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ESTIMATING THE ECONOMIC AND SOCIETAL COSTS OF DRUGS AND OTHER SUBSTANCES ON COUNTRIES IN THE HEMISPHERE

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Following Up on the 2001 Quebec City Resolution

BACKGROUND

At the Quebec City Summit Meeting in May 2001, a Resolution was passed to develop, “within the framework of CICAD, a long-term strategy . . . to establish a basic and homogenous mechanism to estimate the social, human and economic costs of the drug problems in the Americas, and to support countries through the necessary technical assistance.” This paper provides some further terms of reference for that resolution and discusses next steps and time frames to assure that the resolution’s intent is met.

Since that meeting, progress has been made on putting this resolution into practice. Work on the Multilateral Evaluation Mechanism (MEM) continues to advance; exploration has begun on identifying progress and resources in the various member countries on the different aspects of cost estimation methodology; and many countries, using standard systems like Inter-American Uniform Drug Use Data System (SIDUC), are making estimates on the extent of use and abuse of drugs and other substances. Further, while cooperation continues with the work of the Canadian Center on Substance Abuse and its cost estimation guidelines, it has become increasingly evident that the process in this Hemisphere must develop at its own rate and be based on the practical needs and capacities of the member countries.

PROJECT GOAL

The goal of the project is specific and self-contained: by making use of each country’s own internal resources, as well as through needed technical assistance, develop country capacities at a realistic pace in order to initiate their own projects leading to comparable cost estimation approaches that best reflect their needs. The scope of the project and the speed with which progress will be made will vary from country to country.

The overall goal will be accomplished by:

- a. Helping countries to gain internal capacity and experience in the areas of surveys, epidemiologic studies and cost estimation methodologies – identifying internal strengths and gaps, and determining country-specific priorities.
- b. Enabling those same countries to draw upon outside knowledge and experience from other countries that have already developed such knowledge and expertise to help develop that capacity.

- c. Building a cooperative environment across the countries of the Hemisphere in order to maintain that capacity

OVERRIDING PRINCIPLES

Certain fundamental principles will guide this process:

- a. To develop comparable methodologies for achieving policy relevant results. To define common data elements and definitions, as well as similar cost estimation techniques.
- b. However, within the overall comparability of the approaches, to encourage countries the flexibility needed to estimate the rates of drug use within each country, and to adapt the mechanisms required to translate that survey work into the types of epidemiologic and cost calculations, including the costs related both to supply reduction (criminal justice, alternative uses of land and other resources) and demand reduction (including health care costs, cost to employers and to productivity), required to do economic and social cost estimates. As the Secretary General stated with respect to the MEM, while the process must be applied equally to all countries, the collection instruments and the information collected must be adjusted to “the circumstances and peculiarities of each country.”
- c. In each country, to focus initially on the development of cost estimates that are easiest to obtain or most relevant to that nation’s needs, e.g. relevant populations like children or the workforce, or sectors such as health care or law enforcement.
- d. To phase-in the process in a way that encourages countries to work at different rates while still producing short-term, tangible and useful results to that country.
- e. To identify areas in each country where initial progress can be made most easily. This whole project must be viewed as a process, not as a one-time exercise. Countries will need the time to learn what they can do first, what is the most valuable initial information to gather, and how this process will evolve. While countries will eventually reach similar goals, the manner and timing by which they achieve this will vary with the country’s capacity and needs.
- f. Provide for multiple means of communication, i.e., publications (newsletters, journals), conference calls, workshops and annual symposia.

INITIAL STEPS

The process will require a number of tasks to be undertaken concurrently. These tasks will involve work being done internally by the member nations, as well as the assistance being offered by CICAD. Most countries have already conducted surveys or other non-statistical assessments of the rates of drug, alcohol and tobacco use, and the project will capitalize on the findings of that work and the expertise that has been built

up. The manner by which such information is collected can vary widely without necessarily interfering with the process. One initial step that will help assess where countries are and what is needed is to do a systematic inventory of what information is available among the CICAD countries, and identify the sources of data. This is not a test of these nations' capacity, but simply a way of finding out what is already being accomplished, where gaps exist, and what types of technical assistance will need to be provided. A parallel activity will be an assessment of the human resources available in the hemisphere that can provide the types of expertise and technical assistance that countries will be requiring. Thus, based upon these inventories of in-country capacity and needs, as well as hemisphere-wide technical expertise, a more precise plan of action will be developed.

In conjunction with these activities, an advisory board will be formed which will serve both to help countries identify their needs and seek appropriate assistance and to monitor the progress of the project in the individual countries. This advisory group will include individuals with technical experience in the relevant fields (e.g., economics, epidemiology, sociology), as well as other individuals who have more policy related experience which is vital to helping countries identify realistic and tangible approaches to their needs. This group is not viewed as an entity that simply meets once every year or two but, rather, as an on-going resource to the member nations.

Finally, as part of the initial steps of the project, three to four countries will be picked for pilot sites. The pilots will permit the development of specific steps at specific sites where work may progress more rapidly, validating the results of analysis and permitting them to be applied confidently in other locations throughout the hemisphere.

PROPOSED IMPLEMENTATION PLAN

If there is agreement, the process will start immediately following this CICAD meeting. By the summer, the inventory will be completed. The advisory group will have been selected and will have met during this period. Pilot sites will also be chosen and will begin active implementation in the Fall of 2002 with an expected completion of their projects by the Summer of 2004. The pilots will be guided by the countries themselves under the auspices of a designated government agency working in conjunction with other, relevant governmental groups and academic institutions. Progress of the pilots will be monitored by CICAD with the help of the Advisory Group. As noted earlier, the process will be kept flexible with the expectation that the projects may evolve through many changes before they are successfully completed. Pilot sites will also keep in continual contact through teleconferencing, workshops, publications, annual conferences and in-country visits.

None of the activities involving the pilot sites will impede continual work with other countries. While progress may be initially slower in other countries, with the use of what is learned in testing it is expected that all will also be more successful in implementing cost study methodologies. It is the responsibility of CICAD to maintain a high level of continued activity in all of these countries.

RESULTS

While this whole process may initially appear as complex and overwhelming, quite the contrary is true. The purpose is to start to see results quickly, even if initial successes are modest. This is an exciting, iterative process by which countries can continue to learn and expand their capacity while quickly seeing the benefits of their labor. The knowledge to be gained is not only to develop cost estimating techniques that can quantify the supply and demand side costs of drugs, but to start to gain knowledge about the extent of the problems in each country and the toll that those problems take on each country's budgets, its economic development, and the institutions and systems (like education, culture, criminal justice) that are at the heart of the country. This is not data solely for the purpose of generating information. It is data with multiple uses for different users. The goal will not be to fulfill an academic exercise and to learn new jargon. Certainly, what will be done will include academic rigor, but the results must be relevant and understandable to a broad range of people in and out of government who can use and build upon this information. If this is achieved, the process will become self-perpetuating with expanded and even more useful results.