



### **IGBA Perspectives on Pandemic Accord (Zero Draft – April 2023)**

1. The criticality of supply chain resilience has become increasingly apparent in recent years, including for essential medicines and health products. The COVID-19 pandemic and geopolitical tensions have highlighted certain vulnerabilities of global supply chains, particularly in the areas of raw materials, manufacturing, transportation, and logistics. Early in COVID 19 pandemic, widespread disruption of global trade created challenges for the uninterrupted supply of essential medicines, underscoring the importance of uniform support for resilient global supply chains.
2. As a result, there is an urgent need to commit to support a globally resilient medicines supply chain capable of proactively addressing future pandemics, natural disasters, wars, and other global events that could disrupt the supply chain.
3. During the COVID 19 pandemic, the world witnessed how the increased consolidation of the supply of active ingredients and a growing number of finished products caused by poorly designed generic market procurement policies, in certain regions of the world, jeopardizes individual nations and our collective ability to be prepared for and respond to extraordinary circumstances, which are becoming increasingly frequent.
4. We believe for a resilient supply chain there is a need for **transparent global collaboration for patient access to medicines** worldwide. The focus should be on measures such as better **monitoring of supply chain vulnerabilities**, especially for essential medicines, **creating incentives for supply resiliency**, building **emergency capacities**, and promoting **international cooperation**.
5. **International cooperation should be based on policies that ensure smooth flow of medicines and their components** through enhanced international trade. This requires international coordination, and a holistic approach regarding the various aspects that are necessary for a resilient global supply chain and increased trade, ultimately supporting equitable access to medicines for patients across the world.

#### **About IGBA**

The International Generic and Biosimilar medicines Association (IGBA) strengthens cooperation between associations representing manufacturers of generic and biosimilar medicines from around the world. Adopting a patient centric approach, IGBA works to improve patients' access to quality-assured, safe and cost-effective medicines by promoting competition and enabling innovation in the pharmaceutical sector and sustainable economic contributions for all stakeholders. For more details, regarding IGBA and its member associations, see the IGBA website at: [www.igbamedicines.org](http://www.igbamedicines.org).

6. In this regard, IGBA welcomes the ongoing negotiation of the World Health Organization's<sup>1</sup> (WHO) "Pandemic Prevention, Preparedness and Response Accord", that through the WHO Global Pandemic Supply Chain and Logistics Network<sup>2</sup> seeks to ensure better and fairer distribution of counter-measures, in addition to various other subjects that contribute to more resilient supply chains and healthcare systems.
7. This negotiation has rightly identified the need for greater **harmonization of regulatory requirements and practices**<sup>3</sup> to facilitate the entry of medicines into markets around the world, as well as the **harmful effects of unbalanced intellectual property rights**. Negotiators are urged to further strengthen the focus on regulatory efficiency to achieve timely, equitable access to health products, including through a recognition of the importance in advancing **single global development of generic and biosimilar medicines**.
8. The current draft negotiation document does not include reference to the importance for resilient supply chains of measures for **sustainable procurement systems for medicines**.<sup>4</sup> Experience has shown that a procurement system focused only on pricing,<sup>5</sup> and not on other aspects such as supply security and quality-assured products,<sup>6</sup> among others, encourages the concentration of supply, driven by reaching economies of scale and the need for the lowest available raw-material and manufacturing costs. The risk that this imposes on the medicines supply chain and trade is directly counter to the intention of the Pandemic Accord to build more resilient health systems and supply chains.<sup>7</sup> Negotiators are urged to consider inclusion of a recognition that procurement considering criteria beyond price is an essential component of health system resiliency.
9. IGBA supports initiatives that enhance resilience of the supply chain and ensure smooth trade and timely delivery of medicines to patients around the world. We remain committed to patient welfare by promoting access to quality assured, safe and cost-effective generic, and biosimilar medicines across the world.

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<sup>1</sup> More information [here](#)

<sup>2</sup> See current article 6.

<sup>3</sup> See IGBA (2022), IGBA Shortages Workstream – Report to the World Health Organization, available [here](#), section 3.3.

<sup>4</sup> *Ibid*, section 3.1.

<sup>5</sup> According to some reports, approximately 83% of generic drug shortages in the EU today relate to products with daily prices of less than €0.10. Hernandez I, Hershey TB, Donohue JM. Drug shortages in the United States: are some prices too low? JAMA. 2020;323(9):819-820, available [here](#)

<sup>6</sup> Regarding WHO, see [here](#). This is especially relevant in low- and middle-income countries.

<sup>7</sup> See International Monetary Fund (2022), Rationalizing Pharmaceutical Spending, available [here](#)