the skills gap in a more comprehensive or holistic approach geared at supporting the growth of a viable pharmaceutical industry in South Africa was advocated by a distinct number of participants throughout the event.

Table 1 - Strategic Objectives for Skills Development for the Pharmaceutical Industry in South Africa

Strategic Objective #	Strategic Objective	Statement of Rationale	Strategies and Inputs	Opportunities and Barriers to Implementation	Stakeholders
1	Establish a formal forum for an ongoing exchange of ideas between key stakeholders in the sector	Stakeholders to develop a unifying vision (e.g. vision 2030) that will guide the skills development strategies	A coherent and coordinated approach to skills planning will ensure that critical areas of skill supply are addressed	The profiling of skills demand based on employer-level data leads to reactive skills plans	Academia, Industry, Government, Statutory Authorities and SETAs
2	Government policy to offer a framework for growth in the pharmaceutical industry	Policy incoherence across line ministries e.g. there is a perceived tension between the industrial and health policies of government	Government departments ought to streamline (align) their objectives to ensure overall coherence of their strategic intent	The government to demonstrate a commitment to growing the sector by prioritizing local procurement of pharmaceuticals ahead of pharmaceutical imports	Departments of Health, Department of Trade and Industry and Science and Technology
3	Grow the capacity for local production of active pharmaceutical ingredients (API)	Overreliance on imports of the APIs poses a risk to the security of supply of medicines and is a key cost driver	Prioritize the skills that are required for the manufacture of the APIs e.g. elective at undergraduate and a module in the specialization degree	Conversion of some of the chemical facilities into API facilities or construction of new facilities in line with the concepts of Quality by Design	DTI, DOH and Industry
4	Strengthen the capacity of academic institutions to teach by effecting dual appointments	There are considerable shortages of skilled academics with prior exposure to the pharmaceutical industry	Allow placements of academics in industry and provide a platform for industry experts to spend time in academia	Will facilitate knowledge transfer to students enabling them to be ready for their critical roles in industry	Industry, Government, Academia and SETAs
5	Assist academic	WILs are a	SETAs to be a	Obtaining access	Department of

Strategic Objective #	Strategic Objective	Statement of Rationale	Strategies and Inputs	Opportunities and Barriers to Implementation	Stakeholders
	institutions with resources (financial) and placements for Work Integrated Learning (WIL)	critical component of academic training aimed at adequately preparing students for employment	liaison between the companies and training institutions. SETAs to fund the cost of logistics such as transport	to workplaces is a key challenge to universities e.g. pharmacy	Higher Education and Training and the SETAs
6	Introduce modules on quality systems at undergraduate level for the sciences	The level of regulation of the pharmaceutical industry warrants having graduates with an appreciation of quality systems	Training institutions to introduce modules on topics such as ISO systems and Total Quality Management	Training in quality systems will assist industry to become globally competitive at the level of International Conference on Harmonization	DHET, SAPC, SACNSP and providers of training in science, pharmacy, information technology, engineering, etc
7	Strengthen regulatory systems through post graduate specialization programmes	Increase a pool of experts that can be drawn upon by the regulatory authority to strengthen its operations	Placement of pharmacists at the regulator for their community service following academic internship	The current pool of external experts that are used by the regulator are ageing	Regulatory Science Institute, MCC, SAPC

6. Joint Pharma Industry Working Group

A national working group was established during the course of the Multi-Stakeholder Consultative Forum. This was done with a view to ensuring that the discussions and the recommendations of the forum gain traction. The working group comprises of individuals who were nominated by the members of the seven working groups at the meeting. The following individuals have been chosen as the members of the joint working group:

- Prof. Douglas Oliver - Professor at North-West University
- Prof. Chris Stubbs - Executive at Aspen Pharmacare
- Dr. Vassie Naidoo - Lecturer at University of Kwazulu-Natal
- Mr. Phasha Mogologolo - Executive at PBM Pharmaceuticals
- Dr. Desmond Johns - Project Manager at Institute of Regulatory Sciences
- Dr. Rolf Becker - Executive Director at South African Council for Natural Scientific Professions
- Mr. Werner van Rensburg - Director at Adcock Ingram
- Ms. Swasthi Soomaroo - Director at the DTI
- Mr. Godfrey Keele - National Project Coordinator at UNIDO

7. Post Forum Activities

In order to carry forward the recommendations of this Multi-Stakeholder Consultative Forum the members of the Joint Pharma Industry Working Group will be contacted to engage with the HRDC. The HRDC process will be driven by the joint working group under the auspices of the DTI whilst supported by UNIDO.

The HRDC process entails a preparatory phase wherein a particular sector of the economy seeking help makes a presentation to a technical working group (TWG) that considers the concerns of such a sector. The technical working group of the HRDC then provides an input on the presentation made to them with a view to preparing those who represent the sector for the second phase. The second phase involves the council itself which is chaired by the deputy president of the country.

Prior arrangements have been made with the secretariat of the HRDC for the post forum activities. Following the consultation with the members of the joint working group and agreeing on the timelines a further contact will be made with HRDC to initiate the process in accordance with their requirements.

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