

# PROPOSAL by Bolivia, Suriname and Bangladesh

## Prizes as a Reward Mechanism for New Cancer Treatments and Vaccines in Developing Countries

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### Executive Summary

The governments of Bolivia, Suriname and Bangladesh present for discussion a proposal concerning the possible use of prizes as a new incentive mechanism for innovation in new cancer treatments and vaccines that separates rewards to innovation from the price of the products. This proposal is responsive to resolution WHA 60.30 and concerns the specific needs of developing countries in relation to Type I diseases.

This proposal is based in an earlier proposal presented by the governments of Barbados & Bolivia in April 2008 during the WHO Intergovernmental Working Group on Public Health, Innovation and Intellectual Property. During that process, several governments expressed support for undertaking further discussions on this proposal.

### The Problem

According to the WHO, of the more than 8 million persons who died from cancer in 2008, 5.7 million, or **71 percent, lived in developing countries**. Cancer is a leading cause of death worldwide. According to the WHO, the percentage of total deaths attributed to cancer is expected to decline in developed countries, but to **increase in all developing countries regions**. Below are the WHO Burden of Death projections of the percent of all deaths caused by cancer for 2008 and 2030, for 11 developing country regions:<sup>1</sup>

Percentage of Deaths from Malignant neoplasms		
<i>Region</i>	<i>2008</i>	<i>2030</i>
All Developing Countries	11.5%	16.3%
South-eastern Europe	17.3%	21.6%
CIS	11.9%	15.8%
Northern Africa	9.2%	11.5%
Sub-Saharan Africa	4.9%	10.4%
Caribbean	14.6%	16.4%

<sup>1</sup> Countries are grouped according to the regional groupings used by the United Nations for reporting progress towards the Millennium Development Goals (MDG); see <http://mdgs.un.org/unsd/mdg/Host.aspx?Content=Data/RegionalGroupings>

Percentage of Deaths from Malignant neoplasms		
Latin America	16.6%	18.2%
Eastern Asia	20.9%	23.5%
Southern Asia	8.4%	13.7%
South-eastern Asia	12.6%	18.2%
Western Asia	10.8%	14.1%
Oceania	7.8%	11.5%

Access to new cancer treatments and vaccines in developing countries is limited, due to several factors including, but not limited to: poor medical infrastructure; inadequate screening; and the high costs of oncology equipment, services and medicines.

High prices for new cancer drugs and vaccines either discourage use completely, or place enormous burdens on the health care budgets of developing countries. Treatments for several new cancer drugs exceed \$50,000 per completed course.

## Prizes to Reward Innovation for New Medicines and Vaccines for Cancer

This is not a proposal for a global prize fund. Rather, it is a proposal that national governments in developing countries introduce a new system of rewarding the development of new medicines and vaccines for cancer.

Specifically, the proposal is that developing countries de-monopolize the entire sector of medicines and vaccines for cancer, and permit free entry by generic suppliers. In return for ending the monopoly, developing country governments would offer to provide a domestic system of rewards for developers of new medicines and vaccines for cancer that is based on **a fixed percentage of the national budget for cancer treatments**.

## Sustainability of Prize Fund

By tying the funding of the reward system to the size of the cancer treatment budget, developers of new medicines would be assured that the funding of the prize fund would be sustainable. By giving developing countries access to new cancer drugs at generic prices, developing countries would have greater incentives to expand budgets for cancer treatment, providing larger prize funds for developers of new medicines and vaccines.

## Rewards from the Prize Fund

Prize funds to reward new medicines and vaccines for cancer treatment should include the following features:

1. Rewards should be related to the impact of inventions on health care outcomes in the

developing country funding the reward.

2. In order to build research capacity in developing countries, part of the prize fund rewards should be set aside for researchers working in developing countries.
3. In order to accelerate scientific progress and to reward openness and collaboration, some of the reward money should be shared with unaffiliated scientists and engineers that openly published and shared research, data materials and technology. This would include research, data, materials and technology that were either placed in the public domain, or subject to open, non-remunerated licenses.

## **Relationship of Cancer Prize Fund to International Intellectual Property Agreements**

This proposal is consistent with international obligations concerning intellectual property rights. Countries have obligations under the 2001 Doha Declaration on TRIPS and Public Health (the Doha Declaration) and the WHO Global Strategy on Public Health, Innovation and Intellectual Property Rights (the Global Strategy), to implement intellectual property rules to promote access to medicine for all. Developing countries can have recourse to a number of flexibilities under the WTO TRIPS Agreement, for example they can eliminate the exclusive rights to use patented inventions, in cases where patent owners receive remuneration or compensation. These flexibilities include Articles 30, 31 and 44 of the TRIPS Agreement. This can include an alternative reward mechanism, such as the one described above.

## **WHO/PAHO meetings on this proposal**

The WHO and PAHO should evaluate the underlying need for access to medicines and vaccines for cancer, and determine if the pricing of new products is consistent with sustainable access for all.

The WHO should hold a meeting in September of 2009 to consider this proposal. PAHO should organize a preliminary regional meeting in May or June of 2009 to discuss the proposal.

The meetings should consider new business models for rewarding developers of new medicines and vaccines for cancer, specifically including proposals that would replace monopolies on new medicines with a system of rewards linked to improvements in health care outcomes. This discussion should compare the returns to the developers of new products under the existing approach and under the new proposal, and also consider the impact of the proposal on access and outcomes in developing countries.