

WORLD HEALTH ORGANIZATION (WHO)
66th WORLD HEALTH ASSEMBLY
GENEVA, SWITZERLAND
May 27, 2013

Follow-up of the report of the CEWG – Second Intervention

Agenda Item 17.2

- **The United States is pleased that Member States were able to come to agreement on our proposed Decision Point on this item. This has helped to bring concrete clarity to our steps forward. We believe this Decision will help provide momentum to the Resolution that has just been approved.**
- **This Resolution, agreed by consensus during the open-ended meeting of Member States, represents our best opportunity in decades to increase research and development for diseases primarily affecting developing countries and the world's poor.**
- **As part of our longstanding commitment to R&D for neglected diseases, U.S. federal agencies are currently working with other partners to support development of 200 of the 365 products currently in the pipeline that will deliver the next generation of life saving global health products.**
- **This investment has gone into nearly every type of arrangement that delinks the price of products from some or all R&D costs, including direct grants to developing country research institutions, technology transfer to enable local production of vaccines, donation of intellectual property to patent pools, and tax incentives to companies.**
- **When I spoke on this issue at the World Health Assembly a year ago, I stated, "We recognize that market forces are not sufficient to bring adequate attention to this vital area, and that IP protections are unlikely to be a major contributor to progress in R&D for neglected diseases of the poor." I also called for the Director General to hold consultations with Member States to identify those areas of consensus upon which we could collectively move forward, including on additional areas absent from the CEWG report.**
- **At the PAHO Directing Council in September 2012, The United States reiterated my government's strong support for WHO to propose a framework or mechanisms that would create incentives for these types of R&D mechanisms that delink costs, as well as for voluntary financing**

mechanisms – including pooled financing -- and other measures, such as regulatory reform, that can help eliminate obstacles to innovation.

- In support of these goals, at the end of 2012 we also initiated a request for the U.S. Institute of Medicine to undertake an independent consultation with biomedical research experts on the problem of research market failures. Their report highlighted the particular need for late-stage product development research, and noted the importance of setting targets around specific R&D and product needs, rather than financial targets.
- It was in furtherance of the findings articulated through these reports and forums over the past year that we decided to ask Member States to consider the additional Decision Point now before us. We hope this Decision will help the Secretariat undertake demonstration projects, informed by the experience of some of the world's top experts in managing biomedical research funds and fostering innovation.
- This brings me to my last point, and the most important issue now before Member States. We have laid the foundation for a long-awaited mechanism to coordinate research for neglected health concerns. Now we need to pay for it.
- The recommendation in the CEWG report that drew the widest divergence of views was the call for a binding global treaty, with mandatory contributions by all countries that would have amounted to nearly \$3 billion. Most of this new money would have come from countries other than the handful that are already investing heavily in these areas.
- So the demonstration projects will not only test the feasibility of the coordination mechanism, but also, and importantly, it will test the willingness of Member States to put new money toward our shared goals. To be very direct, if Member States cannot now begin to put substantial new money into the demonstration projects and support for the Secretariat, we will need to scale back our ambitions. We call on all Member States to now put our money where our mouth is.
- We have never had a better chance to address the problem of R&D market failures for the world's poor.
- Thank you.