

**WTO-WHO Workshop on Differential Pricing and Financing of Essential  
Pharmaceuticals: 8 – 11 April 2001  
Hosbjo, Norway**

**10:30-12:30 –**

are poorly developed to guide management policy decisions for planning and re-planning of services.

**1.4 Reforming the health care programmes** for delivery of services to focus upon *cost effective approaches against the leading causes of the high burden of ill-health*. The current balance of curative to preventive and health promotion programmes requires action to gain more efficiency. The priority is to focus upon those programmes with a higher value of public good and, to pr , -168 -14.2y. phealth promotion

the drugs; the distributors (pharmacists), who dispense the drugs, and, finally the consumers (patients/clients) who use the drugs.

2.2 The **Supply side government interventions** to avail essential drugs target:

- Producers; this is very limited in the context of low income countries because there are very few manufacturers;
- The number of products licensed and by restrictions on the number of drugs in the essential drugs formulary (*The practice of Rational Selection*);

2.3 The **Demand side government interventions** to avail essential drugs target:

- Agents acting on behalf of patients – (these represent a proxy-demand and comprise prescribing physicians and dispensing pharmacists etc) - like through budgets ceilings, and prescribing guidelines (*The practice of Rational Use of Drugs*)
- “End” Consumers through co-payments; cost recovery schemes (the Bamako initiative drug revolving funds and cost-sharing through user-fee policies. The latter have been particularly difficult to apply consistently all the time. Recent abolition in Uganda has resulted in a very big rise of utilization of public facilities. Trend observation and monitoring are necessary before firm conclusions are drawn.

2.4 **Direct Price regulation:**

- This is the most contentious issue or instrument:
- A large range of approaches exists (from free pricing, through reference pricing; cost-plus pricing / differential pricing and direct
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- It is also noteworthy that some flexibility exists in current international conventions / treaties on Intellectual Property Rights for voluntary / *compulsory licensing, advanced generic registration and parallel importation* of protected products but consensus on the application and practice of these provisions is yet to be attained.

### 3. Government Action to address the technologic-know-how Asymmetry

- 3.1 Many Government actions in the face of **globalizations** have focused upon the macro-economic issues admittedly with some success but, at the expense of some key considerations for technology transfer to developing countries – **the balance of macroeconomic issues and technical micro-issues require re-consideration**; the poor financing of hospitals and operational research were an error that has constrained rather than promoted the implementation of Primary Health Care in low income countries.
- 3.2 Innovations with investments for health care development through sector wide approaches (**SWAps**), **need to be carefully monitored for this short-coming** to ensure technology diffusion and mitigate both poverty and ill-health;
- 3.3 International Technical Agencies in health care (like **WHO**) **need to regain center-stage position in multilateral to developing country Government discussions of policy options for health development**, because of their comparative advantage as a medium for technology diffusion to the low income countries.
- 3.4 Developing Country Governments require to **focus more, toward an agenda facilitated by International Multilateral Agencies, to build bridges** toward participation in the G7/8 forum to better mitigate the political barriers to economic decisions that impede technology transfer to low income countries. At present, negotiations hardly it at all involve them.
- 3.5 The real **challenge to WHO, (Governments, NGOs, Consumers and all people interested in social justice for development**, of the collaborations proposed above, **is how the TRIPs agreement can be used to ensure access by the poor, to innovation and affordability of pharmaceuticals.**

**Author Bibliographic outline:**

Dr Patrick Kadama is Commissioner for Health Planning and Projects Coordinator of two IDA/World Bank Health Development Projects; The District Health Services Project and the Sexually Transmitted Infections Project. The tasks involve management of the Health Reform Agenda in Uganda and the coordination of inputs for the management of the HIV/AIDS epidemic in Uganda. Currently also leading the undertaking of reforms for the procurement and supply chain programme of the health sector in Uganda. A Medical Doctor trained at Makerere medical School in Uganda; then trained in Clinical Tropical Medicine and Public Health at the London School of Hygiene and Tropical medicine; Research degree jointly undertaken in Health Planning and Financing at the London School of Hygiene and Tropical Medicine and the London School of Economics; Further training in Health care management completed at the Harvard School of Public Health.

FULL NAME: Dr. Patrick Yowasi Kadama

DATE OF BIRTH: 5<sup>th</sup> May 1949

NATIONALITY: Ugandan

PROFESSION: Public Health Physician

MARITAL STATUS: