The World Bank and pharmaceuticals

TORKEL FALKENBERG AND GÖRAN TOMSON
Department of Public Health Science, Unit of International Health Care Research (IHCAR), Karolinska Institute, Stockholm, Sweden

Within less than a decade the World Bank has become the largest single source of finance (loans) for health in low and middle income countries as well as a major player in the field of pharmaceuticals. Often 20–50% of the recurrent government health budget in developing countries is used to procure drugs. Drugs are among the most salient and cost-effective elements of health care and often a key factor for the success of a health sector reform. However, pharmaceuticals are frequently being used irrationally, mainly due to market imperfections in health care, such as information asymmetries, leading to serious health problems and a heavy financial burden on the health system. Lending priorities set by the World Bank could be used to promote public health sector reform, leading to the rational use of affordable and available drugs of good quality in developing countries. This report provides the first analysis of World Bank activity in the pharmaceutical sector worldwide. The analysis of 77 staff appraisal reports, describing the planning phase of World Bank country projects, shows that 16% of the total World Bank health, nutrition and population budget, or approximately US$1.3 billion, has been committed to loans or credits supporting pharmaceutical activities in the programme countries between 1989–95. Roughly US$1.05 billion has been committed to procurement of drugs and medical equipment. Only 5% of the total pharmaceutical sector lending is committed to software components such as drug policy work and rational use of drugs. No more than 45% of the projects were developed in collaboration with pharmaceutical expertise. The World Bank is recommended to improve its pharmaceutical sector involvement by promoting drug policy research and development including national and international dialogue on pharmaceutical issues to ensure rational use of both drugs and loans. In this, the World Bank has an advantage given its experience from working with both the private and the public sector, its in-house expertise in health economics, and lastly its ability to be listened to by governments through its power.

Introduction

International health organizations seem to be the main vehicle for contending with health problems that go beyond the capacity of national health systems.1 A wide variety of public institutions are engaged in various dimensions of global public health. In some cases, like the World Health Organization (WHO), global health issues are their core mission, whereas for others, like the World Bank and the regional development banks, health is only a part of their global or regional portfolio. With ‘social sector lending’ accounting for 15% of all World Bank lending by the mid-1990s,2 the World Bank has become the largest single source of finance (loans) for health in low and middle income countries as well as a major player in the field of pharmaceuticals. Often 20–50% of the recurrent government health budget in developing countries is used to procure drugs. Drugs are among the most salient and cost-effective elements of health care and often a key factor for the success of a health sector reform. However, pharmaceuticals are frequently being used irrationally, mainly due to market imperfections in health care, such as information asymmetries, leading to serious health problems and a heavy financial burden on the health system. Lending priorities set by the World Bank could be used to promote public health sector reform, leading to the rational use of affordable and available drugs of good quality in developing countries. This report provides the first analysis of World Bank activity in the pharmaceutical sector worldwide. The analysis of 77 staff appraisal reports, describing the planning phase of World Bank country projects, shows that 16% of the total World Bank health, nutrition and population budget, or approximately US$1.3 billion, has been committed to loans or credits supporting pharmaceutical activities in the programme countries between 1989–95. Roughly US$1.05 billion has been committed to procurement of drugs and medical equipment. Only 5% of the total pharmaceutical sector lending is committed to software components such as drug policy work and rational use of drugs. No more than 45% of the projects were developed in collaboration with pharmaceutical expertise. The World Bank is recommended to improve its pharmaceutical sector involvement by promoting drug policy research and development including national and international dialogue on pharmaceutical issues to ensure rational use of both drugs and loans. In this, the World Bank has an advantage given its experience from working with both the private and the public sector, its in-house expertise in health economics, and lastly its ability to be listened to by governments through its power.

The importance of the focus and operational priorities of the World Bank on government public health interventions can not be underestimated. The World Bank’s major health policy document, World Development Report 1993: Investing in Health, advocated support to projects which not only expand or upgrade health services but also engage in broad systemic reforms aimed at making investments in health systems more sustainable and effective, while improving quality and access for the poor. Little in this report dealt with the operational level. In its recent Sector Strategy Paper – Health Nutrition, and Population, the World Bank’s shift from a focus on inputs and outputs to outcome and process is underlined, as is the need for the strengthening of health systems.3,4 However, the pharmaceutical sector is conspicuously absent. To develop a pharmaceutical sector policy building on evidence, there is a need for analysis of actual practice where the World Bank has been involved. The aim of this paper is to fill this knowledge gap in order to gain an understanding of the priority and policy of World Bank pharmaceutical sector involvement. It will provide an overview of committed World Bank lending to the pharmaceutical sector in relation to World Bank health, nutrition and population (HNP) sector activities for fiscal years 1989–1995.
To our knowledge, World Bank practice concerning pharmaceutical sector lending has not been presented previously, and this report provides the first analysis of World Bank activity in the pharmaceutical sector worldwide.

**Materials and methods**

This work was carried out during a period when the two authors were affiliated to the Human Development Department at the World Bank with financial support from the Swedish International Development Agency (Sida).

Projects with pharmaceutical lending were selected from all staff appraisal reports in fiscal years 1989–1995 included in the World Bank operations lending database. These reports describe the planning phases of the projects, including objectives, costs, benefits and risks, agreements and recommendations. The key words ‘pharmaceuticals’ and ‘drugs’ but not ‘veterinary’ were used for the database search, resulting in 100 project hits. Twenty staff appraisal reports were excluded due to non-existing or very small pharmaceutical sector activity and three because the pharmaceutical sector loans could not be separated from other non-pharmaceutical loans. Thus, this report is based on 77 staff appraisal reports for fiscal years 1989–1995.

**Analysis procedure**

Analysis of the staff appraisal reports was performed by six assessors with professional pharmaceutical sector experience and/or a university degree in public health. The evaluation of the pharmaceutical areas (PAs) described in the staff appraisal report was done using a pre-tested questionnaire, developed for the purpose of this study. It consisted of structured and semi-structured questions, mainly assessing quantitative information. Several meetings with various Bank staff were held in the preparation of this instrument. Briefly, the staff appraisal report was investigated to determine: (1) the amount of lending committed by the World Bank to different PAs; (2) whether pharmaceutical conditionalities and covenants were explicitly stated in the staff appraisal report; and (3) whether pharmaceutical sector experts/professionals were engaged during the project development phase. All the information on the questionnaires was evaluated by the first author, cross-checked for reliability and entered into a Microsoft Excel database. This database was used as the basis for the findings presented in this report. Problems in assessing the staff appraisal reports were jointly discussed and solved through consensus within the group when necessary. Occasionally, when specific information was lacking about an explicitly stated activity, estimations have been made using secondary information present in the documents. The development and pre-testing of the questionnaires used in this study were designed to provide valid and reliable data; however, unavoidably with some degree of variance.

**Categories in the questionnaire**

World Bank pharmaceutical lending covers a variety of functions in the pharmaceutical sector. These were divided into the following categories: (1) drug procurement; (2) laboratory equipment for biomedical and drug quality control laboratories; (3) civil works related to restoration of pharmaceutical warehouses, hospitals, pharmacies or drug retail facilities and vehicles for drug distribution; (4) purchase of computer systems and programmes to be used for drug registration, drug inspection, drug price and market monitoring or procurement; (5) training, education and information in the fields of pharmaceutical management, national drug policy development, rational use of drugs, drug seller training, essential drug programmes, inspection and quality control; and (6) technical assistance in relation to, for example, procurement arrangements, legislation and regulation, distribution policy, cost recovery, pricing policy and operational research. The first four categories will be referred to as hardware (HW) areas and the last two categories as software (SW) areas. This report presents results from the analysis of different PAs, including the following.

**Drug procurement**

The selection criterion for the HW category ‘drugs’ was procurement of drugs (essential and non-essential). Drugs include contraceptives and vaccines. However, in a few cases this category also included medical supplies, chemical reagents and medical equipment since these components were lumped together in the staff appraisal report and it was not possible to separate them, further implying a slight over-estimate of loan size in these cases.

**Laboratory equipment for biomedical and drug quality control laboratories (pharmaceutical equipment)**

The HW category pharmaceutical equipment includes procurement of laboratory, dental and hospital equipment relevant for pharmaceutical analysis. In three projects pharmaceutical equipment also included medical supplies, civil works or other non-medical equipment. Hospital diagnostic equipment, including X-ray and computer-assisted tomography scans, was not included.

**Miscellaneous hardware areas**

This category contains a variety of different pharmaceutical components such as civil works (restoration of pharmaceutical warehouses, hospitals, pharmacies, drug retail facilities, etc.), computers and software (drug registration agencies, drug inspection, price and market monitoring, and procurement), and medical supplies and materials.

**Software areas**

SW areas include education and information, legislation and regulation, monitoring, continuing education and operational research in the pharmaceutical sector. This may imply pharmaceutical management training and development, training of inspectors, quality control agents and pharmacists, as well as technical assistance governing procurement arrangements, distribution policy, cost recovery, introduction of the Essential Drug concept and Rational Use of Drugs in medical curricula, continuing education of providers, consumer information and pricing policy. Figures stating percentage, average
size of loan committed to SW area(s) or numbers of projects involving SW lending are presented irrespective of the type(s) of SW investment.

**Pharmaceutical conditionalities and pharmaceutical expertise**

Conditionalities or covenants stated in the staff appraisal report and their relevance for the PA were analyzed. The involvement of World Bank PA expertise in the project preparation phase was determined by assessing the professional background of all the individuals involved in the preparation phase as stated in the staff appraisal report. Pharmaceutical expertise was defined as anyone with a disciplinary background from areas such as pharmacy, pharmacology, pharmaceutical industry or medicine.

**Results**

**HNP projects involving lending to PA**

The total HNP portfolio for 1989–95 has been estimated to have a committed lending of US$7945.1 million. During the same period we found that the committed project lending to projects with PA lending was US$4250.8 million, where US$2232.6 million was ‘soft loan’ (money with an effective grant component of 80%) through the World Bank’s IDA window and US$2018.2 million was more structured money through its IBRD arm. The total lending committed to PA in these projects can, according to the information given in the staff appraisal reports, be estimated at US$1311.5 million (Figure 1A). This figure does not include project contingencies of roughly 20%. On average 17% of the total HNP lending committed was for PA between 1989–95 (Figure 1A). During this period 137 HNP projects were initiated and 80 of these involved lending to PA (Figure 1B).

**HNP projects involving lending to PA per region**

In the Africa region, the World Bank committed approximately 28% (US$412 million) of its total regional HNP lending to PA investments. The World Bank’s other five lending regions committed the following proportion of their respective HNP budgets to PA loans: Europe and Central Asia region – 25% (US$169 million); Latin America and the Caribbean region – 15% (US$245 million); South Asia region – 14% (US$336 million); East Asia region – 12% (US$127 million); and Middle East and North Africa region – 3% (US$22 million) (Figure 2A).

The majority of the HNP projects involving lending have been launched by the Africa region (32) followed by the Latin America and Caribbean region (18), the South Asia region (11), the East Asia region (8), the Middle East and North Africa region (4) and the Europe and Central Asia region (4). The highest proportion of HNP projects involving lending to PA can be found in the Latin America and Caribbean region and in the Africa region, where more than 60% of all HNP projects involve lending to PA (Figure 2B).

![Figure 1](image1.png)

**Figure 1.** A Committed lending to pharmaceutical areas out of total committed HNP lending, fiscal years 1989–95. Lending is expressed in US$ and as a percentage of total HNP lending (US$7945 million) fiscal years 1989–95. *Contingencies not included. B Number of HNP projects with committed lending to pharmaceutical areas, fiscal years 1989–95. The number of HNP projects with committed World Bank lending to PA is expressed. HNP, health, nutrition and population; PA, pharmaceutical areas.

![Figure 2](image2.png)

**Figure 2.** A Committed regional HNP lending to pharmaceutical areas, fiscal years 1989–95. PA lending is expressed as US$ million and as a percentage of total regional HNP lending. B Number of regional HNP projects with lending to pharmaceutical areas, fiscal years 1989–95. Number of projects with committed lending to PA regionally and percent of regionally launched HNP projects are expressed. AFR, Africa; EAP, East Asia region; ECA, Europe and Central Asia; LAC, Latin America and the Caribbean; MNA, Middle East and North Africa region; SAS, South Asia region.
Type of PA lending

It was found that out of the total HNP lending committed, 9.9% was allocated to procurement of drugs, 3.5% to laboratory equipment, 2.4% to miscellaneous HW areas and 0.9% to SW areas (Figure 3). Put differently, 16% of the total HNP budget for all regions is allocated to HW areas and 1% to SW areas. Thus, roughly 95% and 5% of the total Bank lending to PA fiscal years 1989–95 was committed to HW and SW, respectively.

When the pharmaceutical components in the analyzed projects across the World Bank’s lending regions were analyzed in relation to all HNP projects, it was found that more than 50% of all HNP projects involved procurement of drugs. Roughly 20% of all the HNP projects involved lending to SW areas. Among the projects with lending to PA it was found that 90% of the projects involved drug procurement, 43% procurement of laboratory equipment, 35% miscellaneous HW areas financing and 34% of the projects committed lending to SW areas.

Type of PA lending per region

Generally, all regions appear active in lending to the pharmaceutical sector. The Europe and Central Asia region is committing lending of equal proportion to the different areas analyzed. In contrast, some regions, like the East Asia region, tend to focus mainly on lending for procurement of drugs. The largest loan for procurement of drugs was found in the Africa region, which loaned a yearly average of 18% of its total HNP lending during the analyzed period. The lowest proportion of SW lending can be found in the East Asia region, the Middle East and North Africa region and in the South Asia region, with an average commitment of less than 0.4% of their respective regional HNP commitment during fiscal years 1989–95. The highest proportions can be seen in the Africa region, the Europe and Central Asia region and in the Latin America and Caribbean region with 1.5–1.7% allocated to SW.

When the number of projects involving PA lending was analyzed per region, it was found that 56% of all HNP projects in the Africa region involved drug procurement and 35% involved lending to one or more SW components resulting in a drug procurement – SW ratio of 1.6. The corresponding ratios for the Europe and Central Asia region, the Middle East and North Africa region, the South Asia region, the East Asia region and the Latin America and Caribbean region are 1.5, 2.9, 3.4, 3.9 and 5.4, respectively.

The World Bank pharmaceutical portfolio in relation to country economy

To investigate a possible correlation between PA lending and country economy, the countries receiving Bank loans to PA were stratified according to their 1994 GNP per capita, using the World Bank Atlas method. The groups were: low-income countries, US$725 or less; lower-middle-income countries, US$726–2895; and upper-middle-income countries, US$2896–8955. It was found that 11, 4 and 2% of the total HNP budget for fiscal years 1989–95 was committed to PA in low-income countries, lower-middle-income countries and upper-middle-income countries, respectively. Of the 137 HNP projects, 50, 20 and 7 projects involved lending to PA in low-income countries, lower-middle-income countries and upper-middle-income countries, respectively.

When the projects involving PA lending were analyzed in more detail it was found that on average 48% (24 out of 50 PA projects), 35% (7 out of 20 projects) and 14% (1 out of 7 projects) of the PA projects in low-income countries, lower-middle-income countries and upper-middle-income countries, respectively, involved lending to one or more SW components.

Involvement of pharmaceutical sector expertise in the planning of the PA projects

Forty-four percent of the World Bank projects with a PA approach had engaged PA expertise in the planning of the project (Table 1). And when PA expertise is involved, more lending is committed to PA investments (35% of HNP project lending) compared with projects without such expertise (18% of HNP project lending). Moreover, the number of projects involving SW areas is higher in the projects involving PA expertise. Similarly, this is also seen for conditionalities or covenants related to PA.
between WHO and UNICEF, but the World Bank amplifies the importance of its commitment by attracting ‘co-financing’ disbursements are expected to exceed US$1 billion.2 To million in 1981 to US$263 million in 1990. By the year 2000 health (excluding population and nutrition) from US$33 The World Bank has raised its annual loan disbursement for controls more funds than its lending portfolio suggests. funds’ from recipient governments. Thus, the World Bank’s focus during this period has clearly been on the hardware. WHO spent approximately US$1.8 billion on HNP as stated in the programme budget for the 1994–5 biennium, whereas the World Bank committed US$1.2 billion for the same period.2 UNICEF committed approximately US$1.0 billion.13 Current funding levels place the World Bank between WHO and UNICEF, but the World Bank amplifies the importance of its commitment by attracting ‘co-financing’ from international and bilateral agencies and ‘matching funds’ from recipient governments. Thus, the World Bank controls more funds than its lending portfolio suggests.

The World Bank has raised its annual loan disbursement for health (excluding population and nutrition) from US$33 million in 1981 to US$263 million in 1990. By the year 2000 disbursements are expected to exceed US$1 billion.2 To provide such loans and credits the World Bank has built up health expertise among its own staff, which has been accompanied by a more vocal role in the development of health policy, marked by the publication of the 1993 World Development Report: Investing in Health. The impact on Government strategies for health sector reform by the World Bank is significant,2 through, for example, conditions and covenants associated with loans. Thus, currently, the World Bank has created a role in advocating strategies for public health which could be used to promote, on a global and national level, public health sector reform, leading to the rational use of affordable and available drugs of good quality in developing countries.

**HNP projects involving lending to PA**

In this study we show that 17% of the total HNP budget, or approximately US$1.3 billion, has been committed to loans or credits supporting pharmaceutical activities in the programme countries during the fiscal years 1989–95. Moreover, almost 60% of the HNP projects involve PA activities. This large involvement in the pharmaceutical sector could be positive and might result in cost-effective health interventions if the credits and loans are disbursed in line with a comprehensive drug policy and health sector reform. However, when the involvement is analyzed in more detail we find that 95% of the total lending to PA is committed to loans or credits for HW components and that only 5% is used for SW. This imbalance could be explained in part by the difficulty in making comparisons using the amount of funds committed, since SW costs may be less expensive but more cost-effective than HW. When the number of projects launched is analyzed with respect to SW involvement, we find that 34% of all PA projects involve SW support, although sparsely funded. This is in contrast to the strategy of the WHO, which gives a majority of its financial support to SW areas such as health policy management and health service development.13 Most of the World Bank loans have been disbursed against procurement of drugs. Other aspects of drug policy work, such as legislation and regulation, quality control, drug pricing and financing, information, education and communication as well as training of the professional cadre, which would benefit availability, affordability and rational use of drugs and are all recommended by the World Bank7,14,15 have apparently been largely ignored in the planning.

**Regional lending**

Recently it was shown that, in terms of geographic distribution, the nations of the South Asia region and the Latin America and Caribbean region have received about half of the World Bank’s HNP lending in total.13 In our study we found that these regions committed roughly 14% of their lending to PA, whereas the Africa region and the Europe and Central Asia region committed around 25% to PA. The larger lending for PA in the Africa region is most likely due to a less developed health infrastructure and serious lack of drugs compared with the other regions.14 The fact that the Europe and Central Asia region is so active in this area can be explained by a single large loan to PA of US$116 million to the Ukraine. The projects in the Latin America and

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<tr>
<th>Expertise involved in project preparation</th>
<th>No. of projects</th>
<th>Average World Bank lending committed to project (million US$)</th>
<th>Average World Bank lending committed to PA (million US$)</th>
<th>% of projects with SW component(s)</th>
<th>% of projects with PA covenants and/or conditionalities</th>
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<tr>
<td>PA expertise</td>
<td>25</td>
<td>47</td>
<td>19</td>
<td>72</td>
<td>64</td>
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<td>No PA expertise</td>
<td>31</td>
<td>54</td>
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Ten projects were excluded from this analysis since the staff appraisal report did not clearly state whether PA expertise was used or not, and 11 projects were not analyzed at all with respect to PA expertise. HNP = health, nutrition and population; PA = pharmaceutical areas; SW = software.

**Discussion**

Within less than a decade, the World Bank has become the major actor in the field of pharmaceuticals and international health. Whereas other international organizations, such as WHO with its revised drug strategy and increasing support to national drug policy development and rational use of drugs, and UNICEF with its procurement and distribution focus, lately adding drug information activities, have developed from a hardware focus to include more and more of the software of pharmaceuticals and capacity building, the World Bank’s focus during this period has clearly been on the hardware. WHO spent approximately US$1.8 billion on HNP as stated in the programme budget for the 1994–5 biennium, whereas the World Bank committed US$1.2 billion for the same period.2 UNICEF committed approximately US$1.0 billion.13 Current funding levels place the World Bank between WHO and UNICEF, but the World Bank amplifies the importance of its commitment by attracting ‘co-financing’ from international and bilateral agencies and ‘matching funds’ from recipient governments. Thus, the World Bank controls more funds than its lending portfolio suggests.

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Caribbean region focus to a much larger extent on drug procurement alone compared with, for example, the Africa region, as evident from the discrepancy in the drug procurement/SW ratio between the Africa region (1.6) and the Latin America and Caribbean region (5.4). We have found no good reason for this and the issue needs to be further studied.

Country economy

Compared with middle-income countries, there is a trend towards a higher level of PA lending to low-income countries. Moreover, PA projects in the poorest countries tend to involve SW lending to a larger extent compared with PA projects in lower-middle-income countries and upper-middle-income countries. These findings are positive and appear rational in the light of the larger need in low-income countries (often lacking health care, infrastructure, institutions and information systems) for HW accompanied by SW to ensure a sustainable and effective pharmaceutical sector.

Expertise

One important way to ensure adequate World Bank assistance in improving the pharmaceutical sector is to engage pharmaceutical expertise familiar with the drug sector in developing countries in the planning and implementation phase of the project. Considering the large size of the PA involvement, it is alarming that only 45% of the staff appraisal reports analyzed involved PA expertise in the planning of the project. SW support was also more common in World Bank projects when PA expertise was involved. This, together with the fact that pharmaceutical covenants and conditionality are more frequent, underlines the importance of engaging PA expertise on pharmaceutical issues related to national drug policy work as a possible means for the World Bank to promote health sector reform. Compared with WHO, the World Bank has little pharmaceutical expertise, which most likely contributes to the high drug procurement/SW ratio in World Bank lending as SW investments are much more labour intensive.

World Bank priorities

To improve the ability of World Bank HNP staff in diagnosing quality of care issues in sector work and in incorporating quality improvement measures in project design, a World Bank working paper was published in 1995 with the purpose of creating a common knowledge base for a better understanding of the measurement and improvement of health care in developing countries. This paper provided a review of HNP projects in fiscal years 1990–93, showing that quality was largely defined in terms of structural shortcomings, e.g. buildings, equipment, drugs and supplies, and thus logically focused on supplying and increasing HW. This is in line with the findings presented in our study. It was further stated that the World Bank’s modus operandi supported this simplistic approach to quality, due much to the fact that these components are quantifiable and therefore fit neatly into a lending strategy. This approach is more appropriate for large capital-intensive infrastructure programmes, e.g. roads, dams, telecommunication, etc.

The recommendations proposed in the study for developing a multi-dimensional model to comprehend the multifaceted concept of what constitutes good quality in health care are clearly also warranted for World Bank operations in the pharmaceutical sector. Procurement of drugs, medical equipment and other HW areas through Bank projects has been suggested as a vehicle for health sector reform, provided that their specific features are considered. Pharmaceutical procurement is relatively easy to plan, disburse, and control compared with National Drug Policy and SW issues, which require strong political will and often involve unpopular decisions among national and international pharmaceutical industry. National Drug Policy development can clearly be supported by HW procurement components in country projects, provided that enough funds from World Bank lending are allocated to the process of reform and institutional strengthening. Clearly, the World Bank would need to allocate much more resources than hitherto to strengthen its in-house technical expertise on pharmaceutical issues in order to deal with the politically sensitive nature of National Drug Policies, as well as the inherent technical complexity. The Bank could also improve its involvement in promoting operational research for more evidence-based national drug policy work. The public–private mix, the role of the state in the pharmaceutical sector, drug financing and rational use of drugs are areas in need of research.

There is an urgent need to better include pharmaceuticals in overall health sector reforms and the World Bank has a vital role to play here. If better informed (e.g. through collaboration with experienced institutions such as WHO), the World Bank has a comparative advantage in addressing these issues given its experience of working both with the private and the public sector, its in-house expertise in economics, and its ability to be listened to by governments. Further improvement involves the engagement of PA expertise to a larger extent than previously, both in-house and at the country level, in the planning and implementation of World Bank projects to ensure a comprehensive national pharmaceutical sector strategy, resulting in rational use of drugs of good quality as well as rational lending.

This analysis does not take into consideration World Bank country-level policy dialogue or current sector work on pharmaceuticals since such activities are not presented in the staff appraisal reports. Thus, it is worth mentioning that the World Bank is currently strengthening its work in the pharmaceutical area and has recently initiated, with support from Sida, twice-yearly meetings with representatives from multilateral and bilateral agencies including UNICEF and WHO to improve international coordination in the pharmaceutical sector. Initiatives defining essential functions and improving a coordinated division of labour among international health agencies and national governments are most warranted, as underlined by Dr Gro Harlem Brundtland in her speech to the Fifty-first World Health Assembly. Hopefully, this first analysis of World Bank involvement in the pharmaceutical sector will inspire more reflection than hitherto on the role of pharmaceuticals in World Bank projects. Issues such as whether the exponentially increased World Bank loans on health/pharmaceuticals may have
caused absorption problems in project countries, whether HW loans provide an easy way out to compensate for reduced government budget due to structural adjustments, and whether loans in principle should be used for buying recurrent expenditure such as pharmaceuticals, need further investigation in conjunction with analysis of World Bank pharmaceutical monitoring and evaluation documents.

Endnote

* Personal communication with A S Preker, senior health economist at Human Development Department, World Bank, 1996.

References


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Biographies

Torkel Falkenberg, PhD (Faculty of Medicine), is a pharmacologist and health systems researcher at the Department of Public Health Science, Unit of International Health Care Research (IHCAR) at the Karolinska Institute. His recent research projects include an EU funded project to improve good pharmacy practice in Thailand and Vietnam, and a comparative analysis of the National Drug Policies project in 13 developing countries. During 1996 he worked as a long-term consultant at the Human Development Department (HDD), World Bank. He is also engaged in development projects implementing National Drug Policies in Lao PDR and Bosnia-Herzegovina.

Göran Tomson is an Associate Professor in International Health Systems Research at the Department of Public Health Science, Unit of International Health Care Research (IHCAR) at the Karolinska Institute. His special interests include health systems and health policy research including drug policies. Recent work has involved coordination of the preparatory work of the Alliance for Health Policy/Systems Research as well as institutional NDP collaboration in Bosnia-Herzegovina, Lao PDR and Zambia.

Correspondence: Dr Torkel Falkenberg, Department of Public Health Science, Unit of International Health Care Research (IHCAR), Karolinska Institute, Stockholm 171 76, Sweden.