



# UNITAID

How innovative mechanisms contribute to scaling up access to medicines and diagnostics.  
*Boosting innovation for new tools*

**2<sup>nd</sup> DNDi Stakeholders' Meeting – Nairobi, Kenya, 23 June 2009**

**Jorge Bermudez, Executive Secretary, UNITAID**



## Innovative mechanisms: a long way forward

- **Building the way**
  - 2000 - The Millennium Development Goals
  - 2002 - Monterrey International Conference on Financing for Development
  - 2004 - The Global Action against Hunger and Poverty
  - 2005 - New York Declaration on Innovative Sources of Financing for Development
- **The Leading Group on Innovative Financing (Paris Conference 2006):**
  - 55 member countries and 3 observer countries, major international organizations and NGOs – a platform for discussion and promotion of innovative financing
- **Sixth plenary session of the Leading Group:**
  - New resources, New sectors, New mechanisms (Proof by example: why expand innovation?). Paris, 28-29 May 2009



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## UNITAID membership

**From 5 founding countries (2006):**  
Brazil, Chile, France, Norway, UK

↓

**Now (2008):**  
supported by **29** countries and the Gates foundation

29 COMMITTED COUNTRIES

- Benin
- Brazil
- Burkina Faso
- Cameroun
- Central African Republic
- Chile
- Congo
- Côte d'Ivoire
- Cyprus
- France
- Gambia
- Guinea
- Jordan
- Liberia
- Luxembourg
- Madagascar
- Mali
- Mauritius
- Morocco
- Namibia
- Niger
- Norway
- Republic of Korea
- São Tomé and Príncipe
- Senegal
- South Africa
- Spain
- Togo
- United Kingdom

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## A flexible 'air tax' approach

**Chile** → Fixed rate on international flights → **US\$ 2** → Two children cured of malaria


**France**

	Domestic/European flight	International flight	
Economy Class	€ 1	€ 4	One HIV-positive child treated
Business and first Class	€ 10	€ 40	

**Niger**

	Domestic/West African flight	International flight	
Economy Class	US\$ 1.20	US\$ 4.70	One adult cured of TB
Business and first Class	US\$ 6	US\$ 24	



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## UNITAID's Mission

Is to contribute to scale up **access to treatment for HIV/AIDS, malaria and tuberculosis** for the people in developing countries by leveraging price reductions of quality drugs and diagnostics, which currently are unaffordable for most developing countries, and to accelerate the pace at which they are made available.

To fulfill its mission, UNITAID will use sustainable, predictable and **additional funding** to help generate a steady demand for drugs and diagnostics, thereby significantly **impacting market dynamics to reduce prices** and increase availability and supply. UNITAID will base its price reduction strategy on market competition.

Where intellectual property barriers hamper competition and price reductions, it will **support the use by countries of compulsory licensing or other flexibilities** under the framework of the Doha declaration on the Trade-Related Aspects on Intellectual Property Rights (TRIPS) Agreement and Public Health, when applicable.

...

Any other **innovative solution** that may overcome limitations to market diversification in developing countries will also be pursued.

Source: [www.unitaid.eu](http://www.unitaid.eu)

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## UNITAID: What is Innovative?



**UNITAID IS INNOVATIVE AND UNIQUE IN THREE WAYS:**

- 1 THE WAY IT COLLECTS FUNDS: First example of a government-imposed consumer tax for global health - First example of donor funding from low- and middle-income countries
- 2 THE WAY IT USES THOSE FUNDS: First example of a global health agency to pursue public health outcomes through market impact
- 3 THE WAY IT WORKS: Lean structure - Channels funds towards strategic gaps in access through implementing partners



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**Thanks to a flexible financing model, UNITAID is able to:**

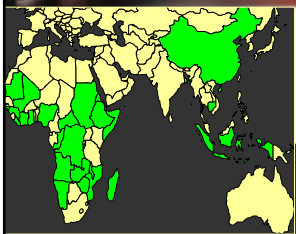
- Commit funds over the long term for sustainable action
- Impact on the market for medicines, diagnostics and other commodities by reducing prices and pushing up volume of production
- Drive the development of new and necessary medicine formulations by creating a predictable market for them
- Promote quality in medicines and diagnostics by investing in long-term technical assistance through the World Health Organization's (WHO's) Prequalification Programme.



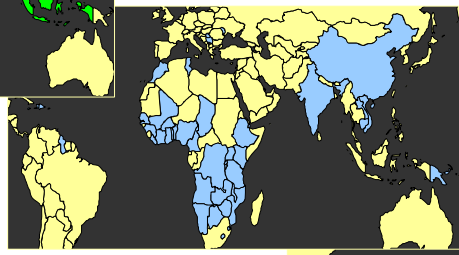
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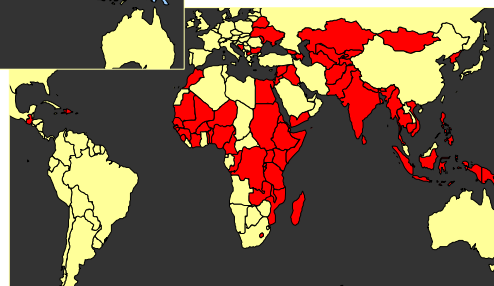
**UNITAID funded projects around the world**



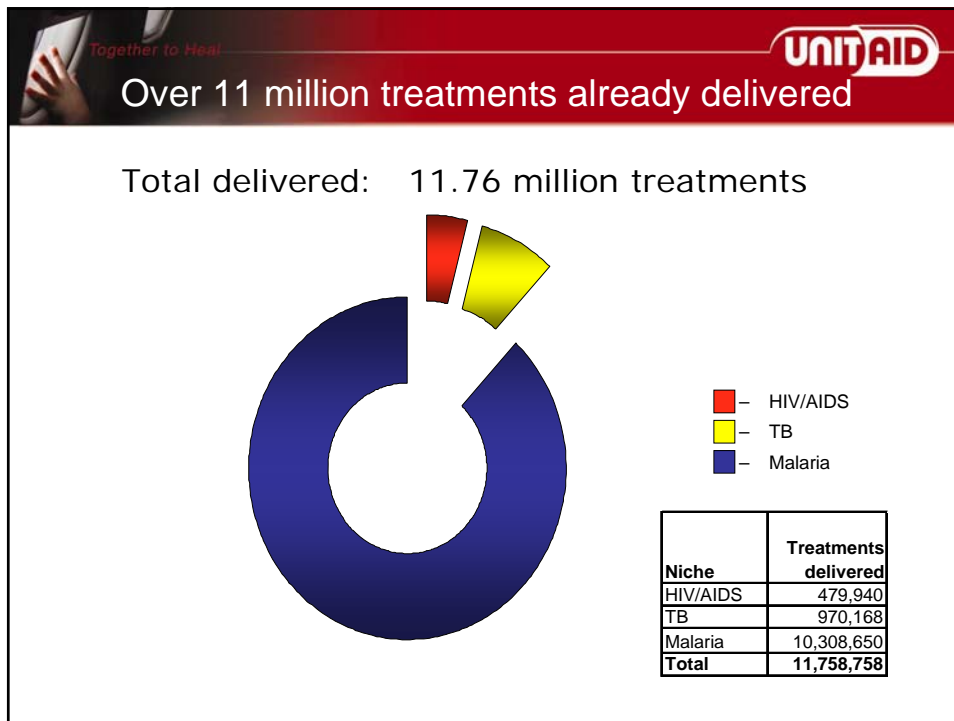
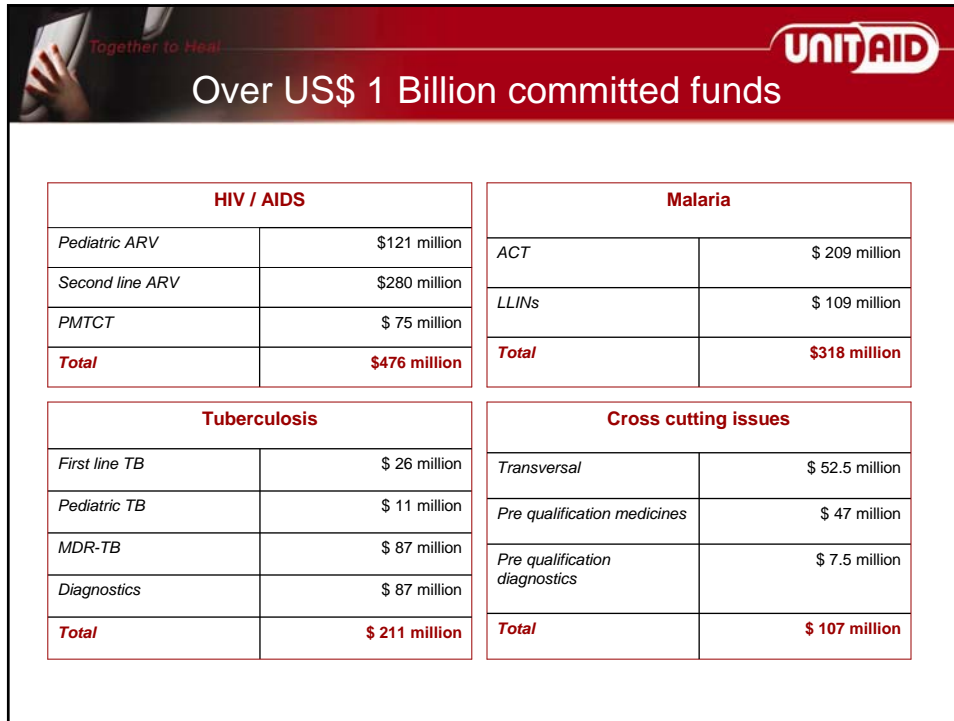
**Malaria:  
29 countries**




**HIV/AIDS:  
49 countries**



**Tuberculosis:  
72 countries**





To allow us to move into patent pools:

### Lessons from the *Triomune* story


- *Triomune* (3TC/D4T/NVP) is a triple FDC ARV made available for the first time in 2001 for 350 US\$/y/patient (CIPLA)
- *Triomune* never existed in wealthy countries – it is not an originator formulation
- *Triomune* is now available for 87 US\$ pp/py.
- *Triomune* was made possible because India's patent law prior to 2005 did not recognize product patents
- Current IP environment would have prevented the development, production and sale of *Triomune*
- A Patent Pool will remove IP barriers for product development



A medicines patent pool


- Patent rights held by different owners are brought together (pooled) in one place
- Third parties e.g. generic manufactures of AIDS drugs can make use of the patents against the payment of a royalty
- “One stop shop” - no need for case by case negotiations





### Scope of the medicines patent pool

- Existing ARVs
  - Decrease price of newer first line ARVs by increasing the number of generic producers
  - Decrease price of second line ARVs
- 'Missing Essential ARVs'
  - Encourage the development of FDCs containing 'newer' ARVs for both first line and second line by overcoming the patent barrier.
  - Encourage the development of paediatric formulations for both 1st line and 2nd line.



### A proposal for collaboration on the patent pool


- Paediatric AIDS is a neglected disease
- Patent Pool will enable access to IP to allow paediatric fixed dose combination product development
- DNDi to play a role to make this happen by bringing key players together



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## Patent pool: Take the plunge!



–(...)  
–Today patent pools are a favoured system in technology sectors that require common standards, such as the MPEG-2, DVD-video, DVD-ROM and radio. Medicines, though, are trickier terrain.  
–(...)  
–UNITAID may be able to pull it off with some luck and lots of hard work. (...) They have a delicate and onerous task before them. Millions of people are waiting hopefully at the patent poolside."  
–Latha Jishnu/ New Delhi July 23, 2008

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## Potential interface between UNITAID and DNDi

- **Short term: Malaria as a starting point**  
ASMQ (FarManguinhos/ FIOCRUZ): prequalify  
ASAQ (Sanofi Aventis)  
Speeding PQ, new products, new manufacturers, South-South cooperation
- **Medium term:**  
Patent pool, new FDCs, paediatric formulations, product development  
Patent pool would enable the development of FDC for both adult and paediatric use:  
  
ATV/r/TDF/3TC once a day second line  
PI adaptable for small children e.g. ATV/r - once a day.  
TDF/FTC or 3TC/EFV fixed dose formulation for children
- **Long term:**  
Expanding the scope?  
Linking discovery, development, delivery?  
Impacting market dynamics  
An open discussion...





DNDi's  
2nd Stakeholders' Meeting  
and 3rd African Meeting

Nairobi, Kenya,  
June 23, 2009

**DNDi**  
Drugs for Neglected Diseases initiative

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UNIS POUR SOIGNER JUNTOS PARA CURAR TOGETHER TO HEAL

une autre **idée**  
de la mondialisation

uma **outra** forma de  
globalização

another kind of  
**globalization**

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