I. Introduction of Topic:

In 2012, 25 million people in sub-Saharan Africa were said to be living with HIV. These individuals constitute over two-thirds of the world’s HIV positive population and are rapidly growing despite scientific advances. Though there are no cures to the virus, treatments have been developed to extend the lives of those infected. For it to be effective, combination therapy of 2 protease inhibitors every 8 hours, and 2 combination RTI pills every 12 is often required.

Many pharmaceutical companies argue that they could provide free AIDS medication for an extended period of time, but it would have little effect on the spread of the virus. They most commonly accredit this to the HIV-positive population’s inability to follow the proper medication regimen to ensure its success. This is entirely untrue, and is mostly use as a front for their true motivation in increasing costs in more HIV-positive areas: profit maximization. This is also the reason that pharmaceutical companies spend more time researching diseases of the first world; a market which is worth billions of dollars a year. In the meanwhile, those dying of malaria either don’t have access or are unable to afford the required remedies.

II. Background:

Because large American companies hold the patents on the required medication, they are the ones who determine the price at which it is sold internationally. In an attempt to maximize profit, it is common for malaria medication to be sold at double the cost in Africa than it is in Europe. Most people in African countries can’t afford the medication at these high prices and often resort to either unknowingly buying counterfeit or buying them on the black-market, in violation of US patents and international treaties. On the black market,
one is much more likely to find counterfeit\(^1\) or substandard drugs, two words which are often confused or conflated.

The production of counterfeit and substandard drugs is a growing and unreported issue, having a much larger impact on less economically developed countries. Counterfeit drugs can kill outright by having harmful substances in them, or by robbing consumers of the proper medication they require. Not only does it result in mortality and further spread of numerous viruses, but also in demoralization and a loss of public confidence in medicines and health systems. In areas where funding has been specifically put forth to spread awareness of these health issues, a lack of success after attempts to improve their condition could be detrimental to entire communities.

The issue of counterfeit drugs is most prevalent in China, India, Pakistan, the United States, and Sub-Saharan Africa though presents itself and is dealt with in numerous different ways. According to Outsourcing Pharma, India is by far the most responsible for the production of counterfeit drugs, originating 75% of those supplied worldwide. India has taken several measures, including the suggestion of imposing the death penalty on those who produce or sell counterfeit drugs to counter this, though the market continues to thrive. The affordability and appearance of authenticity draws a wide range of clientele.

The growth of the black market for counterfeit drugs also has a small effect on pharmaceutical companies. Though they are losing money to those buying the drugs, they ultimately would not be making a large enough sum from drug industries in LEDCS for it to matter. Their true profit relies on MEDCS.

III. Relevant International Agreements, Conventions, Organizations and Resolutions:

- **1951**: WHO Executive Board adopted resolution EB7. R79, “which requested the Director-General to consider the advantages of more uniform methods for the control of drugs in countries in the interests of health and international commerce”\(^2\)
- **1997**: The United Nations Office on Drugs and Crime (UNODC) is established as the Office for drug control and crime prevention (UNDCP), which was changed to the UNODC in 2002. Their mission is to assist the UN with issues relating to drugs and crime, and whose goals are achieved through research, guidance, and support to governments.
- **1999**: Guidelines for the development of measures to combat counterfeit drugs is published in part by the World Health Organization.

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\(^1\) The World Health Organization in "General Information on Counterfeit Medicines" defines counterfeit drugs as "deliberately and fraudulently mislabeled with respect to identity and/or source".

• **2008:** The World Health Organization (WHO) published in part; “Counterfeit drugs kill” along with the International Medical Products Anti-Counterfeiting Taskforce (IMPACT).

• **2014:** The WHO sent out an emergency alert on March 25th, warning of a falsified anti-malaria medication in Ghana, Cameroon, and Liberia. The three counterfeit drugs they were warning of were extremely similar to the original and were circulating in both the formal and informal supply chains.

IV. Main Issues:

**Substandard Drugs:**

Defined as “genuine drug products which do not meet quality specifications set for them” … “Not all substandard drugs represent intentional frauds, however, because manufacturers may believe that their products contain the active ingredients specified on the labels.” The largest issue with substandard drugs is that they may contain a small portion of the active ingredient required. This allows the body to build a resistance to the virus and may even render the true medication useless. In an attempt to counter this, Ghanaian born doctorate at Dartmouth, Ashifi Gogo, developed a system of scratch off labels placed inside medicine bottles. Clients scratch off the label to reveal a unique ID number, which they then text to an automated number who replies whether the drug is real. However, awareness of substandard drugs in LEDC’s is low, and so there is no mentality where the label system is required.

**Profit Maximization:**

Though not a result or direct cause of the production of counterfeit drugs, the attempt of large pharmaceutical companies to maximize profit causes an increase in price and in turn an inability of the poor to afford drugs, driving them towards substandard or counterfeit medication. An example of profit maximization would be malaria medication, being sold for half price in a malaria-free MEDC but then sold full price in a malaria dense LEDC. Brian Elliot, founder of Axios International says they’ve been advising drug companies to do two simple things to suppress the growing market of counterfeit medication. Firstly, they need to drop the prices of their medications and secondly they need to provide funding in underwriting “the cost of expanding health services, such as HIV testing or counseling programs, that will assure the drugs are used correctly”

Essentially, counterfeit medicines have a market because their demand is desperate; medicine is a question of survival. This idea has caused nations like India to outlaw the very patents that thus allow for the classification between “real” and “counterfeit”, creating a distinction between brand name and generic. Yet, this often drives away big business from the Less Economically Developed Countries where counterfeit medicines pose the biggest problems.

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**Trafficking:**

Distributors and traffickers of counterfeit drugs have discovered numerous ways of trading with producers in China or India. In some cases, it’s even possible to hide all evidence that the drugs originated in a country known for its production of counterfeit medication. False shipping records and documents can be obtained to ensure authenticity, which is often paired with corruption and bribery. Not only do companies need to lower prices, but governments must also actively protect the licit supply chain of pharmaceutical drugs.

**V. Additional Resources:**

United Nations Office on Drugs and Crime (UNODC) publication on Counterfeit Products. Counterfeit and substandard drugs are included from pages 173-190. 

World Health Organization: General Information on Counterfeit Medicine 
http://www.who.int/medicines/services/counterfeit/overview/en/index2.html

World Health Organization- Department of Essential Drugs and Other Medicines: Counterfeit Drugs, “Guidelines for the Development of measures to combat counterfeit drugs” 

Centers for Disease Control and Prevention- Counterfeit Drugs 
http://www.cdc.gov/features/CounterfeitDrugs/

World Health Organization website: Searched with keyword “Counterfeit Drugs”, retrieving articles on the production and control of counterfeit medication  
http://search.who.int/search?q=counterfeit+drugs&ie=utf8&site=who&client=en_r&proxystylesheet=en_r&output=xml_no_dtd&oe=utf8&getfields=doctype

It is advisable, before starting any research on specific issues on the agenda, to browse extensively the <WWW Virtual Library: International Affairs resources>, one of the best portal with scores of valuable links: http://www2.etown.edu/vl/ and of course the main UN portal: http://www.un.org/ as well as the invaluable UN cyber-school-bus website: http://www.un.org/cyberschoolbus/. The THIMUN website, http://www.thimun.org/ also has an extensive and efficient <Research> section worth browsing. For comprehensive academic documents on international crisis: http://www.crisisgroup.org/ has numerous reports in PDF format.

**Procedural Reminder**

Delegates are reminded that at PAMUN conference, they are not expected to arrive with full-fledged resolutions. One or two solid clauses with which to caucus and kick-off the debates is all that is required. These clauses should arise from the <Main Issues> section in the Research Reports, which aims at directing the attention of the delegates to the pending issues which are in need of finding a solution, which is what the debates in the committees seek to achieve. At PAMUN, Resolutions are expected to emerge from the clause by clause debates in the committees.