The role of Generic Drug products in meeting reproductive health commodity needs in lower and middle income countries, New Delhi, India

November 19, 2005

Organized by

Partners in Population and Development

And
Ministry of Health and Family Welfare, Government of Republic of India

INTRODUCTION

The consultative meeting on "The Role of Generic Products in Meeting Reproductive Health Commodity Needs in Lower and Middle Income Countries" was held in New Delhi on November 19, 2005. The purpose of the meeting was to discuss contraceptive commodity gap and how it is being addressed, to assess the impact of Trade Related Intellectual Property Rights (TRIPS) on generic pharmaceuticals and to consider what actions are required to address the constraints and obstacles to international supply. In addition to the participants from the two sponsoring organizations, the meeting comprised representatives of several generic drug manufacturers as well several experts and resource persons.

The meeting began with a welcome address and opening statement by ***Mr. A P Singh, Director, International Cooperation, Ministry of Health and Family Welfare, Government of India.*** Mentioning that the participants for the meeting were from several countries like India, Thailand, China, United States etc, he expressed his wish that the discussions following the meeting would be on wide ranging and global issues and that the participants would be able to share and formulate strategies to address the present issues of concern.

Mr. Timothee Gandaho, Executive Director, Partners in Population and Development, addressed the participants and thanked the Government of India, especially the Ministry of Health and Family Welfare, for supporting the organization of the meeting and the Agra event which was to follow. He laid down the following objectives for the meeting:

-To ascertain what role can generic drug manufacturers play in assuring the availability of contraceptives

-To discuss how the gap between the demand and the supply can be bridged and how these two can be mixed to arrive at an affordable price

-To discuss how South- South initiative can play a role in assuring the constant supply of good quality contraceptives to the countries where it is most needed at an affordable price

-To promote South-South learning and exchange of information

Mr. Jyoti Singh, Permanent Observer to the United Nations, Partners in Population and Development mentioned that the idea for this meeting came up during discussions with UNFPA and other organizations at a consultative meeting in Seattle where a need was recognized for the generic drug manufacturers to meet in a consultative manner to see what kind of cooperation and coordination would be needed among them in future. Apart from the above objectives, it was important to discuss issues of improving quality, promoting new research, identifying emerging needs etc. It was recognized that the generic drug manufacturers could play a very important role

in meeting all these challenges. He mentioned that Mr. Peter Hall has been appointed by PPD to research the general drug manufacturing capacity of countries like India, China, and Thailand etc. He expressed his hope that if the manufacturers found this meeting useful, they could express their needs and PPD and UNFPA together can help them in meeting the required needs of reproductive health commodities. Methods to cooperate and learn from each other could be identified at the meeting and the possibilities of exchanging information can be explored. Although there are strong existing networks for big manufacturers, there are not many for the smaller general drug manufacturers and suppliers. This meeting can provide an opportunity for their linking up with each other.

Session 1: The Contraceptive Commodity Gap and how is it being addressed- David Smith, UNFPA and Peter Hall
Chair: B. P Sharma, Ministry of Health and Family Welfare, Government of India

David Smith, Chief, Procurement Services of UNFPA explained the out of UNFPA's total procurement pattern, country level procurement was as high as 25 %. The largest procurement area is that of contraceptives which accounts for procurement as high as 44% as compared to the rest of the areas which are services, medical equipment, pharmaceuticals etc.

Injectables, pills and condoms are the mostly largely distributed contraceptives as compared to the much smaller percentage of spermicides, IUDs and implants. Contraceptives form the largest area of UNFPA's third party procurement demonstrating the importance placed on it. Calling it a 'growing business', Mr Smith pointed out that procurement services are an integral part of UNPFA's work and it is also viewed as having a strategic competitive advantage, thus growth in volumes every year.

The general non Reproductive Health Commodity (RHC) procurement is done through UN Global market, trade associations and missions, other UN agencies, long term agreements, having established suppliers and calling expressions of interests (EOI).

The basic requirements needed by the commodities are WHO approvals, specifications, pre qualified suppliers, inspection and batch sampling and independent testing.

Talking about prequalification, Mr Smith mentioned that UNFPA has been delegated the lead in condoms and IUDs and it aims to inspect all condoms and IUD suppliers that express an interest to supply.

COMMENTS

- Although many countries line United States, Canada, Australia, Japan etc have developed guidelines for medical devices, World Health Organization has not developed a standard guidelines for these. It would be worthwhile to adapt these existing country guidelines for the creation of a set of guidelines which should be adapted as a standard by all countries.
- The important role that social marketing can play in changing people's mindsets should not be ignored
- The specifications whether they are acceptable at the country level or not, depend on the government of each country, and hence it is important for a liaison between the manufacturers and the government
- The governments in the countries are still sticking to brands, not recognizing the fact the generic drugs are also of the same quality and efficiency. It is difficult to change the mindset of the government. This forum can play an important role to educate and inform the government about generic drugs and their quality
- There is a commonly held perception that the donors have dumped low quality drugs into developing countries, which is not true, provided the quality of generic drugs being manufactured in these countries. Thus the role of educating the government and the people becomes even more important

Mr Jyoti Singh, Partners in Population and Development summarised the discussion by mentioning that various issues raised needed further discussion. It was accepted that though international efforts are expanding, the demands for contraceptives will go on increasing further. There is a high degree of volatility in the funding available for this. While it is accepted that the public sector will indeed remain in the market, the role of private manufacturers will not be of less importance in meeting the growing demands of contraceptives. They need to come together to meet these challenges. He expressed his hope that with time the role of UNFPA and WHO too in this sector would become more refined.

Session 2: Hormonal contraception- what products are being manufactured in Asia and what are the constraints and obstacles to international supply- results of a PPD study, Peter Hall, Consultant, PPD
Chair: T. Gandaho

Mr Peter Hall started by mentioning that in most developing countries, the public sector remains the principal supplier of contraception and it is intended to supply to the poorest clients.

Condoms and hormonal contraceptives are also being supplied by social marketing programmes. The ccontraceptive commodity crisis is increasing because there are more people of reproductive age and there is Increased demand for contraceptives, there is insufficient donor funding, and inadequate management capacity. In 2004 Reproductive Health Supplies Coalition was loosely structured to foster collaborative activities and information sharing. It comprises representatives of organizations and constituencies that have significant financial and/or programmatic sake in RH supply security and provides a forum for sharing information, data, and research findings to advance its priorities; and address RH supply security at country level.

In order to address the commodity “gap”, procurers are looking to generic manufacturers to provide quality products at an affordable cost. Generic drugs can be legally produced in countries where the patent has expired; the drug has never been patented; or a patent is not in force. Generics are identical in dose, strength, route of administration, safety, efficacy, and intended use to the original product. In many parts of the world, producing medicines, particularly hormonal products domestically makes little economic sense because the technical expertise, raw materials, quality standards, and production and laboratory equipment need to be imported, and the foreign exchange costs may be high.

In the Developing world manufacturers are found in Africa, Middle East, South Africa, Egypt, Middle East, South Asia- India and Pakistan, China, Indonesia, and Thailand, Argentina, Brazil, Chile, Mexico and Uruguay. It is required to harness potential of a relatively small group of companies with existing manufacturing capability. Some of the obstacles to the export of generic contraceptive drugs are: production facilities don’t conform with modern standards of Good Manufacturing Practices (GMP), lack of access to Active Pharmaceutical Ingredients (APIs), and inability to develop full registration dossiers.

The Pharmaceutical Inspection Convention (PIC) and Pharmaceutical Inspection Co-operation Scheme (PIC/S) are two international instruments between countries and pharmaceutical inspection authorities, which provide active co-operation in the field of GMP. PIC/S' mission is "to lead the international development, implementation and maintenance of harmonised Good Manufacturing Practice (GMP) standards and quality systems of inspectorates in the field of medicinal products."

World Health Organization (WHO) is “prequalifying” manufacturers of drugs for the treatment of HIV/AIDS, malaria and TB as a precondition for procurement by UN Agencies and related groups. He put forward the question, “China, Thailand and India provide quality generic hormonal contraceptives to address the needs of other developing countries?”

Yes, if the active pharmaceutical ingredients (APIs) and production facilities conform to internationally accepted GMP standards; the data are available to comply with regulatory requirement; and their cost remains significantly lower than other branded products.

While very few companies in China, India and Thailand can achieve these today, with appropriate investment and technical input, several could tomorrow.

COMMENTS

- Generic pills are not just more available, but in many cases they can be better than other drugs. It is important to make this point well known to the governments and donors
- There is large wastage of contraceptives in public programs when they are distributed free of cost, it is necessary to guard against that
- Many countries do have a difficulty in getting their products registered. The technical knowledge and methodology for the same needs to be made widely available so that they can design a satisfactory registration dossier. The technical knowledge for the same is available within the country with many local manufacturers. Hence the need to share and learn from each other
- Such interactions and the outcomes of these will make the donors realize that there is a group of manufacturers in developing countries which are ready to replace the expensive contraceptive commodities with provision of efficient, quality drugs at cheaper rates to a large number of people the world over
- The procedure of government tenders, and their sticking only to ones that quote lowest price, irrespective of the quality of products, needs to be challenged and discussed further

Session 3: Drug Regulation in India, Mr. R Narayanaswamy, Deputy Drugs Controller (India), Ministry of Health and Family Welfare, Government of India
Chair: Mr. Rajesh Bhushan, Director, Ministry of Health and Family Welfare, Government of India

According to the Indian Drugs Regulatory Framework, drug is in concurrent list. The import, Manufacture, Sale and Distribution of drugs in the country is regulated under Drugs & Cosmetics Act 1940 and rules made there under 1945, as amended time to time. Central and State Governments have distinct statutory functions under the Act. Manufacture/sale and quality monitoring of drugs in the country is looked after by respective State Governments through their drug control organization. Distinct functions performed by Central Government are laying down

regulatory measures, laying down standards of drugs, cosmetics, diagnostics and devices, import of drugs through registration of overseas manufacturer, market authorization of new drugs and clinical trials, safety evaluation of marketed drugs, Central Licensing of Blood Banks, Vaccines & recombinant therapeutic products, Publication of Indian Pharmacopoeia and many others.

Some of the categories of products regulated under the Drugs & Cosmetics Act, 1940 are: new Drugs, conventional Drugs, vaccine & Sera, whole human blood, blood products, rDNA technology derived Therapeutic products, cosmetics and empty gelatin capsules.

Under the Licensing Procedures, a drug can be manufactured only under a manufacturing license issued in prescribed forms by the Licensing Authorities. The requirements of Good Manufacturing Practices (GMPs) prescribed under Schedule M to the Rules.

The only comment that was made on the above discussion was on the licensing procedures. Mr. Narayanaswamny responded by mentioning that if there was a product the manufacturer intended to market, they need to make three sample batches of the same. Then they can be provided with what is called 'trial license'.

World Health Organizations' Prequalification Project, Sophie Logez, WHO/ HQ, Geneva

There are many problems with the quality of medicines used in HIV/AIDS, TB and Malaria treatment. The experience in past years of prequalification project suggests that 70% of manufacturing sites did not pass in first inspection and 80% dossiers evaluated did not meet requirements. Such failures can lead to treatment failure, development of resistance, avoidable deaths, wasted resources etc.

The current WHO activities linked to production are: Development, dissemination and promotion of international norms and standards in the area of quality, safety and efficacy of medicines, Input into regional and interregional harmonization efforts, Training and technical support for regulatory agencies, Training in good manufacturing practices, Support to national medicines control laboratories, provision of information on prices for active ingredients etc.

The UN prequalification programme is an action plan for expanding access for the hardest hit by HIV/AIDS, Tuberculosis, Malaria for ensuring quality, efficacy and safety of medicines all the way through the medicines supply chain. Prequalification is needed because demand for affordable antiretrovirals, antimalarial and antituberculosis medicines is increasing, lot of money is invested in procurement.

Challenges for UN family and procurement agencies/organizations to ensure supply of quality products are: Weak/absent QA systems of, supply chain, procurement organizations/initiatives

The objectives of prequalification are: Propose list of prequalified products linked to manufacturing site for quality, efficacy and safety, Give assurance that international norms and standards are applied at all the steps of the prequalification and at the process itself, Enable and speed up access to good quality of medicines.

Observations during inspections mainly: mix-ups, validation, qualification, HVAC, cross-contamination, contamination, documentation, QC procedures etc. Training courses being conducted by World Health Organization on prequalification procedures.

DISCUSSION

Several comments sharing experiences of pre qualification procedures were made on the fact that some participants did not get any report of the inspection by WHO. The WHO representative agreed that it is extremely crucial to get feedback on these exercises, and mentioning on which ground the request is either rejected or accepted. She also agreed to get back to the participants with more information on the same.

It was also mentioned that although some manufacturers have taken the bio equivalent studies very seriously, they are not many. It is important to realize that the exercise it crucial for manufacturers to come up to an international standard.

The impact of Trade Related Intellectual Property Rights (TRIPS) on generic pharmaceuticals in India, Dilip Shah, Indian Pharmaceutical Alliance

In the absence of any price regulation or compulsory licensing the total annual welfare losses to the Indian economy from the withdrawal of all four domestic product groups in the quinolone sub-segment would be on the order of Rs. 32 billion in 2000. At the then prevailing exchange rate this translates into a figure of US $ 713 million. Of this amount, foregone profits of domestic producers constitute roughly Rs. 2.3 billion or US $50 million. The overwhelming portion of the total welfare loss therefore derives from the loss of consumer welfare."
The availability of medicines has increased manifold when compared to the scenario before the abolition of product patent and today.

DISCUSSION

Mr. Peter Hall pointed to the tremendous infrastructure that India has and its capability to reach the international markets. The industry too is highly developed; still there is a huge gulf between the pharmaceutical companies making reproductive health commodities and those not making them. The big ten pharmaceutical companies in India are not interested in making reproductive health commodities. It is important to arrive at an action plan that can bridge this gap by the generic manufacturers.

It was suggested that soft term loans should be provided to the generic drug manufacturers for upgrading their capacity. Price incentives can be given to those manufacturers who do upgrade their skills in time to meet the demands. Fiscal incentives will dilute political opposition to bring the generic drug sector up.

The chair summarized the session by mentioning that at this point, the two of the top ten pharmaceutical companies cover 19% of the market. He mentioned that change of law need not be just an exercise of the government. The government of India is taking vigorous steps in training of small-scale industries, which has not been done anywhere else in Asia. National Institute of Pharmaceutical Education and Research (NIPER) has been doing these training for two years. The government now wishes to do an assessment of these training sessions.

Session 4: Total Market Approaches, Lester Chinery, IPPF/ ICON
Chair: Mr. Jyoti Singh

He mentioned the Rockefeller conference of 1994 in which the generic drug manufacturers had come together for the first time and discussed whether they could supply cheaper drugs. That meeting established an agreement on the key stakeholders who should be involved in a project of this nature. Now it is 10 years after that, and we are still discussing the same things. Total market approach deals with developing fully the commercial approaches of the manufacturers. It deals with projects that can be carried out at lower and middle-income country levels. On a commercial basis, these will not be necessarily funded, but manufacturers may have to invest their own money in it.

Before any new innovation takes place anywhere, there should be a robust research consideration done on its impacts. For the generic drug manufacturers it is a challenge to do what they can do at the individual level. There are 7-8 markets that use products from generic manufacturers as a part of one package. It will be useful to consider whether it is possible to provide identical range of products already existing through government. At that point of time then

they will have to handle government regulatory issues, brand building activities in partnership with other companies.

The government needs to realize that there are unmet needs both within and outside the country which the generic manufacturers can fulfill. It should be encouraged to invest in these manufacturers. Those manufacturers who do not have the required capacity need to be brought up the ladder through the help of other manufacturers and the government.

Information for the total market approach was identified through baseline studies, research on the work done in the last ten years, in country assessments, number of consumers, rules and regulation within the national government, capacity of generic drug manufacturers who could be potential partners in this project. Earlier a list of 14 such organizations was identified, out of which earlier seven and then four, were short listed for an in depth assessment. Now this information would be taken back to the donors.

Mr. Jyoti Singh mentioned that in early 1990, OECD members discussed who would undertake a similar project, and later a consultative group was formed which met every three- four months. Various international organizations later came together to begin working with generic drug manufacturers. If the scenario in the early 1990 is compared with what it is today, one can conclusively say that the generic drug manufacturers have come emerged as a force in the field. Practically all the manufacturers are in the Southern countries. Hence the role of South- South initiatives is even greater, which is where Partners can play a very strong role. There is potential to work in countries like India, Brazil, China, Thailand etc.

DISCUSSION

- Mr. Peter Hall pointed out that in the last five years, because of HIV/AIDS pandemic, reproductive health did not get the kind of priority that it should have got. That remains still a challenge.
- A collaborative network needs to be made which can discuss and work on the issues of raising the capacity of generic manufacturers, and making sure that the production facilities are appropriate. India and China are major suppliers, but there are only two products which have FDA approval
- It is crucial to work with WHO and establish the fact that this is an issue of critical importance. An international quality control mechanism should be set up
- The critical issue is how the capacity be harnessed in which a total market approach is one of the strategy that can be used

- The available funds for contraceptive distribution need to be increased, the donors need to be convinced about this
- It has been realized from the HIV/AIDS funding experiences that predictability of demand and sustainability of funds can make funds available for related projects. These factors can attract donors to invest money on this
- Many donors blindly believe that the products from developing countries are not good. Intensive marketing needs to be done to change these mindsets
- The ministry of health should be involved in all the discussions around this because they make the policies

CONCLUSION:

Mentioning that there is a general agreement on issues relating the generic drug manufacturers, Mr. Peter Hall emphasized that ultimately there is a need to provide products for poor people and the funds to ensure the sustainability of products are lacking. It will be useful if a projected budget line on reproductive health commodities can be provided to the donors so that they can anticipate the budget. More advocacy and resource generation for contraceptives commodities needs to be done. The projection skills of organizations are not very strong at the moment, and these need to be developed. People should have a choice in the commodities available and that is the ultimate goal of the entire exercise. And finally there is a broader issue of public education to remove the myths about contraceptives usage. The generic drug manufacturers need to look at these issues.

Mr. Jyoti Singh hoped this meeting of generic drug manufacturers would be the first of its kind and many other such meetings would be followed. It is most important to know whether the manufacturers are ready to interact with partners and the ministries, and it could be insured that such processes are continued.

Dr Gandaho thanked the participants for the intense discussion. Pointing out to the important role that South- South collaboration has to play in working with the generic drug manufacturers, he mentioned that it is now in their hands to see what they would like to do for their people.

On behalf of the Government of India, Rajesh Bhushan, Director, Ministry of Health and Family Welfare thanked each of the participants and expressed his hope to see them for the International Forum on Integration of ICPD and MDGs to be held in Agra.

ANNEXE 1: LIST OF PARTICIPANTS

S. NO	NAME	ORGANIZATION
1	Mr. Jyoti Singh	Permanent observer to the United Nations, Partners in Population and Development
2	Mr Peter E Hall	Consultant, PPD
3	Mr James Biswas	PPD, DHAKA
4	Mr. S L N Rao	Senior Adviser, UNFPA
5	Mr. Timothee Gandaho	Executive Director, PPD
6	Mr. BP Sharma	Joint Secretary, Ministry of Health and Family Welfare
7	Mr Rajesh Bhushan	Director, Ministry of Health and Family Welfare
8	Mr. A P Singh	Director, Ministry of Health and Family Welfare
9	Mr. David Smith	UNFPA
10	Mr. Ravi Narain	ICYO, India
11	Mr. Chukite Kulpaisal	ANB
12	Mr. V Iyer	FAMICARE
13	Mr. Anil Kumar	Hindustan Latex Limited
14	Mr. N. Padmanabhan	Hindustan Latex Limited
15	Mr. D Roy	Drug Controller (India)
16	Mr. R Narayanaswamy	Drug Controller (India)
17	Mr. Sunil Jha	Drug Controller
18	Ms Sophie Logez	World Health Organization
19	Mr. Krisntha Weersuriy	World Health Organization
20	Mr. Lester Chinery	IPPF
21	Mr. Gopi Gopalakrishnan	Janani, India
22	Mr. Bela Malik	Researcher, India
23	Dr Malcolm Potts	
24	Ms Martha M	
25	Mr. Dilip Shah	

ANNEXE 2: AGENDA

The Role of Generic Products in meeting Reproductive Health Commodity Needs in Lower and Middle Income Countries

New Delhi, India, 19 November 2005

		Title	Speakers/ Presenters
Day 1			
0930-1000	Opening		A. P Singh, Director, International Cooperation, Ministry of Health and Family Welfare, Timothee Gandaho, ED, PPD, Jyoti Singh, PPD
1000-1030	Session 1 Chair: B P Sharma	The contraceptive commodity gap and how is it being addressed	David Smith, UNFPA and Peter Hall Commentary- Jyoti Singh, PPD
1030-1050		The needs and constraints of international procurers	David Smith, UNFPA
1050-1115	Coffee break		
1110-1145	Session 2 Chair: T. Gandaho	Hormonal contraception- what products are being manufactured in Asia and what are the constraints and obstacles to international supply? Results of a PPD study	Peter Hall
1145-1215		Response to PPD study and general discussion	Panel of hormonal contraceptive manufacturers from China, India, and Thailand
1215-1330	Lunch break		
1330-1440	Session 3 Chair: Rajesh Bhushan	Drug regulation in India Discussion	Dept. Drug Controller of India
1400-1040		WHO's Prequalification Project- Hormonal contraception Discussion	Sophie Logez, WHO/HQ
1440-1510		The impact of TRIPS on generic pharmaceuticals in India Discussion	Dilip Shah, Indian Pharmaceutical Alliance
1510-1530	Tea Break		
1530-1600	Session 4 Chair: Jyoti Singh	Total Market Approaches Discussion	Lester Chinery, IPPF/ICON
1600-1700		What actions are required to address the constraints and obstacles to international supply What needs to be done to develop a network of manufacturers in Asia? Recommendations on the need and process for future consultation	Discussion moderated by Peter Hall