



Southern China International MUN

Official Background Guide

World Health Organization: On measures to promote more affordable drug costs in LEDCs.

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1. Description of the Issue

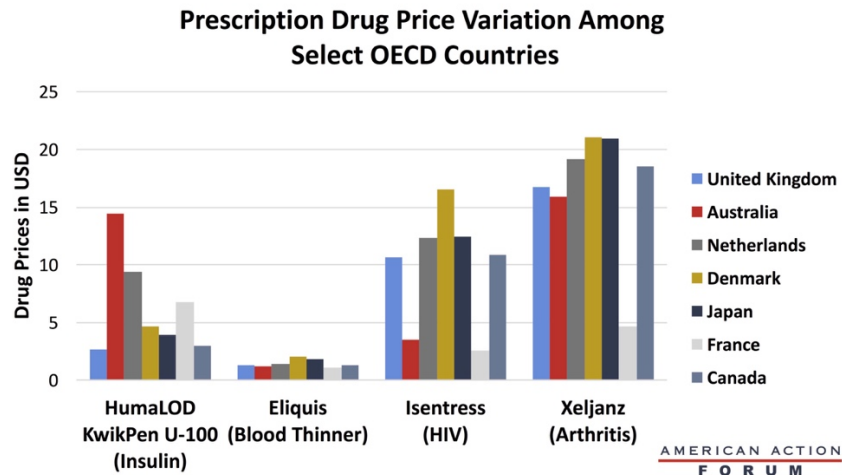
1.1 History of the Issue

The issue of **affordable** drug costs in less economically developed countries (LEDCs) is deeply rooted in a complex historical context that spans several decades. The evolution of pharmaceutical pricing and access in LEDCs is intertwined with broader global economic shifts, political dynamics, and the evolution of healthcare systems.

The pharmaceutical industry's modern landscape began to take shape in the mid-20th century, marked by the emergence of major multinational pharmaceutical companies and the expansion of research and development in developed nations. During this period, these companies invested heavily in the development of new drugs, often protected by **patents** and intellectual property rights to ensure profitability.

However, this innovation-driven approach to drug development created a dichotomy between accessibility and profitability. **Patents** granted to pharmaceutical companies allowed them exclusive rights to produce and sell medications, resulting in exorbitant prices that often made essential drugs unaffordable for many in LEDCs. This issue became more pronounced as the HIV/AIDS crisis unfolded in the 1980s and 1990s, exposing the vast disparities in drug accessibility between developed and developing nations.

International agreements, like the **Trade-Related Aspects of Intellectual Property Rights** (TRIPS) under the World Trade Organization (WTO), significantly impacted drug costs in LEDCs. TRIPS sought to harmonize intellectual property regulations globally but also posed challenges by extending **patent** protection for pharmaceuticals in developing countries, limiting their ability to produce cheaper generic versions of essential drugs.



The resultant high drug costs spurred various responses and movements. Advocacy groups, NGOs, and international organizations began campaigning for increased access to **affordable** medications in LEDCs. Initiatives such as the Access to Medicines Movement and the Medicines **Patent** Pool aimed to facilitate the production and distribution of generic drugs at reduced costs, particularly for HIV/AIDS, tuberculosis, and malaria.

Over time, debates intensified regarding the ethical and moral responsibilities of pharmaceutical companies, governments, and the international community in addressing the healthcare disparities caused by high drug prices. Efforts were made through international forums and agreements to strike a balance between incentivizing innovation through **patents** and ensuring equitable access to essential medications.

Parallel to these discussions, some countries in the Global South initiated domestic policies to mitigate high drug costs. Measures like compulsory licensing, which allows governments to produce or import generic versions of **patented** drugs in public health emergencies, were adopted to ensure access to life-saving medications at more **affordable** prices.

The ongoing struggle to promote more **affordable** drug costs in LEDCs remains multifaceted and continues to evolve. While progress has been made through initiatives promoting generic drugs, international collaborations, and policy reforms, challenges persist. These include ongoing debates on **patent** regulations, healthcare infrastructure disparities, funding for research and development in neglected diseases, and the need for sustainable financing mechanisms to support **affordable** drug access in the long term.

In the contemporary landscape, discussions within forums like Model United Nations serve as crucial platforms for deliberating and formulating recommendations to address this pressing global health challenge, integrating historical perspectives to inform comprehensive and sustainable solutions.

1.2 Recent Developments

The global issue of equitable healthcare access in less economically developed countries (LEDCs) has led to a focus on addressing the root causes of high drug prices, fostering innovation, and implementing strategic interventions. One significant development is the reconsideration of intellectual property rights and patents in the pharmaceutical industry. The clamor for access to life-saving medications has prompted discussions on revising **patent** laws to strike a balance between incentivizing innovation and ensuring wider access to essential drugs in LEDCs.

Moreover, the proliferation of generic drugs has emerged as a pivotal avenue in curbing the soaring costs of medications. Recent years have witnessed efforts to streamline the production and distribution of generics, thereby introducing competitive pricing dynamics into the pharmaceutical landscape. This shift not only drives down costs but also fosters increased accessibility for individuals in regions historically marginalized from **affordable** healthcare solutions.

Additionally, international cooperation has gained traction as a linchpin for addressing the issue of drug **affordability** in LEDCs. Collaborations between pharmaceutical companies, governments, and international organizations have yielded promising strides toward negotiating fairer pricing schemes and facilitating the transfer of technology and expertise. Such partnerships strive to bridge the gap between innovation hubs and regions grappling with healthcare disparities, aiming to ensure a more equitable distribution of essential medicines.

Simultaneously, governmental policies have undergone scrutiny and reformulation to enact measures that regulate drug prices and bolster healthcare systems in LEDCs. Countries have been exploring various policy frameworks, including price controls, subsidies, and procurement strategies, to mitigate the financial burden on their populations and enhance access to vital

medications. These policy shifts underscore a growing acknowledgment of the systemic barriers impeding **affordable** healthcare and signal a concerted effort to dismantle them.

Furthermore, according to google scholars, advancements in technology and innovative approaches within the pharmaceutical industry have begun revolutionizing drug production and distribution models. Breakthroughs in manufacturing processes, such as 3D printing for pharmaceuticals and novel drug formulations, hold promise in reducing production costs, optimizing supply chains, and consequently, lowering drug prices. These innovations mark a paradigm shift in addressing the cost barriers entrenched in healthcare systems across LEDCs.

Additionally, the importance of robust healthcare infrastructure cannot be overstated in the quest for **affordable** drug costs. From viewing OECD records, efforts to bolster healthcare systems in LEDCs have gained momentum, focusing on expanding access to clinics, enhancing supply chain logistics, and fortifying distribution networks to ensure the efficient and equitable provision of medications to remote and underserved communities.

Lastly, education and awareness campaigns have emerged as indispensable components of strategies aimed at promoting responsible medication usage and reducing unnecessary costs. These initiatives seek to empower individuals with knowledge about their healthcare rights,

medication adherence, and preventive measures, thereby fostering a culture of informed healthcare decision-making and potentially mitigating healthcare expenses in the long term. As the global community continues to grapple with the complexities of healthcare access, these comprehensive developments underscore a collective commitment to fostering sustainable solutions and equitable access to **affordable** drugs in LEDCs.

Key Terms

Patents - Legal rights granted to inventors that can restrict the production and sale of drugs, affecting their affordability.

Generic Drugs - Medications that are chemically equivalent to brand-name drugs but are usually cheaper because they aren't protected by patents.

Less Economically Developed Countries (LEDCs) - The availability and affordability of essential drugs for populations in need.

Pharmaceutical Pricing - The setting of prices for drugs by pharmaceutical companies, which can impact accessibility.

Intellectual Property Rights (IPR) - Legal rights that protect creations of the mind, like inventions or designs, including patents on pharmaceuticals.

Healthcare Equity - Ensuring fair and impartial access to healthcare services and medications, regardless of socioeconomic status.

Trade Agreements - International agreements that can affect drug pricing and access through provisions related to intellectual property and market access.

Affordability - The ability of individuals or healthcare systems to purchase necessary drugs without financial strain.

2. Emphasis of the Discourse

2.1 Stance of Intergovernmental Organizations

The World Health Organization (WHO) is a well-known intergovernmental organization that is essential in the topic of drug affordability. WHO maintains a steadfast stance on addressing the pervasive issue of exorbitant drug costs in less economically developed countries (LEDCs). Central to its approach is the unequivocal belief in the fundamental right of every individual to access essential medicines without encountering financial hardship. WHO vehemently advocates for measures aimed at fostering equitable access to affordable drugs in LEDCs. It acknowledges the multifaceted nature of this challenge, recognizing the intersection of factors such as intellectual property rights, patent regulations, and the influence of pharmaceutical markets. WHO firmly advocates for the implementation of policies that strike a delicate balance between incentivizing innovation through intellectual property protection and ensuring wider accessibility.

by promoting the production and distribution of generic medications. Furthermore, the organization stresses the importance of international collaboration and partnerships among stakeholders, including governments, pharmaceutical companies, and non-governmental organizations, to collectively devise sustainable solutions. WHO emphasizes the need for robust regulatory frameworks that enable fair pricing mechanisms and transparency in drug pricing strategies. In parallel, it underscores the necessity for strengthening healthcare infrastructure in LEDCs, advocating for investments that bolster efficient drug distribution networks and healthcare systems. The WHO's stance resonates with its core mission of attaining universal health coverage, advocating for policies that not only mitigate the financial burden of pharmaceutical costs but also contribute to the broader goal of achieving health equity for all.

2.2 Stance of developed countries

Developed nations, such as the United States, Canada, and countries within the European Union, uphold the belief that access to affordable medications is fundamental for global health equity. These nations emphasize the significance of intellectual property rights in fostering innovation within the pharmaceutical industry. For instance, the United States, while valuing innovation and patent protections, also acknowledges the need for fair pricing strategies to balance accessibility and innovation. Canada, known for its universal healthcare system, strives to negotiate drug prices to ensure affordability for its citizens, reflecting its commitment to accessible healthcare. Similarly, countries in the European Union emphasize a collective approach through policies that promote fair competition among pharmaceutical companies, fostering the production of generic drugs to reduce costs. These developed nations also recognize the importance of international collaboration, often contributing resources and expertise to support initiatives aimed at improving healthcare infrastructure and affordability in less economically developed countries. They advocate for measures that balance incentivizing innovation with ensuring equitable access to essential medications, viewing it as a shared responsibility to address global health disparities.

2.3 Stance of developing countries

Developing nations, exemplified by countries like India and Brazil, assert that affordable access to essential medications stands as a fundamental right for all individuals. These nations underline the necessity to address the challenges surrounding exorbitant drug costs, which disproportionately burden their populations. India, renowned for its generic drug manufacturing, emphasizes the importance of expanding generic drug production and promoting fair competition among pharmaceutical companies. India advocates for robust patent laws that strike a balance between incentivizing innovation and ensuring widespread access to life-saving medicines. Brazil, on the other hand, highlights the significance of governmental intervention in regulating drug prices to prevent monopolistic practices that inflate costs. Both countries stress the critical role of international collaboration in technology transfer and knowledge sharing to bolster domestic pharmaceutical capabilities, ultimately striving for self-reliance in producing affordable medications. Developing countries collectively push for global solidarity, urging wealthier nations and pharmaceutical companies to facilitate technology transfers, waive patents, and offer support in building sustainable healthcare infrastructures to mitigate the disparities in accessing essential drugs in LEDCs.

3. Possible Solutions

3.1 In Favor of Developed Countries

In addressing the pressing issue of promoting affordable drug costs in less economically developed countries (LEDCs), developed nations advocate for a multi-faceted approach centered on collaboration and support. Firstly, technology transfer stands as a pivotal solution, where developed countries can impart technological know-how to aid in the local production of generic drugs within LEDCs. This transfer not only fosters self-sufficiency but also diminishes reliance on expensive imports, thus reducing costs significantly.

Moreover, fostering partnerships between pharmaceutical industries in developed nations and those in LEDCs can facilitate the establishment of joint ventures. These collaborations could focus on the production of essential medications at lower costs, considering economies of scale and shared expertise. Additionally, advocating for international agreements that promote flexibility in intellectual property rights can pave the way for easier access to generic versions of crucial medicines, ensuring affordability without compromising innovation.

Furthermore, developed nations propose the provision of financial aid and resources to support LEDCs in building robust healthcare infrastructure. This support encompasses the development of efficient distribution systems and the training of healthcare professionals, ensuring that affordable drugs reach the populations in need. Through these comprehensive measures, developed countries aim to foster sustainable solutions that empower LEDCs in providing accessible and affordable healthcare for their citizens.

3.2 In Favor of Developing Countries

Ensuring affordable access to essential medicines is vital for the well-being of people in developing countries. To address this pressing concern, it is crucial to establish a collaborative framework that promotes equitable drug pricing and accessibility. Firstly, advocating for the relaxation of stringent intellectual property rights related to pharmaceuticals is paramount. By encouraging the issuance of compulsory licenses for essential medications, countries can authorize the production of generic versions, fostering competition that significantly reduces prices. This approach empowers developing nations to produce affordable drugs locally or import them at lower costs, ensuring widespread availability for those in need.

Secondly, fostering international partnerships and agreements is crucial for reducing drug costs. This involves technology transfers and knowledge-sharing among pharmaceutical companies, promoting local medication production in developing regions. Incentivizing collaborations between developed and developing countries enhances research and development efforts, ensuring medical advancements reach populations in need at accessible prices.

Lastly, investing in robust healthcare infrastructure is fundamental to ensure efficient distribution and accessibility of affordable drugs. Strengthening supply chains, training healthcare professionals, and establishing community-based healthcare systems can streamline the delivery of medications to remote areas. Additionally, educational initiatives that promote awareness

about generic drugs and their effectiveness can empower individuals to make informed choices, reducing unnecessary healthcare expenses and promoting the use of affordable alternatives in developing nations. By implementing these multifaceted strategies, nations can take significant strides towards ensuring that essential medicines are affordable and accessible for all.

4. Keep in Mind the Following

When researching your country's position on enhancing affordable drug costs in Less Economically Developed Countries (LEDCs), it is imperative to delve into various critical aspects. Start by understanding your nation's current approach to ensuring affordable access to essential medications at a national level. Extend this analysis to explore how your country's policies or actions impact the global pharmaceutical market and whether they contribute positively or pose challenges to enhancing drug affordability worldwide. Additionally, consider how LEDCs, given their economic status, could achieve improved access to cost-effective medications. Here are some guiding questions to navigate your research:

- 1. What methods does your country employ to ensure accessibility to affordable medications, and how effective have these measures been in practice?*
- 2. Do your country's existing policies on drug affordability have potential applicability or relevance to Less Economically Developed Countries?*
- 3. How can your country contribute to enhancing affordable drug costs specifically in LEDCs or transitioning economies?*
- 4. How does your country define the balance between promoting affordability of drugs while ensuring environmental sustainability and fostering internal economic growth?*
- 5. Does your country emphasize the importance of a global pharmaceutical market with interdependent trade, or does it prioritize achieving drug affordability through domestic measures? What are the reasons behind this stance and how does your country advocate for it?*
- 6. What feasible solutions or approaches can a country propose to address immediate challenges of high drug costs in LEDCs while ensuring sustained affordability for the future?*

5. Evaluation

Access to affordable medication remains a critical concern for LEDCs, where populations often grapple with limited resources and access to essential healthcare. The issue of high drug costs continues to burden these regions, hampering efforts toward achieving comprehensive healthcare coverage. It's imperative for the global community to acknowledge the urgency of this matter and mobilize efforts to address it collaboratively. This involves not only advocating for fair pricing strategies from pharmaceutical companies but also fostering partnerships that prioritize knowledge sharing, technology transfer, and capacity building within these nations. Encouraging

research and development tailored to the healthcare needs of these regions and facilitating equitable access to generic medication can significantly alleviate the strain of exorbitant drug prices on vulnerable populations.

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