



Which path for R&D?

MONOPOLY MODEL: LINKAGE

Conditions:

- Profits set priorities
- High public funding
- Collaboration and data sharing discouraged



HIGH-COST R&D

Result:

- Monopoly market: anti-competitive
- No accountability on price setting



HIGH PRICES

NEEDS-DRIVEN MODEL: DELINKAGE

Conditions:

- Health needs set priorities
- Collaboration and data sharing encouraged



PRO-HEALTH R&D

Result:

- Free-market: competition
- Accountability on price setting: focus on quality, fair prices



FAIR PRICES

The Process

2008 2006 2003

Resolution WHA56.27

towards a global strategy and Resolution WHA59.24 essential health research and intellectual property rights: Public Health, innovation, plan of action

> nnovation and public health ntellectual property rights,

Intergovernmental Working Group

Resolution WHA61.21

Global strategy and plan of

innovation and intellectual

property

action on public health,

Establishment of a consultative expert working group on resed and development: financing a coordination

Resolution WHA63.28

2010

Consultative Expert Working Gro on Research and Development: **Financing and Coordination**

> Research and Development: Financing and Coordination

Expert Working Group on

roperty Rights, Innovation and ommission on Intellectual ublic Health

Developmen Research

Coordination and Financing

Expert Working Group Report of the

Report of the Consultative Expert Working Group on Research and Development; Financing and Coordination



intellectual property rights Public health innovation and

Health Needs in Developing Countries:

Strengthening Global Financing

and Coordination

Research and Development to Meet



What was CEWG really about?

 How to finance research and development to meet the needs of people in developing countries

Research and Development to Meet Health Needs in Developing Countries: Strengthening Global Financing and Coordination

Report of the Consultative Expert Working Group on Research and Development: Financing and Coordination

 Global agreement: set priorities, coordinate, ensure financing, norms for access (delinkage).





Specifically...

... we considered that the time had now come for considering a coherent & comprehensive international framework or convention under the auspices of WHO for supporting priority medical R&D aimed at diseases that are prevalent in developing countries...

Research and Development to Meet Health Needs in Developing Countries: Strengthening Global Financing and Coordination

Report of the Consultative Expert Working Group on Research and Development: Financing and Coordination





What happened in 2012

- Lack of political will to take forward the main recommendation
- Discussions had limited focus seen as HICs had to finance developing countries needs.
- Over-focusing on the need for increased funding
- => maximal to minimal level of ambition:
 - observatory & pilot projects (underfunded but by key BRICS countries)



Norms for R&D: WHA66.22

- ...Recalling the GSPA, with one objective being the de-linkage of the cost of research and development from the price of health products...
- ...Underscoring the health R&D should be needs-driven and evidence-based and guided by the following core principles:
 - <u>affordability, effectiveness, efficiency, equity and should be considered a shared responsibility.</u>



What has happened since the last discussions

- Ebola outbreak: no vaccines, no drugs, cumbersome diagnostics
- Rising levels AMR: no new drugs for decades, challenges with diagnostics, some vaccines, but very expensive.
- High prices blocking access to medicines in Europe and US

=> all global issues, high on political agenda, discussions in the EU, G7 and G20, O'Neill Review, Chatham House AMR report

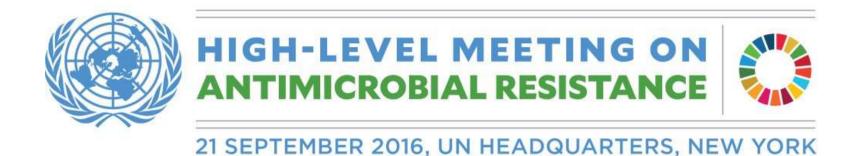




2016: UNHLP



- Transparency
- Innovative financing mechanisms
- A binding R&D Convention that delinks the costs of R&D from end prices to promote access to good health for all
- Code of Principles for Biomedical R&D.



'Greatest and most urgent global risk, requiring increased attention and coherence at the international, national and regional levels'

'...Underline also that all research and development efforts should be needs-driven, evidence-based and guided by the principles of affordability, effectiveness and efficiency and equity, and should be considered as a shared responsibility: in this regard, we acknowledge the importance of delinking the cost of investment in research and development on antimicrobial resistance from the price and volume of sales...'



Where Next?

From Political Statements to Concrete Change

- Ensure norms for financing R&D:
 - Based on de-linkage, affordability, effectiveness, efficiency, equity and a shared responsibility.
 - Combining 'push' & 'pull' funding in innovative ways
 - Pooling of knowledge, data and IP
 - Licensing for access
- Need for a global Agreement
- Observatory: Important that this goes beyond the functions of a policy think tank- added value is the involvement of MSs
- <u>Pooled Fund:</u> Sufficiency and sustainability, collective responsibility Ambition



Set innovation free - Time to fix the patent system



Thank you!



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AUGUST 8TH-14TH 2015

Worldwide

Extra Slides

Objectives of a global binding instrument

- Implementing States' obligations and commitments.
- Promoting R&D for developing new health technologies.
- Securing sustainable funding.
- Improving the coordination of public and private R&D.
- Enhancing the innovative capacity in developing countries and technology transfer to these countries.
- Generating R&D outcomes as public goods, freely available for further research and production.
- Improving priority setting based on the public health needs of developing countries.
- Focus on development of health technologies for Type II and Type III diseases as well as the specific needs of developing countries related to Type I diseases.

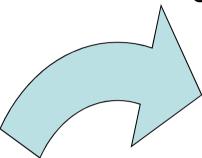


Funding model is a barrier to innovation for NTDs

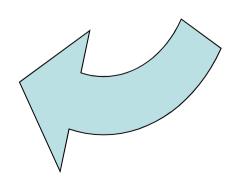
→ it is necessary to "delink" or "separate" the market for R&D from the market for product manufacturing

Delinkage provides a path way to focus R&D towards health needs

R&D priorities driven by health needs not marketing opportunities



Cost R&D Price Product







markets