

Subject: Recommendations for the High Level Taskforce on Innovative International Financing for Health Systems

Dear Dr. Fryatt, Ms. Klingen and Dr. Ward,

We greatly appreciate the opportunity to participate in the civil society consultations to the High-Level Taskforce on Innovative International Financing for Health Systems. The initiatives being considered by the Taskforce are crucial to ensuring adequate funding to meet the health MDGs. We commend the work of the Taskforce and look forward to an outcome that ensures long term sustainability for health systems.

As the Working Groups prepare for the meeting of the Taskforce on Friday, March 13, we would like offer the following recommendations for consideration.

Working Group 1

The Working Group 1 Interim Report correctly identifies the need for access to quality-assured, low-cost health products as a “critical element of health services” (Executive Summary, Constraints, 18). Recent public, private and philanthropic investments in product development for new drugs, diagnostics, vaccines and microbicides, have enabled greater activity in the development of products that will contribute to meeting the MDGs. There are currently numerous products in the global health pipeline that, if successful, are expected to reach the market before 2015 or shortly thereafter. Continued investments are needed to deliver products that are available today as well as to develop and introduce new tools in the future.

To ensure that new products can be taken up without delay once available, we recommend that the Working Group consider and prepare for the costs that will be necessary for the successful introduction and widespread roll-out of new diagnostics, drugs, microbicides and vaccines in long-term planning for sustainable financing for health delivery.

Working Group 2

An innovative and cost-effective approach that is working effectively for the development and delivery of new health technologies are public private partnerships and product development partnerships. Currently, PDPs and PPPs account for 23% of all spending on research and development for neglected diseases (1) and have been proven to yield better health outcomes for the poor than either the public or private sectors working alone (2). Yet these partnerships still face significant funding shortfalls, just as many are reaching clinical testing—the final and most expensive step in the product development process. Ensuring that investments made to date yield new diagnostics, drugs, vaccines and microbicides that are appropriate for low-resource settings will require a redoubling of support for product development.

To leverage investments made to date and give product development the best chance for success, we recommend that Working Group 2:

- Take into account established structures such as not-for-profit research consortia, public-private collaborations and product development partnerships that are working successfully to accelerate R&D for neglected diseases. New

mechanisms should reinforce and build upon the capacity of these existing cost-effective initiatives to develop and deliver new products.

- Emphasize innovative financing mechanisms that have the greatest potential to generate significant and sustainable new funding for R&D. Given the considerable funding gaps across all diseases of the developing world, mechanisms that increase both the scale and the predictability of funds would be an added value to the current financing scheme. Care must be taken in the construction of these mechanisms to prevent the diversion or redistribution of already-inadequate resources from one disease or product area to another.
- Promote instruments that encourage innovation in technology, create real incentives to invest and engage in R&D, and that rely on cost-effective approaches for product development. The Taskforce should consider the application of each proposed instrument by disease and by product to determine their potential value as tools to accelerate R&D for new products that will promote health in developing countries.

Sincerely,

Aeras Global TB Vaccine Foundation
Drugs for Neglected Diseases initiative (DNDi)
Global Alliance for TB Drug Development (TB Alliance)
International AIDS Vaccine Initiative (IAVI)

References:

1. Moran, M., et. al. "Neglected Disease Research and Development: How Much Are We Really Spending?" *PLOS Medicine*. February 2009 (6)2: 1 -10.
2. Moran, M. et. al. "The New Landscape of Neglected Disease Drug Development." London School of Economics and Political Science and Wellcome Trust. September 2005.

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