

## Policy highlights

Making a commitment in advance to buy vaccines if and when they are developed would create incentives for industry to increase investment in research and development (R&D). New commercial investment would complement funding of R&D by public and charitable bodies, accelerating the development of vital new vaccines for the developing world.

This report takes the proposal from theory to practice by showing how a commitment can be consistent with ordinary legal and budgetary principles. A draft contract term sheet is included, highlighting the key elements of a credible guarantee.

This generation can leave an historic legacy. By creating arrangements that spur the same scientific effort to diseases of the poor as we put into diseases of the rich, we can make a lasting contribution to the defeat of poverty.

### Let our legacy be the conquest of disease:

- Barely 10% of global R&D is devoted to diseases that affect 90% of the world's population. AIDS, tuberculosis and malaria kill about 5 million people each year, yet we have no effective vaccine for these diseases—nor for others that primarily affect the poorest of the world's citizens.
- An advance market commitment would complement public and philanthropic funding of R&D and accelerate the development and availability of vaccines for diseases occurring mainly in the developing world. It would stimulate the allocation of commercial research funds to neglected diseases, and so harness the energy, experience and expertise of the private sector. Without a commitment, there will continue to be insufficient funding to bring more than a few, if any, candidate vaccines to market.
- Structured correctly, an advance market commitment could help to ensure both a reliable future supply of new vaccine products and affordable prices over the long term. There are good examples—discussed in chapter 2—of where similar incentives have been effective; and the example of medicines for affluent countries demonstrates that, if the market is sufficiently valuable, there will be commercial investment in R&D.
- This commitment can be implemented in practice. It is based on sound and familiar legal principles that permit the rules—price, eligibility criteria and dispute resolution procedures—to be transparent and binding from the outset. The report includes draft contract term sheets that show how it can be done.
- For products at relatively early stages in their development, a commitment of \$3 billion for each priority disease—an amount that would be comparable with sales of medicines in rich countries—would be a very good deal for the sponsors: a bargain compared with other development interventions, each life-year saved would cost less than \$15.
- With appropriate contractual arrangements, the commitment would be applicable both to products at a late stage of development (such as vaccines against rotavirus and pneumococcus) and to products at an early stage (vaccines to prevent the transmission or mitigate the impact of malaria, HIV and tuberculosis).
- Both public and private philanthropic funders could make binding commitments within existing budgetary processes consistent with current regulatory and procurement systems for vaccines that would reach the poorest countries of the developing world.
- The commitment itself has no cost unless and until a vaccine is developed. It can be made without reducing the resources available to support health education and prevention, to buy existing vaccines and drugs, to strengthen health systems in developing countries or to fund R&D and public-private partnerships. Funding for these high priority activities can, and should, be increased in the short term. These are important complements to increased commercial investment in R&D.
- Progress will be accelerated if we do more to buy existing vaccines. It is essential to boost and strengthen vaccination

delivery systems in developing countries, to improve demand forecasts and to extend long-term procurement for existing vaccines. These measures would save lives today—and complement an advance market commitment by making the market for vaccines larger and more certain.

- Scientific breakthroughs are by no means the answer to all the problems of poor countries. But they can play, and have played in the past, a major role in improving the health of those who have the least. Building on the achievements of the past, this generation of scientists could find ways to prevent malaria and tuberculosis, stop the spread of HIV/AIDS and dramatically reduce the toll on children of diarrhoeal and respiratory disease. But such accomplishments are unlikely to happen without incentives that take such work out of the exclusive realm of altruism and charity, and place it squarely in the domain of functioning, sustainable markets, creating incentives for the private sector to bring the full weight of its experience and assets to bear.