

Posted on Fri, Feb. 09, 2007

Plan to fund vaccines for third world

By Thomas Ginsberg
Inquirer Staff Writer

Pleading hasn't worked. Freebies ultimately fail. Outright pressure can backfire.

So, global health officials will try a different tactic today to enable drug companies - notably several in the Philadelphia area - to help save millions of third-world children from preventable diseases: a guarantee of profitable markets.

Canada, Britain, Italy and Norway are scheduled to introduce a unique \$1.5 billion program to fund development of vaccines exclusively for diseases in developing countries. The Advance Market Commitments for Vaccines Against Neglected Diseases program aims to create vaccine markets in certain poor countries by pinpointing needed vaccines in late-stage research, negotiating prices in advance, and reimbursing countries for their eventual purchases - somewhat like a health insurer may cover drug purchases by a patient.

GlaxoSmithKline P.L.C., Merck & Co. Inc., Wyeth and Sanofi Pasteur Inc. stand to benefit directly from the program. At least one, the Merck Vaccine Division in Montgomery County, said it could foresee adding jobs if the program worked as envisioned.

The effort sprang from years of debate and frustration over the industry's retreat from unprofitable emerging markets. Low and unreliable returns had driven many companies to discontinue some vaccines or leave the business entirely.

Today, the remaining vaccine-makers, ironically, are thriving in high-profit markets such as the United States and Europe by charging unprecedented prices for new vaccines. But those pricey products are even less accessible to poorer countries.

The advance-market program is the second recent initiative by wealthy donors and governments - not including the United States - to address the vaccine crisis in the developing world. In November, Britain led creation of a financing organization hoping to sell \$5 billion in bonds to support vaccine purchases and distribution.

Combined, the efforts could inject \$6 billion or more in coming years into vaccines for developing nations. Drug companies had lobbied quietly for the programs to cover their risks and nurture profitable markets for vaccines that their scientists were passionately pursuing.

"I cannot take shareholder money and put it on a product with no return," said Jean Stéphenne, president of GlaxoSmithKline's Belgium-based vaccine division. "Can you do this without public partnerships? No, it's impossible."

Pilot project plan set

The advance-market program's pilot project will target the pneumococcal virus, which can cause pneumonia and meningitis and is blamed for at least one million childhood deaths a year, according to the World Health Organization. If that is successful, other targets may be malaria, rotavirus, tuberculosis or HIV.

Currently, there are two pneumococcal vaccines: Prevnar for children, made by Wyeth, of Collegeville, and Pneumovax 23 for adults, made by Merck. While neither is considered entirely effective or appropriate for children in the developing world, their track record gives the financing plan a head start and a better chance at proving itself, officials said.

Wyeth is in late-stage research on a next generation of Prevnar that would block 11 types of pneumococcal infection. Although the company was pursuing the vaccine anyway, it welcomed the program. "What it does, this potential source of money, is allow us to think about investing in additional manufacturing capacity" for wider markets, said Jim Connolly, executive vice president of Wyeth's vaccine division.

Merck declined to say if it would pursue a new vaccine for the developing world, but it called the advance-market guarantee encouraging.

London-based GlaxoSmithKline, whose U.S. vaccine offices are in the Philadelphia region, is in late-stage testing of a pneumococcal vaccine, Synflorix, that will benefit from market guarantees.

'Win-win' for global health

"The A.M.C. funding commitment is the latest win-win in global health," said Patricia Seif, a spokeswoman.

Sanofi Pasteur, the Swiftwater, Pa., vaccine subsidiary of Paris-based Sanofi-Aventis, said it hoped to "work within the framework" of the program in its early-stage research on an infant pneumococcal vaccine, said a spokesman, Len Lavenda.

The advance-market program, requiring a long-term financial commitment by donor countries, is being organized under the auspices of the Group of Seven wealthy nations with the help of the GAVI Alliance, a nonprofit group created by the Bill and Melinda Gates Foundation.

The concept emerged in the 1990s and was heavily promoted by U.S. Treasury officials under President Bill Clinton. The Bush administration has backed the idea but has not committed funds.

"The United States welcomes the opportunity to work with others on the development of critically needed medical treatments," said Brookly McLaughlin, a Treasury Department spokeswoman. "However, given the budgetary restrictions on making a long-term binding commitment, we are not in a position to make a financial commitment at this time."

Some advocates expressed dismay at the U.S. role.

"This administration likes to engage in things that it wholly owns, rather than things that are part of a broader international effort," said Nils Daulaire, president of the Global Health Council, a Washington-based research group.

Ruth Levine, program director of the Center for Global Development, a Washington-based nonprofit organization, said the program should appeal to the Bush administration's "values, such as being oriented toward the market and in tune with making less-developed countries viable for business."

She added, "I'm a perennial optimist. There's a strong chance the U.S. will still come in."

For more information about the Advance Market Commitment for Vaccines program, the GAVI Alliance and childhood

pneumococcal disease, see the Web sites listed at

<http://go.philly.com/vaccines09>

Contact staff writer Thomas Ginsberg at 215-854-4177 or tginsberg@phillynews.com.

© 2007 Philadelphia Inquirer and wire service sources. All Rights Reserved.
<http://www.philly.com>