

Public-Private Partnerships

Addressing the healthcare needs of developing countries

The challenge

Millions of poor people in developing countries cannot obtain the medicines they need. This is one part of a broader problem of access to healthcare, which remains a significant challenge in many parts of the world. The primary responsibility for addressing this problem rests with governments, but all stakeholders, including the pharmaceutical industry, have important contributions to make.

There are no easy solutions to the challenge of providing access to sustainable healthcare in developing countries. Poverty is of course the single biggest barrier, but lack of resources alone cannot be an excuse for an overall lack of action. AIDS and other diseases are robbing communities and nations of their greatest asset – their people. That is why providing effective healthcare solutions to help drive broader progress in development is so critical.

Did you know?

- Malaria kills over one million people a year
- The Medicines for Malaria Venture (MMV) manages the largest portfolio of malaria medicines research, some 20 projects
- Pharmaceutical and biotechnology researchers are testing 82 medicines for HIV/AIDS, adding to the 86 already approved since the AIDS virus was first identified 20 years ago

‘ One solution is the Public-Private Partnership (PPP) model, in which the private and the public sector work together ’

Research & Development through Public Private Partnerships

The research and development (R&D) of new drugs and vaccines is an essential element in improving health in the developing world. There are still no effective treatments for some widespread and life-threatening diseases. Many existing treatments for diseases such as malaria are becoming less effective due to drug resistance. The pharmaceutical industry must continue to invest in innovation to seek better solutions for tackling these killers.

However, there is a dilemma. While the R&D industry shares with governments and NGOs a fundamental desire to develop new vaccines and medicines for the diseases that blight the developing world, there are too few market incentives to encourage investment in the extensive skills and resources needed to fully meet this challenge.

New approaches are therefore required to encourage R&D. One solution is the public-private partnership (PPP) model, in which the private and the public sector work together.

How it works

Companies provide the R&D, technology, manufacturing and distribution expertise with funding and logistical contributions from public sector partners, such as governments, or philanthropic organizations like the Bill & Melinda Gates Foundation. Academic institutions are also involved in providing research capabilities and disease area knowledge.

This is a viable model, which leverages the respective strengths of each partner, enabling both industry and government to do what it could not do alone. Success here requires flexibility, transparency and trust. This cooperative tool is a crucial link in the process of bringing new discoveries to patients, particularly for those few diseases that affect neglected populations, where there are fewer private dollars to spur medicine development.

Most importantly, it is a model that is working. A number of these PPPs have been established and have transformed the pipeline of R&D projects for diseases of the developing world.

The example of malaria

Malaria kills over one million people a year, mostly children in developing countries. Beyond the human toll, malaria costs Africa at least \$12 billion a year in lost growth and accounts for around 40 per cent of public health spending. Until recently there was little research devoted to malaria and other developing world diseases.

In the last five years, PPPs have transformed the research landscape into malaria and other developing world diseases. The Medicines for Malaria Venture (MMV) now manages the largest portfolio of malaria medicines research in history, with some 20 projects at different stages of development.

Delivering the promising potential of Private-Public Partnerships

Increased funding for existing products and partnerships has undoubtedly already helped progress research in many

“ In the Symphony of Innovation the musicians are independent researchers, in academia, in government, in biotechnology firms, and in pharmaceutical firms. The Orchestra will not play well if any of the component instrument groups is not strong ”

– Herbert Padres, Dean of Faculty of Medicine, Columbia University

disease areas by helping to share the financial risk involved. However, the vast majority of this funding has come from private foundations such as the Bill and Melinda Gates Foundation. We believe that further encouragement of this approach, in a systematic, long-term framework guaranteed by donor and government protocols, is essential to ensure its sustainability. Developed world governments should consider increased funding of product development PPPs, such as the advanced market commitment strategy adopted by major donor governments to secure the development of new vaccines.

To help fight the world's most devastating disease, PPP pharmaceutical and biotechnology researchers are testing 82 medicines for HIV/AIDS and related conditions and intensifying their work toward the development of vaccines. The medicines now in the pipeline will add to the 86 already approved since the AIDS virus was first identified more than 20 years ago.

The synergy of innovation

Innovation requires a multidisciplinary approach and many players. Synergy is needed to translate the concepts and hypotheses generated by basic research into marketed medicines that save lives and prevent disease. The pharmaceutical industry, the biotechnology sector, academic world, government institutions and non-profit organizations are mutually dependent.

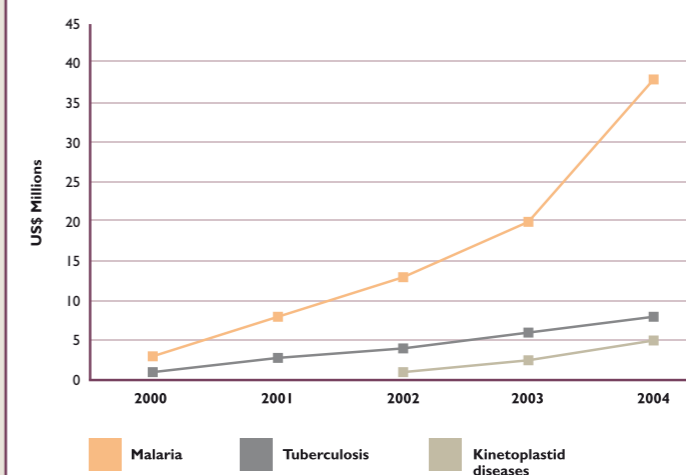
Working in partnership

Improving healthcare in the developing world remains a complex issue. It presents a unique challenge to the global community. Much progress has been achieved, however, the goals of World Health Organisation remain unachieved, demonstrating the extent and complexity of the challenge.

Welcome new resources are coming through from the Global Fund to Fight AIDS, TB and Malaria; the World Bank; the Gates Foundation; the UK and US Governments and others. Nevertheless, funding remains a challenge.

Resources are needed to provide the infrastructure – hospitals, clinics, distribution networks – which will ensure that healthcare and medicines reach patients. Resources are also needed to discourage the export of a precious commodity – trained healthcare workers.

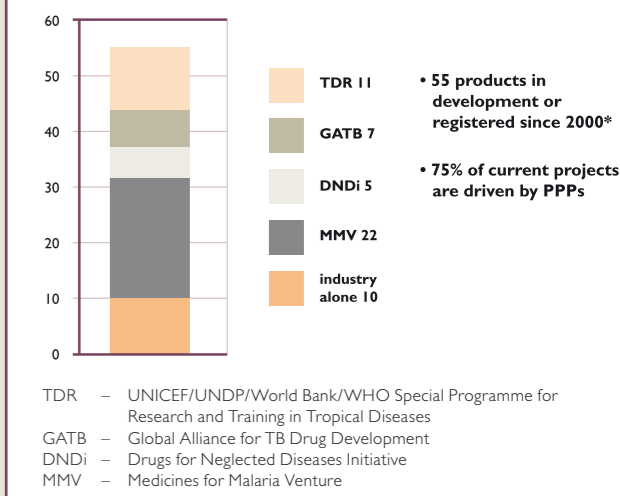
Total PPP Budgets by disease from 2000 to 2004*



* Calculated from internal PPP budgets, adding pro-rated indirect costs (e.g. indirect scientific costs, infrastructure and overheads)

Source: Moran & Guzman (2005)

Products in development for neglected diseases since 2000



*Source: Moran & Guzman (2005)

With many treatments already off-patent, generic companies have an important role in addressing the AIDS crisis. However, we do not yet have a cure for AIDS, nor do we have a vaccine for AIDS. Existing medicines will continue to become less and less effective as resistance to them grows. We need R&D based companies to discover the next generation of anti-retrovirals. Intellectual property protection is of critical importance in this regard. If there is no intellectual property protection, there will be no R&D. And if there is no R&D, there will be no new medicines and vaccines.

Patents have been blamed for the lack of access to medicines. However, of the 325 medicines on the WHO's Essential Medicines List, over 95 per cent are off-patent and yet the WHO say that a third of the world's population have no reliable access to them. Better infrastructure and sustainable delivery systems are key to the solution.

One shared aspiration: a healthier society

Based on the principles of mutual trust and respect, compliance with local needs, shared objectives and responsibilities, PPPs enable partners with different interests, and often divergent philosophies and missions, to work together to achieve their one common goal of building healthier societies. These partnerships have already been successful in:

- accelerating scientific progress and encouraging testing to drive AIDS vaccine development;
- developing 30 AIDS vaccine candidates that are now in human clinical trials in 31 development sites worldwide

Public-private partnerships are transforming the landscape of R&D into diseases that affect developing countries. Importantly, there is a commitment that any medicines resulting from these research efforts will be accessible to those most in need. The success of such ventures clearly demonstrates that partnership is the key to making progress in turning the tide on malaria

and other diseases of the developing world. Together with increased political commitment and resources, they will help save millions of lives and transform countries.

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Recommended reading

Moran M, Guzman J (2005), Monitoring Financial Flows for Health Research: Behind the Global Numbers

Widdus R (2001) WHO Bulletin 79, (8)

Jutting J, (1999), Public-Private-Partnership and social protection in developing countries: the case of the health sector

The International AIDS Vaccine Initiative (IAVI)

PUBLIC

Agence Nationale de Recherches sur le SIDA
Canada International Development Agency
European Union
HIV Vaccine Trials Network
US Agency for International Development
UK Department for International Development
World Bank

PRIVATE

Becton-Dickinson
Fit Biotech plc
GlaxoSmithKline
Merck
Pfizer
Sanofi-Aventis

NGO/Foundations

Alfred Sloan Foundation
Bill & Melinda Gates Foundation
Rockefeller Foundation
Starr Starr Foundation

➤ **The IAVI targets the development of safe, effective and accessible preventative HIV vaccines for global use.**

➤ **The initiative stimulates scientific endeavor and accelerates industrial movements in AIDS vaccine development.**

➤ **A 50% effective vaccine given to just 30% of the population could cut the number of new HIV infections in the developing world by more than half in 15 years**

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