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24. Points out that all on-line lenders offering home loans should also be included in the register;
25. Points out that in the case of home loans which are offered over the Internet, all the information in accordance with the European Standardised Information Sheet must be included, and all the other provisions of the Code must be complied with;
26. Calls on the Commission, in the interests of enhanced democratic legitimacy, to report to the European Parliament regularly on the application and practical effects of the recommendation;
27. Asks the Commission to forward its evaluation of the Code's effectiveness to the European Parliament at the earliest opportunity;
28. Points out that, should the implementation of and compliance with the Code prove unsatisfactory, the Commission must present a legislative act;
29. Calls on the Commission not to delay or jeopardise the implementation of the Code by parallel legislative plans;
30. Hopes, however, that the example of a voluntary agreement between the market operators and consumers' associations will prove its worth, so that it can also be applied in other areas of financial services (if the subject-matter makes it appropriate), and can thereby contribute to the early completion of the internal market in financial services;
31. Instructs its President to forward this resolution to the Council, the Commission and the parliaments of the Member States.

13. Poverty reduction**A5-0263/2001**

European Parliament resolution on the Commission communication to the Council and the European Parliament on accelerated action targeted at major communicable diseases within the context of poverty reduction (COM(2000) 585 – C5-0014/2001 – 2001/2006(COS)) and on the Commission communication to the Council and the European Parliament on a Programme for Action: accelerated action on HIV/AIDS, malaria and tuberculosis in the context of poverty reduction (COM(2001) 96 – C5-0112/2001 – 2001/2006(COS))

The European Parliament,

- having regard to the Commission communication (COM(2000) 585 – C5-0014/2001),
- having regard to the Commission communication (COM(2001) 96 – C5-0112/2001),
- having regard to the Round Table on HIV/AIDS, malaria and tuberculosis (28 September 2000), convened by the Commission under the aegis of the French Presidency and co-sponsored by the World Health Organisation (WHO) and the Joint United Nations Programme on HIV/AIDS (UN/AIDS),
- having regard to the Council Resolution of 10 November 2000 on communicable diseases and poverty ⁽¹⁾,
- having regard to the Commission proposal for a Decision of the European Parliament and of the Council concerning the multiannual framework programme 2002-2006 of the European Community for research, technological development and demonstration activities aimed at contributing towards the creation of the European Research Area (COM(2001) 94 – 2001/0053(COD)) ⁽²⁾,

⁽¹⁾ 2304th Council (Development) – Press 421 No 12929/00.

⁽²⁾ OJ C 180 E 26.6.2001, p. 156.

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- having regard to its resolution of 1 March 2001 ⁽¹⁾ on the Commission communication to the Council and the European Parliament on the European Community's Development Policy (COM(2000) 212 — C5-0264/2000 — 2000/2141(COS)) which calls, in order to combat the scourge of HIV/AIDS and diseases induced by them, for the application of the principle of granting free licences to the countries concerned for the manufacture and marketing of appropriate medicines, in accordance with the principle of health emergency,
 - having regard to its resolution of 15 March 2001 on access to drugs for HIV/AIDS victims in the Third World ⁽²⁾,
 - having regard to the resolution of the ACP-EU Joint Parliamentary Assembly of 22 March 2001 on the importation and local production of generic drugs (ACP-EU 3173/01),
 - having regard to Rule 47(1) of its Rules of Procedure,
 - having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on Industry, External Trade, Research and Energy, the Committee on the Environment, Public Health and Consumer Policy and the Committee on Women's Rights and Equal Opportunities (A5-0263/2001),
- A. whereas HIV/AIDS, tuberculosis and malaria are the major three communicable diseases affecting poor people, especially women and children, in the developing countries, causing more than five million deaths annually; whereas these three diseases continue to spread, despite existing efforts,
- B. whereas the increasing threat to social and economic development of people in developing countries posed by HIV/AIDS, tuberculosis and malaria requires, in addition to existing efforts, a prompt, effective and comprehensive response at both national and international level,
- C. whereas international mobilisation and the introduction of a global scheme geared to facilitating access to treatment for these diseases in developing countries must therefore involve a considerable increase in the financial resources earmarked for combating communicable diseases and improving health systems in the countries of the South,
- D. whereas the inability to obtain treatment through lack of access to medicines and social exclusion, especially of women, disables the workforce and increases poverty, which may lead to instability in some developing countries,
- E. whereas the cutting the price of drugs is a key issue to be considered in creating a global and transparent scheme for access to treatment, particularly for AIDS; whereas recent developments have shown that prices can be radically reduced, confirming therefore that price is a barrier to access to essential and generic medicines which can be overcome; whereas access to effective drugs and treatment is further hindered by obstacles such as the capacity and budget of health systems, quality of medical follow-up, etc.,
- F. whereas the right to health of thousands of people hit by epidemics in developing countries prevails over the right to the commercial exploitation of patents connected to these scourges, particularly given that research spending can be recouped from the sale of drugs in developed countries; whereas the exploitation of patents on drugs in general has only been permitted for a few decades and limits should now be clearly set,
- G. whereas treatments are often not available due to a lack of appropriate research and consequent production of drugs on grounds of commercial profitability,
- H. whereas setting the price of potentially life-saving drugs cannot be left entirely to the judgement of pharmaceutical companies,
- I. welcoming the fact that, in the case of South Africa, an agreement was reached between the Republic of South Africa and the pharmaceutical industries,

⁽¹⁾ 'Texts Adopted', Item 12.

⁽²⁾ 'Texts Adopted', Item 13.

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- J. whereas the 35 million AIDS sufferers in developing countries are condemned to die if they do not have access to treatment,
- K. whereas although the fight against these three communicable diseases could be brought together in a single Community action programme, it is nevertheless necessary to clearly distinguish the specific problems posed by each of these diseases and, consequently, to differentiate between the measures to be taken in each case,
- L. whereas the recent resurgence of tuberculosis, which had been partly eradicated, is chiefly the result of poor sanitary conditions and poor living conditions in general, in addition to the comparative ineffectiveness of the BCG vaccination; whereas even if drugs are affordable, in the form of generic drugs, long-term treatment requires lengthy and intensive medical follow-up which health structures in developing countries are incapable of providing; whereas resistance to available drugs increases in such conditions, since they are not used correctly; whereas new impetus should therefore be given to research into new forms of tri- and quadri-therapies and new molecules for treatment and prevention,
- M. whereas malaria chiefly affects the less-favoured populations of the South, living in tropical and humid zones, and as a result the prevention and treatment of this disease have not been the subject of intensive research by pharmaceutical laboratories; whereas the zone susceptible to the disease is tending to spread northwards with more intensive migration and climate change; whereas affordable drugs are becoming more and more ineffective as organisms are becoming increasingly resistant, whilst the most recent drugs remain too expensive and, as a result, research geared to effective prevention (in particular, by testing new vaccines) and new forms of treatment needs to be stepped up and, at the same time, the cost of new anti-malaria drugs needs to be reduced,
- N. whereas AIDS currently represents the main problem, since there is no preventive treatment and drugs are too expensive for the majority of populations in the developing countries owing to their price; whereas the first priority is therefore to allow access to these drugs by reducing their cost, without forgetting however that prevention, medical follow-up and research are also vital,
- O. whereas prevention of HIV/AIDS concerns not only issues linked to the situation as regards health policy or general living conditions but, in particular, social, cultural and religious issues, cultural practices and specifically the relationship between the sexes,
- P. noting that women are particularly affected by communicable diseases in terms both of infection and of the subsequent economic burden and underlining the importance of involving women in health programmes because of their specific role in basic health care and health education; whereas women should be consulted to ensure that they are fully integrated in the planning and implementation of health programmes,
- Q. whereas medical screening, diagnosis, the administration of treatment and follow-up of diseases require an adequate health structure and, consequently, diseases can be treated only if health structures (medical centres, specific equipment, qualified staff, etc.) are appropriate,
- R. whereas the effective prevention and treatment of communicable diseases, such as HIV/AIDS, malaria and TB, must be regarded as indispensable for the world community — and thus considered a 'global public good'. Achieving and safeguarding this global public good cannot be left to market forces alone, but necessitates cooperation with the public sector as well as with civil society, on a national as well as global level,
1. Welcomes the Commission's innovative and comprehensive policy framework and the EU Programme for Action on accelerated action on HIV/AIDS, malaria and tuberculosis as they constitute coherent initiatives that extend beyond traditional strategies in addressing health and development in the context of poverty reduction in the developing countries; calls on the Commission to put in place a mechanism to ensure effective coordination across the Directorates-General participating in the Programme for Action;

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2. Considers that, in order to efficiently implement the Community Programme for Action, funds have to be increased (notably Community aid, including EDF funding) and used, as a priority, for reinforcing healthcare services and structures (including building and improving medical centres, providing equipment and training medical staff) in developing countries; stresses that this not only requires more investment in basic health services, but also the transfer of know-how and technologies in order to develop national capacity and increase the level of self-sufficiency in developing countries; calls on the Commission therefore to give priority to a continuous financial aid in this field, since well-functioning health care systems are essential components in the prevention and treatment of HIV/AIDS, tuberculosis and malaria;
3. Stresses that EU actions should be based around the principles of sustainability and ownership by developing countries, and that finding sustainable solutions will require substantial political commitment from both developing countries and developed countries;
4. Points out that effective and coherent action against communicable diseases must simultaneously combine:
 - prevention, through information and education campaigns, immunisation programmes and action to promote better living conditions, as good housing, employment, nutrition etc., provide the best possible prevention;
 - treatment, which implies access to drugs as well as the availability of health care structures and staff;
 - research into more effective vaccines and drugs which are better suited to populations in developing countries;
5. Calls on the European Union to adopt directives to untie development aid for tenders on healthcare related products and services and calls on the EU to play a leading role in providing sufficient funding and in establishing appropriate guidelines and support capacity building for more efficient untied procurement, local manufacturing and a tiered pricing mechanism with clear standards to ensure access to affordable pharmaceuticals at marginal costs for prevention and care for these communicable diseases; considers that this mechanism should be transparent and should not be limited in time or place so that all developing countries can benefit from it; considers also that rules on intellectual property concerning the production, use and transport of affordable generic drugs should take account of the need to arrive at equitable prices;
6. Notes that one third of the world's population is under the age of 20, and that half of all new HIV infections occur in the 15-24 age group; calls on the Commission therefore to give particular attention to preventing HIV infection in this age group by providing them with the information, education and services necessary to reduce their vulnerability to HIV infection, and promoting the use of condoms; considers that parents, primary and secondary school teachers, health workers, politicians, religious leaders etc. in the communities must be trained along these lines, and that these campaigns must take place in local schools and communities, taking account of local cultures;
7. Supports the Commission's intention to contribute significantly to improved budgeting, financial management, planning, quality assurance, procurement through tendering, distribution, and optimal use of pharmaceuticals in developing countries;
8. Points out that satisfactory responses to the issue of access to drugs and treatment can be found only as part of an increased effort on the part of industrialised countries in the field of development aid in general and support for health systems in developing countries in particular;
9. Calls for the European Union, to support measures for preventing as well as treating HIV/AIDS, malaria and tuberculosis, and in this regard, to devote 10% of its development aid spending to policies on combating the main communicable diseases, support for health systems and population programmes;
10. Calls for use to be made of the existing general preventative health programmes by increased efforts in the area of reproductive health; notes that cases of HIV infection are increasing sharply among women — in both rural and urban areas; notes the fact that often women do not get access to health services;

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11. Calls on the EU to ensure that the right of developing countries to produce and market within those countries generic medicines intended for the treatment of major epidemics is recognised at international level, without costs arising from intellectual property rights, by using the possibility offered by the TRIPS Agreement, particularly compulsory licenses, but also by periodically evaluating them and proposing any necessary amendments to that Agreement;
12. Calls on governments in the developing world to allocate an appropriate level of national resources to health;
13. Calls for developing countries intending to make infrastructure improvements not to cut expenditure on health and education budgets, and calls on donors assessing aid on macroeconomic conditions of developing countries to ensure that health and education budgets receive priority;
14. Calls on developing countries to abolish tariffs and taxes on import of essential drugs and equipment in order to make healthcare more affordable;
15. Supports the recommendation contained in the Commission's Plan for Action to support the WHO's efforts to revise the criteria establishing the list of essential drugs in order to include costly drugs such as anti-retrovirals;
16. Calls on the Commission to continue to develop close working relationships with the WHO, Unaid, Unicef and the World Bank so that developing countries are encouraged to import only country-specific essential medicines thereby ensuring best use of national health budgets;
17. Is convinced that better cooperation and partnership between NGOs, private and public sectors in healthcare delivery in developing countries can minimise the cost of procurement, distribution and delivery of medicines and treatment;
18. Stresses the need to improve links between NGOs, the private sector and the public sector in the field of health care in the developing countries; undertakes to contribute financially to this objective, inter alia by targeting Community aid towards reinforcing public healthcare services and granting funds to local, genuine and well-established health-related NGOs to support their activities;
19. Stresses that all measures in this area must take account of the cultural situation of each region and that priorities must be set in cooperation with local communities and NGOs, including patients' associations;
20. Emphasises the need for access to basic health care provision in order effectively to combat the major infectious diseases in the framework of reducing poverty; calls on the Commission, in implementing the Programme for Action on HIV/AIDS, malaria and tuberculosis, to take account of the targets set in the regional estimates for 2001, in which a doubling of the budget for basic healthcare is provided for; calls on the Commission also to increase its 2001 budget for support measures in the areas of health care, combating AIDS and population policy (HAP: HIV/AIDS Prevention) by at least 2% over and above 2000 by spending at least 10% of the appropriations on HAP measures;
21. Reaffirms that prevention policy must remain a central element in the fight against the spread of communicable diseases, given that prevention remains the most cost-effective way of combating the spread of the diseases; urges the Commission therefore to develop a prevention strategy especially targeted at the poorest and most vulnerable groups, particularly women, young girls and adolescents including information about preventing infection and educating the public in making the right choices for maintaining good health and welfare;
22. Stresses that promoting optimum living conditions is an integral part of the overall strategy to combat communicable diseases; considers therefore that all EU development policies and programmes

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aimed at eradicating poverty and improving quality of life in the developing countries should take account of health issues, including communicable diseases;

23. Notes that, whilst welcoming the Commission's recognition of the problem and its willingness to adopt short- and long-term measures, there is a need for greater efforts by the Member States, which are increasingly failing to fulfil the international commitment they have given to provide 0,7% of GNP for development, to take specific initiatives within the WHO to add to the essential drugs list and to implement a plan to reduce the cost of drugs; stresses, in this context, the responsibilities of the pharmaceuticals companies; considers that this initiative could include a working group within the WTO on access to medicines, working alongside with the WHO and other international bodies to develop a global strategy;

24. Recognises that day-care health centres to test, diagnose, treat and monitor progress of treatment of these diseases including support for the DOTS (Directly Observed Treatment Short Course) strategy for tuberculosis are essential in implementing the EU Programme for Action;

25. Supports the creation of regional and sub-regional quality control laboratory networks to ensure quality control of test reagents and pharmaceuticals (including generics) being used for treatment of these communicable diseases, according to WHO-approved standards;

26. Supports the transfer of significant additional means to the relevant development funds budget lines to enable in particular capacity building in African research institutions so that scientific networks can to carry out for themselves field testing of new drugs and vaccines in coordination with European efforts; suggests, in this respect, that the approach developed by the African Malaria Vaccine Testing Network could be followed;

27. Urges the Commission to address as a matter of urgency the increasing prevalence of mother-to-child transmission of HIV/AIDS, through the provision of appropriate pre and post natal care for both mothers and their children;

28. Calls on governments of the developing countries to facilitate prompt local registration of pharmaceutical products approved by the EU and other industrialised countries, so that they may be available to their public without undue delay;

29. Considers that although major pharmaceutical manufacturers of anti-retroviral and anti-malarial medicines have expressed the intention to reduce substantially their prices in the framework of special programmes of assistance to some governments of developing countries, prices continue to be beyond the reach of most people who are too poor to be able to afford them without public funding at the national and or global levels;

30. Calls on all major manufacturers of essential life-saving medicines to continue to collaborate with the EU and governments of the developing countries to offer, as a first step, further reductions (tiered pricing) in order to reach marginal costs, and as a second step, to implement a global tiered pricing system;

31. Recognises the need for appropriate global measures, including readily identifiable packaging to prevent re-importation to western countries of tiered priced products destined for the poor; calls on the Commission to also look at mechanisms at EU level to ensure against product diversion and to explore ways under the TRIPS Agreement of avoiding re-exportation of products destined for poor countries to developed-country markets;

32. Recognises that in the short term a tiered pricing system is a response to the problem of access to medicines for developing country populations, but stresses that in the long term it is only part of the solution to the problem of communicable diseases in the developing countries;

33. Calls for greater research and development efforts to find more sustainable ways of combating tropical diseases and to overcome the stagnation in developing new vaccines against tuberculosis; considers that the process of putting newly developed drugs to combat communicable diseases into production and bringing them into use in developing countries must be speeded up;

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34. Calls on pharmaceutical manufacturers not to remove live-saving, but unprofitable, drugs from the market, as they are necessary for treating diseases in developing countries; stresses that drugs which have been removed from the market for economic reasons should be allowed to be produced by local manufacturers in developing countries through voluntary licences;

35. Calls on the EU, the USA, Japan and other industrialised countries to develop a range of initiatives, including appropriate legislation that would offer financial incentives, for increasing private-sector investment in research and development of vaccines and cheaper medicines for treating communicable diseases that mainly affect developing countries; considers that these incentives should be structured in such a way as to ensure that products thus developed are accessible for use in developing countries; considers that a start could be made on adopting such measures in the course of the next revision, in 2001, of EU medicine-licensing legislation;

36. Calls on the European Union and the industrialised countries to encourage the transfer of technologies and knowledge in order to establish or strengthen capacities for the local or regional production of essential medicines in developing countries and stresses the need to promote voluntary licensing, in particular as regards intermediate countries;

37. Calls on the Commission and the Council to set up a joint undertaking (research agency) under Article 171 of the EC Treaty in close association with developing countries so as to organise and monitor faster release of new vaccines and treatments and clinical testing in the population most in need;

38. Stresses that a global strategy for confronting communicable diseases can succeed only if appropriate and affordable vaccines and medicines are developed for prevention and treatment; considers that such a programme requires commitment to finance the purchase and distribution of these products on a global basis (as for polio vaccine); recommends that a global fund be established to target the three major communicable diseases (FFID – Fund for Infectious Diseases); considers that such an ‘outcome-driven’ fund, under the aegis of the WHO and Unaid, supported by the EU, G8, the World Bank, the IMF and open to public and private contributions (public private partnership with NGOs included), can complement ongoing support to strengthen national health infrastructures and promote access to medicines and treatment; considers that allocation to a global fund should be additional to existing aid efforts and be framed in the context of health as a global public health good;

39. Acknowledges that there are safeguards within the TRIPS Agreement to address the imbalance between the protection of patents – essential for continued research and development of new products including vaccines – and the right of everyone to access affordable treatment; acknowledges that compulsory licensing is already provided for under TRIPS in cases of health emergency and calls on the Commission and the TRIPS Council to clarify where Article 31 of TRIPS may be used and to provide a transparent assessment of the impact the agreement has on access to essential medicines; notes also that most developing countries are experiencing huge difficulties in interpreting and making use of the safeguards;

40. Recognises the role of patents in the development of essential drugs, and supports the Commission in its view that there does not necessarily have to be a contradiction between the protection of intellectual property rights and accessible health care in developing countries; emphasises, however, that unfortunately this may be the case in practice;

41. Insists on the instrument of compulsory licensing but requests the Commission to prepare and then submit to the European Parliament and the Council, a well-argued proposal for a mandate to be granted to the Commission which intends to examine and propose ways and means seeking to review the relevant articles of the TRIPS Agreement in order to:

- (a) reduce the patent protection granted for 20 years and laid down in the TRIPS Agreement in a number of patented medicines only in the field of communicable diseases;
- (b) specify the conditions under which the practice of ‘ever-greening’ – i.e. process of introducing ‘minor changes’ to a patented drug upon expiry – would be eligible;

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42. Welcomes the positions recently adopted by all players in this field on a pro-public health interpretation of the TRIPS Agreement and emphasises the need to encourage a more equitable sharing of the benefits of technological development in terms of health between people in developed countries and people in developing countries and to support the Commissioner responsible for such issues in efforts to launch a debate in the WTO on reconciling TRIPS with objectives regarding health protection in developing countries;
43. Calls for the establishment of a technical and legal assistance mechanism within the WTO in order to promote implementation of the TRIPS Agreement which takes account of the specific public health interests of the developing countries, and to prevent the adoption of restrictive legislation in this field;
44. Considers that the setting-up of a WTO working group on access to medicines, with WHO and Unaid participation, must make it possible to respond to this concern;
45. Reiterates that the TRIPS Agreement allows local manufacture of generic equivalents of patented medicines in cases of national emergencies or other circumstances of extreme urgency or in cases of public non-commercial use without authorisation of the right holder through compulsory licensing; reiterates also that developing countries should be encouraged to seek EC technical assistance to collaborate with appropriate manufacturers to realise cheaper and wider access to medication and treatment for those in need;
46. Recognises that the basic laws of demand and supply if applied to countries characterised by limited purchasing power will not be favourable to attracting the R&D effort of pharmaceutical companies to develop drugs against communicable diseases; proposes therefore that the Sixth Framework Programme devote considerable funding to research into diseases of the poor, and that cooperative projects with research or public institutes or private-public partnerships intended to benefit poverty-stricken countries, should be given priority;
47. Requests the Commission to take the initiative for a proposal for neglected diseases (such as trypanosomiasis, filariasis, bilharzia and ebola); considers that this proposal should provide incentive for the development of drugs and vaccines destined to combat poverty-related diseases for which there is a limited market;
48. Emphasises in particular the need to guarantee over the long term increased and reliable financing for R&D relating to 'forgotten diseases' through a public commitment in the form of an international treaty;
49. Regrets that countries that have made use of the safeguard clause in the TRIPS Agreement have come under pressure to withdraw their legislation in this area; considers, on the contrary, that the Commission and the Member States should defend in the appropriate fora the right of developing countries to use all the safeguard clauses provided by TRIPS (compulsory licensing, parallel importation, generic production of essential pharmaceutical products, 'Bolar' provisions) in the circumstances specified in the agreement and, if necessary, to request adaptation of the TRIPS rules in the WHO;
50. Stresses that an appropriate increase in human resources, with expertise in social and human development, pharmaceutical policies and procurement, health, education and gender, be made available to the Commission, including the EC Delegations abroad, for the Programme for Action to be properly implemented and monitored;
51. Calls on the EU to support the development of substantial, sustained and efficient global financing mechanisms to enhance and extend existing funding to improve health in developing countries; considers that the EU should develop appropriate instruments to allow substantial contributions to emerging global health financing mechanisms and that allocations to a global fund should be additional to existing aid efforts and be framed in the context of health as a global public good;
52. Instructs its President to forward this resolution to the Council, the Commission, the WTO, WHO, Unaid, the ACP-EU Joint Parliamentary Assembly, the African Union, the European Federation of Pharmaceutical Industries and Associations and relevant NGOs (OXFAM, Médecins sans frontières).
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