

Platform for ACT-A Civil Society and Community Representatives: Initial Assessment of Paper 4: Sustainable Financing for Medical Countermeasures

This pre-meeting analysis will not be able to respond to all the questions raised in depth, given the late distribution of this paper to civil society participants but share the following:

There must be adequate, predictable, sustained, and appropriately distributed resources for all countermeasures and with respect to all activities undertaken by the Platform. Because it is possible that resource constraints will exist, the Platform also has to have a clear, transparent, and participatory process for setting and revising priority countermeasures and activities.

Funding will be needed in the inter-pandemic time period for vital countermeasure research and development, strengthening regionally distributed countermeasures manufacturing capacity, strengthening the health and community systems upon which effective and equitable countermeasure service delivery depends, strengthening clinical trial and regulatory capacity, and planning and coordination activities undertaken at global, regional, and national levels.

As the architecture evolves it is important to ensure harmonization and alignment across the interventions and to encourage newer actors to wrap around existing structures and processes with a view to streamline processes so that non-duplicative resources can reach countries and avoid a cluttered process whereby countries need to constantly appeal to different agencies to support the same activities (eg the COVID-19 Response Mechanism of the Global Fund is on almost the same timeline as the Pandemic Fund making application and review processes). The Platform should seek to avoid parallel funding processes taking place without clear and intentional efforts to harmonize.

Paper 4 seems to assume that medical countermeasures will remain subject to private intellectual property protections and ultimate commercial control over supply, price, and distribution. This would perpetuate the pandemic profiteering, nationalistic hoarding, and grossly inequitable distribution that plagued the covid response. The Paper describes a very constrained “market-shaping” tool box – basically advanced purchase agreements, purchase options, and capacity reservations – that was ineffective in the covid response. This planned deference to private ownership and control is represented by the uncritical endorsement of the biopharmaceutical industry’s misleading and self-interested Berlin Declaration, which has been roundly criticized by civil society.

Serious attention must be paid to mandating and/or incentivizing licensing and technology transfer of essential medical countermeasures to increase and distribute supply capacity, improve affordability, and ensure more equitable distribution.

Public and charitable support for countermeasure R&D, clinical trials, and expanded manufacturing should come with conditionalities requiring licensing, technology transfer, fair pricing, broad registration, and transparency.

Paper 4 suggests a focus on equitable access to low-income and lower-middle-income countries only, despite the needs of upper-middle-income countries and even many smaller

high-income countries that were left behind in the race to secure COVID-19 medical countermeasures. Upper-middle-income countries were left to the companies non-transparent tiered pricing policies which frequently resulted in -MIC prices that were proportionately higher price in UMICs than in HICs based on a per capita income basis. For example, Pfizer's "tiered price" on Paxlovid ranged from \$280-\$310 per course of treatment in China, 20 times the estimated cost of production and over 50% of the price charged in the U.S.

Given the economic and fiscal disruptions of pandemics and the high costs of countermeasures themselves and health service delivery, all LMICs ability to rely on domestic resources or to incur debt are highly constrained. In general, to the maximum extent possible, country support should be in grant form and additional in-kind technical assistance instead of loans, even concessional loans.

An issue that was largely ignored in the covid response was macroeconomic conditionalities that continued to be imposed by international financial institutions, particularly the International Monetary Fund, that constrained countries' ability to procure and deploy countermeasures and to increase investments in health systems and the health workforce. These IFI policies also need to be addressed in structuring the financial arrangement for future pandemic response

The system of voluntary contributions and donor-control over particular activities to be funded should be avoided. All countries should contribute to the Platform's work according to an ability to pay framework. Financing must be raised for all needed activities rather than letting donor preference focus on issues like surveillance and vaccines to the detriment of funding for diagnostics, therapeutics, PPE, health system strengthening, and community-based service delivery.

Express reliance on in-kind donations from richer countries will contribute to and sanitize countermeasure hoarding/stockpiling.

Platform funding should not disrupt existing funding for other effective global health efforts and institutions, e.g., the Global Fund, Unitaid, GAVI, FIND, UNAID, WHO etc.

The Platform for ACT-A Civil Society and Community Representatives will begin to address particular questions listed in the paper as time permits in further preparation for the Feb. 23-24 meeting.