Q&A for the Medicines Transparency Alliance launch May 2008

What is MeTA?

MeTA is an alliance of governments, pharmaceutical companies, civil society and other stakeholders which aims to increase access to essential medicines for people in developing countries. This will be done by increasing transparency and accountability in medicines procurement and supply chains to tackle inefficiency, corruption and fraud.

MeTA was announced last year - what is different at this stage?

MeTA was not announced last year. In April 2007 the then Secretary of State for International Development, Hilary Benn, hosted a stakeholder meeting to discuss the issues MeTA seeks to address and to consult on the possibility of developing a medicines transparency alliance. Since that time significant work has been done to confirm seven pilots, secure DFID funding, make arrangements with the World Bank and WHO on support to MeTA countries, go to international tender to establish a Secretariat, put together the International Advisory Group, secure statements of support from participants and have early discussions on the development of an international Research Network to undertake research, much of it for MeTA.

What's the problem?

Inefficient, opaque systems for procuring and supplying medicines are vulnerable to corruption and excessive pricing and can hide inefficient markets and poorly performing systems.

- The price of medicines can increase as much as 300% from port to patient through taxes, tariffs, wholesaler, supplier and retailer charges and transport and other costs, as well as through corruption and fraud.

- Up to a third of medicines on the market in developing countries are fakes. One study in S E Asia found almost a third of malaria drugs tested contained no active ingredient.

- Theft of quality medicines from the public sector is widespread. In Uganda in early 2008 the Minister of Health announced to the media that 50% of the medicines purchased by the government for use in the public health system were being siphoned off.

Why will transparency in information make a practical difference to the health of individuals?

In many developing countries there is little publicly available, good information on the price, quality, availability or promotion of medicines. Without this information it is difficult for public policy makers and public authorities to respond to high prices, or the presence of counterfeits or the theft of quality medicines in the right way. It is difficult for responsible companies to operate

in the market effectively. And it is difficult for consumers and civil society to challenge poor practice or to be able to 'shop-around'.

The information MeTA puts into the public domain helps to tackle this absence of information and to do it in a way that specifically includes civil society as well as government and the private sector. This will help to identify the causes of high prices, lack of availability, and poor quality, and will drive reforms, challenge corruption and fraud and tackle market failure.

What's the evidence?

Where countries have increased transparency and accountability, prices have dropped and quality and availability has increased.

- Price. In Jordan, following surveys on prices there was agreement to remove customs duty on imported medicines and sales taxes on all medicines, which would reduce the price of key medicines by at least 10%. A World Bank study of Chile found that procurement prices dropped when drug prices were posted on the internet. In Argentina the government reduced costs by 12% on average by publicising prices hospitals were paying for medical supplies.
- Reducing counterfeits. In Tanzania drug inspectors were given hand held PDA computers with a database of all products that were legally registered. Products that were not on the list would therefore be illegal and could be impounded by inspectors. By providing high quality and accessible information to drug inspectors the risks of poor quality or counterfeit medicines was reduced.
- Reducing theft In Zambia provision of information on the delivery of new medicines in rural health centres to local health committees made up of members of the local community has been shown to reduce theft.

How will MeTA work in country?

MeTA countries have committed to increase transparency around the price, quality, availability and promotion of medicines. There is a common list of agreed data areas that all countries will work to make more transparent. However, they won't do this all at once. Rather countries will prioritise and sequence their approach depending on country contexts.

MeTA countries also commit to form a multi-stakeholder group comprising government, NGOs, the private sector and others. This group will help implement MeTA and will work with constituencies – including civil society and consumers – to increase accountability.

How will the average person access the information?

In countries doing MeTA the average person – in time – should be able to access a wide range of information on the price, availability, quality and promotion of medicines via the internet, local newspapers, television, radio and through community meetings. I say 'in time' because we're at the beginning of the process and in many countries much of the data is yet to be generated let along made publicly available.

Who is piloting MeTA?

The Governments of Ghana, Zambia, Uganda, Philippines, Jordan, Kyrgyzstan and Peru have committed to pilot MeTA over the next two years.

What is the role of the UK?

The UK has led a group of countries, international agencies (World Bank/WHO), companies, NGOs and others to develop MeTA. We have committed £7.3 million to underwrite the costs of MeTA through the next 24 months as seven countries run pilots [as above]. The UK has made an in-principle commitment up to £20 million to fund its fair share if MeTA is rolled out to other countries. With other donors this could make the programme worth £70 million over 10 years. The UK will also act to bring together stakeholders to form the International Advisory Group [more below] which will assess trends, review findings and encourage innovative thinking and problem solving. The UK has also contracted the International Secretariat [more below]. The UK will also work closely with other donors, multilateral organisations and others to build support for countries doing MeTA.

How will MeTA work at the international level?

International Advisory Group: an advisory group has been formed to assess trends, review findings and encourage innovative thinking and problem solving. It comprises representatives of the seven pilot countries, the private sector, civil society and donors/multilaterals.

Membership is: Ghana, Uganda, Zambia, Philippines, Jordan, Peru, Kyrgyzstan, the International Federation of Pharmaceutical Manufacturers and Associations, the Indian Pharmaceutical Association, GlaxoSmithKline, The Partnership for Supply Chain Management (US Gov. appointed supply chain managers for PEPFAR), Pioneer Investments, The International Federation of Pharmaceuticals (global pharmacists body), Transparency International, Health Action International, The Ecumenical Pharmaceutical Network, IDASA, DFID, World Bank and WHO.

Sophia Tickell is the Chair of the IAG (she is a Director at Sustainability and runs PharmaFutures).

International Secretariat: The Secretariat will support MeTA's implementation in the seven countries, by work with the World Bank and WHO to ensure countries access financial and technical assistance. It will also service the IAG and run MeTA's international communications and outreach. It was contracted following an international, transparency tender process. The successful bid was from a consortium made up of Health Partners International, Healthlink Worldwide and HERA.

Management Board: The Secretariat will report to DFID and a Management Board comprising DFID, World Bank and WHO.

What is unique about this alliance?

This is the first time that a broad based coalition of governments, pharmaceutical companies and NGOs have come together – despite often significant differences in opinion – to pursue a common goal. It is specifically the first time such a group has worked to increase transparency and accountability. One of its great strengths is that MeTA is not conventional – as an initiative seeking to increase access to medicines and improve peoples' health, its approach is based on expertise around health services, the role of the private sector and the critical role of 'governance' in tackling complex problems.

Who supports MeTA?

The list of supporters as of 9 May 2008 is listed below. We anticipate that more supporters will come on board over the next few months:

International Federation of Pharmaceutical Manufacturers and Associations
The Association of the British Pharmaceutical Industry
Indian Pharmaceutical Association
AstraZeneca
GlaxoSmithKline
Merck.
Novartis
F&C Investments
Co-operative Investments
International Pharmaceutical Federation
The Partnership for Supply Chain Management
SustainAbility

Transparency International
Health Action International Global
Ecumenical Pharmaceutical Network
Institute for Democracy in South Africa

The Government of Peru
The Government of the Hashemite Kingdom of Jordan
The Government of the Kyrgyz Republic
The Government of the Republic of Ghana

The Government of the Republic of the Philippines
The Government of the Republic of Uganda
The Government of the United Kingdom
The Government of the Republic of Zambia

World Bank
World Health Organziation

How are we going to monitor the effectiveness of MeTA?

Baseline assessments are being done in all MeTA countries to ensure effective evaluation after the two year pilot. At that time the emphasis will be on the process of doing MeTA since two years is not very long to measure impact. Impact assessment work will take effect from 4 - 5 years.

What role will the pharmaceutical industry play?

Each country doing MeTA commits to make a common set of information transparent- the price, quality, availability and promotion of medicines. It does this through a 'multi-stakeholder' process, meaning it forms a group of government, private sector, civil society and other representatives to take the whole process. Each country will implement it according to local priorities.

Given that this is a pilot we're still working out the respective roles for all the participants, but the pharmaceutical industry – branded and generic – will have an important role to play. Globally we look to the pharmaceutical industry to publicly support MeTA. In this way they can influence other companies and governments who are resisting moves to increase transparency of critical data by demonstrating their willingness to engage. At the national level in MeTA countries they should participate and identify when they are the best participant to generate and disclose data. For instance, in many countries pharmaceutical companies might disclose which drugs they have registered in the country to help develop a national list. They might disclose critical safety information or data on the quality standards of their manufacturing plants. They might also disclose quantities of drugs purchased in the public sector, or prices paid for those drugs.

Are the pharmaceutical industry responsible for drugs being sold at high prices?

Generally not. Most the drugs people need in any country, including developing countries, are off-patent and available from a number of generic manufacturers. It is estimated that as many as 98 percent of drugs needed in developing countries are off-patent. The manufacturer's selling price for these is often relatively low because of competition in the market. Other on-patent medicines are also often sold at competitive prices. The big issue MeTA seeks to address is the way the price of a medicine can increase significantly from port to patient: i.e. from the manufacturers and suppliers price that brings the medicines to the country, and subsequent mark-ups such as taxes, tariffs

and wholesaler, distributor, transport and retailer fees, as well as the impact of fraud and corruption.

What are the most common barriers to information being accessible?

The barriers fall into three categories: the information doesn't exist; it exists but not in a publicly accessible form; it is publicly available but no-one knows and so no-one can use it. MeTA seeks to generate information, for instance where more information is needed on the quality of medicines on the market MeTA will help to increase 'post market surveillance' of medicines (quality testing of drugs in the market). When information exists but isn't available (e.g. registration status of medicines) it will put it into the public domain. When no-one knows about it MeTA will work with civil society, the private sector and public authorities to raise awareness of information and to build capacity to challenge inefficiency, corruption and fraud.

How does MeTA related to the Extractive Industries Transparency Initiative?

MeTA, alongside the Construction Sector Transparency (CoST) initiative is one of three 'post -EITI' initiatives that were commitments in the 2006 White Paper.

Each draw on lessons from EITI, specifically in terms of: the importance of greater transparency and accountability, the importance of government commitment, the need for multi-stakeholder working, the role of civil society and need for international support.

EITI now has 22 countries implementing.

What are the other 'issues' around access to medicine and what are we doing to tackle them?

There are many reasons why people lack access to affordable medicines. Inadequate financing can mean the medicines are not available in public sector health facilities. DFID spent £750m on health in 2006/07. This includes support directly to country health plans, which can include medicines. It also includes £1bn committed to the Global Fund for AIDS, TB and Malaria between 2008 - 2015 and nearly £1.4bn through a new financing mechanism to the Global Alliance for Vaccines and Immunisation over 10 years – both of which provide significant funding to purchase vaccines and medicines.

Weak health systems can mean that staff and infrastructure to prescribe, dispense and deliver medicines are not available. DFID has been a leading supporter of the International Health Partnership, which is an initiative to focus donors and international agencies on supporting countries to strengthen health systems to deliver effective care and services. All of the major UN agencies working in health, 8 developing countries, the European Commission, the UK and 7 other donors are now working together to take the partnership forwards.

Unpredictable markets in low income countries mean that development of new medicines that meet the specific needs of poor is not usually a commercial priority. DFID invests around £25m per year in product development partnerships that bring together public and private sector expertise to develop new drugs and vaccines. DFID has also invested in innovative financing mechanisms, such as Advanced Market Commitments (AMCs), that guarantee a future market for new products in developing countries, thus incentivising the private sector to invest its resources in developing and introducing new technologies in poor countries. AMCs also guarantee a long-term affordable price for technologies once research investments have been recouped.

Increasing transparency and accountability in the pharmaceutical sector can underpin all of these approaches. Better information can support better planning and more efficient use of resources. Stronger accountability can help focus programmes on results, not just inputs. MeTA can add real value to the work that countries, international partners and DFID are already doing to increase access to medicines and improve health.

What do we consider essential medicines to be? and why?

Essential medicines are those that meet the priority health care needs of a population. Evidence has shown that careful selection of medicines based on public health needs, evidence of effectiveness, quality, safety and cost-effectiveness can lead to better health outcomes and more efficient use of resources.

The World Health Organization produces a model Essential Medicines List that can act as a guide to countries for developing their own lists. The model list is based on expert scientific assessment of effective medicines needed to meet essential health needs. The list is updated every two years. WHO advises that all countries develop and regularly update their own essential drug lists to guide efficient procurement and use of medicines.