

The Evolving Role of NGOs
In the Pharmaceutical Industry's Product Donation Programs

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Ladies and gentlemen, good afternoon.

I want to thank IFPMA, and in particular, Director-General Harvey Bale and Susan Crowley of Merck, for making product donations a part of this superb international assembly. In doing so, you are truly demonstrating that the worldwide pharmaceutical industry celebrates its role as a leader in advancing world health, recognizing we have a vital role to play, even in markets that, at least today, have little commercial importance.

What those markets offer is, in some ways, even more important than the potential for commerce in the future: A chance for this magnificent industry to show its concern for the world community as a whole, even to the poorest among us. Horace Mann, the father of public education in America, put the point well: "Be ashamed to die," he wrote, "until you have won some victory for humanity."

The projects and programs that many pharmaceutical companies have established, in collaboration with leading non-governmental organizations in nearly 100 nations, are proof of what you are made of. My mission today is to thank you for that work. My hope and my recommendation is that you will do more. Lots more.

Let me give you a little background, tell you some stories and invite, I hope, your interest.

This slide is a source of enormous satisfaction. Here we have the most revered logos in private industry, united with the most respected names in humanitarianism, pursuing a common goal, together in the service of our fellow man. That, in a nutshell, is what PQMD is.

We formed only five years ago, setting a simple mission for ourselves: to raise the standards of medical donations to underserved people and disaster victims in less privileged parts of the world. We knew, from published accounts, that many drug donations fell short. Outdated drugs. Unneeded drugs. Drugs inappropriate for the patients at hand. Donations that were an embarrassment to those who gave them, and fodder for elements of the activist community.

One of the first things we did was to benchmark the situation. Experts at the Harvard School of Public Health traveled on our behalf to several nations where disasters had occurred. They were able to document two findings: One, drug donations are important to a good many nations – in some cases accounting for half the medicines *in* the nation. But second, sadly, as much as forty percent of drug donations were, in one way or another, inappropriate. Worse, since the researchers hadn't traced the sources of the bad donations, the entire donations community was put under a cloud. In candor, we should

have designed the study to capture that data, because we knew from reports published in the NEJM and elsewhere that earlier investigations had failed to track the villains, so to speak. In any case, we'd confirmed the fact that drug donations were problematic.

Our next step was to review the World Health Organization guidelines on drug donations. While generally helpful, aspects of them had turned out to be impractical. Chief among them was the recommendation that donated meds should, on arrival in country, have at least 12 months from expiration. We approached WHO with specific suggestions to make the guidelines more workable. To make a long story short, WHO gave us a hearing, and to our great relief, they changed the guidelines to accommodate nearly all our recommendations. When the revised guidelines were issued in 1999, we decided to endorse them. As did IFPMA shortly thereafter.

We were glad to have achieved a degree of comity with the WHO department of essential drugs and medicines policy, but the cloud over our work remained.

Until 2002.

Late in 2001, the World Bank and WHO decided to test the efficacy of the donations guidelines, and the European Association for Development and Health, known as AEDES, was retained to manage the study. Teams would visit India, East Timor, Mozambique and El Salvador, where various emergencies had occurred.

Somewhat to our surprise, PQMD was invited to join the teams as observers. We agreed, although some of us pondered if we taking part in gathering evidence to be used against us. The upside was that the new study could remedy the flaw in the preceding ones, if it pinpointed the organizations responsible for failed donations. We agreed to join in the study, on condition that the guilty be identified. It was a gamble, but not a foolish one; we knew that our members were pros in this field, and the chance to distinguish ourselves from the pack – in a study sponsored by highly respected organizations – was worth taking.

Well, when the World Bank/WHO/AEDES/PQMD teams reported their findings, we were elated. To quote from the report, “...no evidence was found of inappropriate donations attributable to major pharmaceutical companies or experienced NGO agencies.” Yet thousands of bad donations were found. Who made them? “Smaller organizations with little or no field presence nor experience. Governments, and local in-country distributors.”

And one of the principle recommendations was this:

“Only organizations with institutional memory, pharmaceutical experience, established relationship with government and other actors, and a strong field presence in the recipient country should be permitted to assist in drug donations.”

Further, the report said, “Governments and NGOs without these advantages should act through these aforementioned agencies.”

In short, this study concluded that only professionals should manage drug donations. Dr. Hans Hogerzeil put it simply and well when he attended a PQMD meeting. After hearing presentations on just how our corporate/NGO partnerships operate, he said, quite simply: “Drug donations are not for amateurs.”

That, simply put, explains the growing reliance on professional NGOs by pharmaceutical donors. We have learned that the best way – the only way – to execute a corporation’s product donations plan safely and effectively is to partner with a small number of NGOs and to do so over the long term. By the way, contrary to the common perceptions, today’s drug donations are overwhelmingly devoted to long-term development – sustained efforts to develop sustainable capability within the recipient communities to deliver the kinds of medical services they require.

Of course we also do emergencies. Last year PQMD members mounted 189 disaster relief efforts. But at the same time we ran 4,147 long-term development projects in 89 nations. Indeed, at least 80% of our work is on sustainable projects to improve health care and eliminate specific diseases as public health threats

Building these partnerships is long, hard work, and it requires significant investment. From the original decision to contribute medicine, a company’s commitment often expands to include creation of the networks, training and infrastructure needed to administer medical care and implement preventive measures, often under daunting conditions. The training of local health workers for one project pays dividends, because

community workers trained in, say, the control of river blindness or lymphatic filariasis or the prevention of mother-to-child transmission of the AIDS virus gain acceptance within their communities that are invaluable in carrying out future health interventions.

Over recent years we've tracked the wholesale dollar value of our members' donations. From 1999 to 2003, they rose from \$400 million to \$1.4 billion last year. Since inception, PQMD's members have donated medicines worth about \$3.7 billion.

	(\$ Millions)
1999	\$400
2000	512
2001	564
2002	812
2003	<u>1,413</u>
	\$3,698

Those are serious numbers, but they vastly understate the full value of the work. They do not include, for instance, the dollar value of the several thousand in management staffs, the strategically placed distribution centers and vehicles, and especially the services of thousands of volunteer physicians, nurses, pharmacists, health aids, training personnel, and distribution specialists without whom nothing would happen. As you may know, it is reliably estimated that at least 35% of the health care reaching the developing world comes from people like them.

How important is all this? Well, last year's donations by PQMD members virtually matched the global budget for health of the US Agency for International Development (\$1.473 billion).

The conclusion is undeniable. The pharmaceutical industry and its NGO partners have taken on a major share of the developing world's health care. Just as clearly, I'm sorry to say, you receive very little credit. We need to work on that.

We also need to document our achievements. An important PQMD objective has been to encourage documentation of the impacts of our work. We were somewhat amazed, five years ago that although our partnerships were making a difference in millions of lives, very little was being done to document their impacts.

If you'll pardon my being blunt, the industry's communications experts seem to have forgotten that good public relations doesn't stop at doing good work. The other half of the definition of public relations is to get credit for it. Would that we were as successful at the latter as we have been at the former.

Of course, getting credit requires that we mount good evidence. In recent years, NGOs have developed indicators to measure progress made, and we've begun to fund studies to delineate that progress in social and economic terms. I'll mention two studies that are about to be published that address that need.

First is an accounting of a model partnership in Uzbekistan, where six NGOs, using donated products from about a dozen pharmaceutical firms, in a program coordinated by the US Agency for International Development, stabilized the precarious health care system in that newly independent state. The project was dubbed Operation Provide Hope.

There isn't time to get into the details, but the project is an exemplar of the collegiality and effectiveness of the organizations involved. Some \$50 million worth of drugs were donated, along with the services of NGO personnel estimated to be worth about \$629. Particular attention was paid to attacking the leading causes of death: cardiovascular, respiratory and digestive diseases. Altogether, about 250,000 Uzbeks took part.

Here's the point: The value of the intervention was measured by comparing the dollar value of the donations program against the increase in GDP attributable to improved life expectancy/morbidity. The result: for every dollar in program cost, the Uzbek GDP rose eleven dollars. We think we're on to something here. What if governments, in partnership with the industry and the NGO community, made such programs instruments of foreign policy?

The second study I'll touch on is one by Canary Strategies, which compares compare the treatment of HIV/AIDS in Romania, where the government is facing the matter squarely and the value of NGOs is accepted, and Russia, where a lot of denial is going on, and NGOs are regarded with suspicion. We understand that this study will be published in the proceedings of the World Bank European Health Forum.

Once again, the researchers showed that the close partnerships involving NGOs on the ground, donating firms, and the government of Romania are making substantial inroads into that nation's HIV/AIDS problem. In contrast, the Russians have only just begun to recognize the dimensions of their problem, and the full range of obstacles to progress prevails – from distrust of NGOs to grossly inadequate funding to stigma of the victims.

Our hope is that key aspects of the approach taken in Romania, as outlined in our study, will become a model for future World Bank-sponsored projects. At the very least, we have demonstrated that the industry and the humanitarian agencies constitute an effective weapon in the war against AIDS.

Ladies and gentlemen, I've bombarded you with a lot of data this afternoon, and I apologize for that. Especially if in doing so I have missed the most important reason for doing these things: to take up the task of aiding that solitary patient who, without you, may not survive.

If viewed at the macro level, the task may seem beyond impossible. Indeed, the pharmaceutical industry cannot meet this challenge alone. Success requires governments, the industry and the international aid community doing their parts, with sustainable financing, investment in infrastructure, and most of all the political will to quicken the pace of change.

But the point is that the industry is doing its part, focusing on what we can do, in partnership with agencies as committed, competent and resourceful as we are.

Last month I had the privilege of visiting El Salvador with colleagues from World Vision and MAP International. We met health care providers and patients in country and reviewed their accomplishments and needs. In a tiny mountain village clinic, we met this young girl. Her name is Neydi Adenia Landaverde and her diagnosis was malnutrition complicated by parasites.

After a workup by the clinic's physician, she was given anthelmintics and vitamins, and put on a nutrition program along with her family. She was also given seeds to start a home garden. This is Neydi now.

Whenever we think about the immensity of the task, we think of someone like Neydi. It's all anyone can really do anyway, one patient at a time, one small step forward at a time. If your company is making product donations, we salute you and we urge you to make your product donations program part of your global strategy. If your company has no organized donation program, please let us help you design one. Our members have made every misstep in the book, and we're eager to help you avoid them. Please do call us or look us up at PQMD.org. We're extremely proud of our website, incidentally, especially since it typically gets 12,000 "hits" per month.

What I'm saying boils down to suggesting we all take Horace Mann's advice. Being in our industry gives us opportunities few industrialists enjoy. So, as Mann put it, "Be ashamed to die until you have won some victory for humanity." We look forward to hearing from you.

Thank you for your attention.