Oral statement by Health Action International on CEWG recommendations

Technical briefings: Consultative Expert Working Group: Research and Development

Monday 10 September 2012

Distinguished delegates,

My name is Tessel Mellema, and I am speaking on behalf of Stichting Health Action International (HAI) and the Transatlantic Consumer Dialogue (TACD).

We are pleased that European Member States will today discuss the report of the Consultative Expert Working Group (CEWG) on R&D coordination and financing. We hope that it will give Member States the opportunity to examine how the recommendations of the CEWG fit with the European Union's internal policy plans and commitments. Indeed, the recommendations singled out by the experts of the CEWG are strikingly similar to the principles set out by the EU and Member States in their 2010 Council Conclusions and Communication on Global Health, in which they agreed 'to promote effective and fair financing of research that benefits the health of all people' and 'to ensure that innovations and interventions produce products that are accessible and affordable'. To achieve this, the Council calls on the EU to 'work towards a global framework for R&D that addresses the priority health needs of developing countries'. It also urges the EU to ''explore models that dissociate the cost of R&D and the price of medicines' and to 'ensure that EU public investments in health research secure access to the knowledge and tools generated as a global public good' (European Council, 2010, art.18 a, c, d).

At the same time, the EU highlights the importance of considering alternative innovation models in its 2020 Innovation Union Communication. Here, it underlines the need to introduce a more 'open approach to innovation' and 'increasing open access to the results of EU financed research'. The EU further points to inducement prizes as a way forward (European Commission, 2010).

It is no coincidence that the experts of the different EU Directorates and Member States involved in this crucial process have come to similar conclusions as the CEWG on the objectives and principles that should guide any proposal to meet the challenges of global health R&D. This reflects the consensus that any such solution should include sustainable and predictable financing, improved coordination and prioritization of global health R&D and the promotion of innovation models which ensure that public investments are used in the most efficient way and that deliver medical products that are affordable and accessible. The CEWG suggests a convention for global health R&D as an effective umbrella to address these different objectives, just as the Council suggests a global R&D framework as the way forward.

Establishing an R&D observatory, or other monitoring mechanism, is a first and important step, but clearly only one element of what is needed. Merely monitoring the current situation is not sufficient and we would waste a golden opportunity if this were the only outcome.

The past ten years of work at the WHO to propose solutions to effectively address the gaps in global health R&D, have demonstrated that a more comprehensive multilateral solution is needed to structurally address the current unacceptable situation where billions of people are lacking the medicines they need.

We therefore urge Member States to also seriously consider financing mechanisms based on principles of fair burden sharing, and not immediately reject any binding element of such commitments. There are a number of ways that minimum financial commitments may be made binding, or at least more sustainable and predictable than the current *ad hoc* patchwork of initiatives. It is also important to consider that the CEWG proposal only suggests that between 20 to 50% of contributions be centrally pooled. This means that even under the CEWG proposal Member States would be free to spend up to 80% in-country, as long as the conditions of the R&D agreement or framework were honoured.

Given that public financial resources for global health R&D are scarce, it further key that a multilateral solution includes R&D norms that ensure affordability and knowledge sharing from the beginning of the innovation process. De-linkage, or dissociation, is key in this respect: by separating the costs of R&D from the price of the end product, the affordability and availability of the product is secured from the start of the innovation process. Positive examples, that show how this can be done do exist, such as various successful Product Development Partnerships (PDPs), where often both public and private funding is involved.

At this stage, we urge Member States to agree on the objectives that a comprehensive solution would need to address in the form of a possible convention on global health R&D. To a large degree, these elements still need to be developed. Expert discussion is crucial in this respect. Different technical working groups might be established to specifically focus on the different elements of a possible convention. The technical working groups, as part of an intergovernmental negotiating body might also act as advisory groups on the different elements within the framework convention.

On behalf of the European members of Stichting Health Action International, we ask our governments, to investigate the full range of the CEWG recommendations, and not to stop short of thorough examination of all the options, picking only the low hanging fruit. Indeed, EU Member States will stand to gain from a more equal burden sharing of the costs of global health R&D, the exploration and implementation of alternative models of biomedical innovation and improved monitoring, coordination and sharing of health research. We therefore invite you to explore how an R&D convention can be shaped that benefits not only people living in developing countries, but that also serves the interests of the EU.

Thank you chairman