

Increasing Access to Essential Medicines in the Developing World:

The context

This context statement was developed to support the Working Group Report on Increasing Access to Essential Medicines. The Working Group Report is an important advance in the effort to bring much greater access to medicines for the world's poor.

It recognises that a partnership response is required, in which each stakeholder has a role to play. The partnership will work best if it is voluntary and flexible. It will need commitments from all stakeholders.

The Report recognises that some progress is already being made. Some pharmaceutical companies have already made a start, for example by offering lower prices on some drugs in some countries, or by undertaking R&D into the diseases of the poor. Development agencies have been working to strengthen developing country health systems, and are supporting the new Global Fund to fight AIDS, TB and Malaria.

But the vision the Report sets out involves bringing together such work into a framework in which all stakeholders will have confidence to do much, much more. The framework provides an opportunity for a major advance towards

widespread, sustainable and predictable access to medicines to the world's poor.

The framework acknowledges the four key areas which the World Health Organisation recognises must be addressed to improve access to existing medicines. It recognises that all areas must be tackled, and incorporates actions to do so in its recommendations. It also complements ongoing work in other fora. Taking each WHO area in turn, the Report's recommendations and complementary work include the following:

Affordable pricing

The framework proposes that pharmaceutical companies provide medicines for HIV/AIDS, TB and Malaria at close to the cost of manufacture ('differentially priced') in all least developed countries and across sub-Saharan Africa (whilst preserving viable private markets in sub-Saharan middle-income countries). All stakeholders would take steps to prevent re-importation of differentially priced products and developed country governments would assure industry that lower prices for poor countries would not be used as a benchmark for prices in their own markets. Developing countries receiving the drugs would remove tariffs.

The Doha declaration on TRIPS and Access to Medicines remains important. Intellectual property protection is essential for research and development of new treatments for the world's poor. The flexibilities in the TRIPS agreement allowing member countries to make use of compulsory licensing in the event of a public health crisis are important, as is the work helping clarify how poor countries without their own manufacturing capacity can make effective use of them if they need to. But it was the Working Group's view that the framework we set out – envisaging voluntary differential pricing – was likely to get drugs to more of those who need them much more quickly than compulsory licensing.

Sustainable financing

The Report recognises that even at close to cost, many drugs may still be unaffordable for the poorest countries. Developing countries will need to consider increasing their health budgets and donors will need to help bridge gaps. This could be done either through financial support to government budgets, or through mechanisms such as the Global Fund to fight AIDS, TB and Malaria. In 2001/2, the UK spent £74 million on health in Africa. We have also pledged \$200 million over five years to the Global Fund.

Reliable health and supply systems

Making drugs affordable will not on its own make a big difference. The Report recognises that health systems in many poor countries do not have the capacity to deliver drugs to those who need them. The UK has already committed over £1 billion to health systems strengthening since 1997. But the Report recognises that donors need to step up these efforts. We are working with the World Bank, WHO and others to quickly examine how best to do so. We expect significant progress by the Bank in 2003.

Rational selection and use of existing drugs

Under the framework, poorer countries would only be supplied with differentially priced drugs they need and have requested, and which fit with their own strategies for tackling the main diseases.

The Working Group report also noted the importance of encouraging increased research and development into new drugs for the diseases of the poor. We need to support research on diseases, or strains of diseases, that do not affect richer country populations and where there is therefore insufficient effective demand to generate private sector research. The Chancellor has already announced a tax credit to this end.