

Side Session

Friday November 19th

13.30-14.30 p.m.

Room: Terraza, 3rd floor (B02)

Hosted by: The Consumer Project On Technology (CPTech)

“A New Trade Framework For Health Research And Development”

Trade policies play an important role in determining how countries support health care R&D, and also who will have access to new medicines. The current array of multilateral, regional, bilateral and unilateral trade policies promotes higher drug prices as an incentive to invest in R&D. This approach suffers from several flaws. High drug prices (1) lead to many problems of access, and rationing of treatments, (2) do not support development of drugs for diseases that primarily afflict the poor, and (3) do not address funding of public sector research, including support for basic research, or global public goods such as the human genome project.

A new trade framework is proposed¹ that would (1) rationalize global sharing of R&D costs, (2) provide countries with the flexibility to choose a plethora of financing mechanisms, including public sector R&D, or new business models that separate the markets for products from the markets for innovation, and (3) create obligations and incentives to invest in priority R&D projects, public goods, and technology transfer to developing countries.

A Treaty on Medical R&D would set minimum obligations to finance R&D to an internationally agreed proportion of GDP. Countries would be free to count all qualifying R&D spending (purchase of patented drugs, direct R&D funding, prize model incentives etc.) towards this figure. Because countries would have control of how their R&D contribution was spent it would help build local research capacity as well as allowing R&D on local health priorities to be targeted. The Treaty would also create a system of tradable credits for investments in priority R&D, preservation and dissemination of traditional medical knowledge, open public goods, and technology transfer, thus creating incentives to investment in socially appropriate projects.

Panel organization:

Chair: Suwit Wibulpolprasert

Panel Members: James Love, Tim Hubbard and Ellen t’Hoen

There will be a brief presentation of the R&D Treaty proposal (20mins) followed by open discussion.

¹Hubbard, T. and Love, J. A new trade framework for global healthcare R&D. PloS Biology, 2, 147-150