PRESS RELEASE

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INVESTING IN R&D FOR NEGLECTED DISEASES – TIME FOR GOVERNMENTS TO BITE THE BULLET

London, 3rd December 2012 – A 5-year review of global neglected disease research & development (R&D) funding shows that, despite increased investment of almost half a billion dollars ($443.7 million) between 2007 and 2011, changing investment patterns – especially from hard-pressed governments - may mean this funding is not always working in favour of development of drugs, vaccines and diagnostics for the world’s poor.

New data from the fifth annual G-FINDER report “Neglected disease R&D: A five-year review” shows that while the public sector provides nearly $2 billion each year, or two-thirds of all research & development (R&D) funding for neglected diseases, government funding has continued to move away from product development and towards traditional basic research - even as product development funding from industry and philanthropy is also either dropping or becoming focussed in only a few diseases and products.

“Some governments now appear to be in it for the long haul, which is great”, said report author Dr Mary Moran, Executive Director of Policy Cures. “But we’re worried that their investment model seems to be shifting back to the ‘bad old days’ where the public sector funded basic research leaving product development to industry or philanthropy – and consequently almost no medicines, vaccines or diagnostics for neglected diseases were developed. This model doesn’t and can’t work for truly neglected non-commercial diseases. It’s a bit like putting a man on the moon – yes, you need the scientists but you’ve also got to build the rocket or you’ll never get there.”

Governments are still the mainstay of neglected disease R&D funding, remaining by far the largest source of funding before, during and after the global financial crisis. But public funding continues to shift away from product development and towards academic basic research: basic research increased by 28% ($124 million) over the 5 years, while public product development investment actually declined slightly (down 1%). As a result, basic research is now nearly one-third of public funding (31.2% in 2011) up from one-quarter (26.0%) in 2007.

This trend is particularly troubling because the sectors that traditionally fund product development – industry and philanthropy - have also cut or re-focussed their funding over the past five years. Big pharmaceutical companies continue to fund across a range of diseases (including malaria, diarrhoeal illnesses, HIV, helminths, salmonella and kinetoplastids) but their biggest investments are increasingly into late-stage product development for a limited number of ‘semi-commercial’ areas such as dengue fever, bacterial pneumonia & meningitis and tuberculosis. These three diseases now account for two-thirds (65%) of all industry funding, up from half (50%) in 2008.
Philanthropic funding has dropped by a quarter ($169.1 million) since 2008, largely driven by cyclical decreases from the Bill & Melinda Gates Foundation (which provides over 80 cents of every dollar invested by the philanthropic sector).

“Governments need to bite the bullet. If they want products for neglected diseases, they need to fund product development as well as basic research, and their funding needs to be linked to what’s happening in product pipelines and to be prioritised based on need”, said Dr Moran.

Public funds will also continue to be wasted without much better coordination than we have seen to date. This means coordination between governments who fund neglected disease R&D, as well as with philanthropy and industry, with WHO playing a significant role. Not every disease and research area will be the responsibility of public funders but some will be and they need to be identified and addressed.

Just as importantly, governments need to start coordinating their own domestic science and aid funding, so that research dollars are devoted to making products the developing world needs, not simply research for research’s sake.

Product Development Partnerships (PDPs) – not-for-profit organisations that develop new neglected disease products - accounted for an impressive 40% of new global health products registered between 2000 and 2010, but some critics point to these products as low-hanging fruits, saying PDPs have yet to prove themselves on more difficult innovations. With funding increases no longer on the table from many governments, PDPs will also need to step up to the plate and prove their success in the next few years.

The G-FINDER survey, now in its fifth year, is the most comprehensive report to date on funding of R&D for neglected diseases like malaria, TB, HIV, pneumonia, sleeping sickness and helminth (worm) infections. It covers 31 diseases and 134 product areas for these diseases, including drugs, vaccines, diagnostics, microbicides and vector control products. In 2011, 204 organisations completed the survey, including all major public, private and philanthropic funders. The G-FINDER survey is conducted by the independent research group Policy Cures and funded by the Bill & Melinda Gates Foundation.

You are invited to the launch/panel discussion: 5th annual G-FINDER report, 10:30am –12:30pm on Mon. 3rd Dec. 2012, Academy of Medical Sciences, 41 Portland Place, London W1B 1QH.

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POLICY CURES: Policy Cures is an independent not-for-profit group providing research, information, decision-making tools and strategic analysis for those involved in the creation of new pharmaceuticals for neglected diseases. Its focus is on providing governments, funders and civil society organisations with the information they need to make optimal R&D policy and funding decisions for diseases of the developing world.