

WORKSHOP ON DIFFERENTIAL PRICING AND FINANCING OF ESSENTIAL DRUGS

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We are here for three days of essential and urgent business.

We are here to talk about drugs.

Access to drugs, pricing of drugs and financing of drugs.

Many stakeholders are keeping an eye on this meeting and will be debating its outcome. The drug issue puts our global and national *economic systems* as well as our *health systems* to the test. It puts international solidarity to the test. And it means life or death for millions of people.

Universal access to essential drugs is far from a new debate. Neither is the stakeholder dialogue on these issues new, nor are the heated arguments and divergent views of interest groups new.

It is the context and the shared understanding of urgency that is new, bringing a new sense of commitment to find acceptable and viable solutions. This is why a lot of people look to this meeting and the process it represents with hope and expectation.

Access to drugs carry the features of what we now refer to as *global public goods*. Yet, drugs are largely manufactured and marketed as *global private goods*, through large multinational companies. Accessible anywhere, yet only for those with purchasing power. Largely unaffordable to many public health care systems and – in most countries – unavailable for the poor.

The context in which we now discuss this issue is one of heavy challenge to global economic systems and institutions by people in the street and in the neighbourhoods of the whole global community. It is not enough to note, observe and analyse the inequities and imperfections in the global market. It is not enough to repeat well-known phrases about the heavy odds that continue to sustain poverty, marginalisation and disempowerment internationally and nationally. Governments and international institutions are challenged in terms of accountability and transparency, and asked to produce results that matter for the poor. In the drug issue, we who are here these next days are given the opportunity of being the stakeholders that can achieve progress.

This debate has been given new momentum and urgency from within the health system itself, because of the global emergency of HIV/AIDS.

The world is living with AIDS. In the middle of gross global inequities, poverty, human rights violations, armed conflicts and injustice to women and children.

The world is living with AIDS. With institutional systems for managing global affairs that have failed to give countries and people real possibilities to negotiate and secure space for their development needs.

Nations are living with AIDS. While at the same time having to face the challenges of building democracies and institutions with capacity to cope with the regular demands of national development.

I just returned from Malawi. The plan for an essential health package costing about US\$ 8-9 pr. head there is ambitious in terms of access and equity. But even with donor resources it is at this stage only half way financed. Without anti-retroviral therapy and without sufficient staff resources to provide care. Their priorities in facing the AIDS epidemic are clear: Protecting the children and the young people from infection has to come first. There are obviously no universal prescriptions in the hard choices that individual countries face in shaping public policy. All governments face similar dilemmas of priority setting for and rationing of public resources. This also applies to actors in international development. Pro-poor-policies and pro-poor-spending must be our shared priority agenda.

The AIDS pandemic is extraordinary and cannot be met with a single set of responses. This is also why it gives us an extraordinary push forward to deal with the systemic aspects of poverty and its challenge to global and national governance. It challenges deficiencies in financing for development, both in terms of private and public resources, nationally and internationally.

The drug debate on anti-retroviral drugs is also important in the way it highlights the drug-questions specifically, such as the need for

- more accountability regarding the pricing of drugs, including research, production and marketing costs and profits
- transparent principles for price differentiation
- sufficient quality control and independence in governing a global public good
- dependable public/private partnerships in dealing with these issues, nationally and internationally

All these issues imply hard policy choices and definite change of behaviour for all stakeholders involved. And they apply to all essential drugs, not only the anti-retrovirals.

The path ahead calls for an ethical framework to guide this process of change and to establish parameters for policy choice and accountability. Along with developing the technical options in terms of the regulatory framework for managing drugs as a public good, including trade, production, financing and pricing, which is the topic for our work these days.

It is the task of each participant to carefully examine and identify the problems, barriers and options related to each item on the agenda, leading into constructive dialogue on concrete solutions. With the strong demonstrated commitment from all the stakeholders represented here, and the dedication and professionalism which the organisers have shown in preparing for the workshop, there is reason to believe that the result of these days will lead us forward.

Thank you and welcome to Høsbjør.