

Oxfam Background Brief on Vaccines and Treatments for Coronavirus/ MAY 2020.

A People's Vaccine

'Humankind has never had a more urgent task than creating broad immunity for coronavirus. We need to develop a safe, effective vaccine. We need to make billions of doses, we need to get them out to every part of the world, and we need all of this to happen as quickly as possible.' Bill Gates¹

*The polio vaccine was developed by Jonas Salk and he insisted it was made available patent free. When he was asked who owned the patent, he replied 'The people I would say. There is no patent. You might as well ask, could you patent the sun?'*²

Summary

To end this pandemic and save millions of lives, we need a safe and effective vaccine that is delivered free to everyone on earth who needs it, as soon as possible. There is a strong risk that rich countries and huge pharmaceutical corporations stop or delay the vaccine from reaching the people who need it, especially poor people in poor countries. This could spell a death sentence for millions. The world must urgently agree a fully funded plan to develop, produce and fairly distribute a safe and effective vaccine as a global public good. Patents and profit cannot in anyway block the distribution of vaccines and treatments to all who need them, focusing first on the poor, the elderly and the vulnerable, rather than on the rich and wealthy. The Gates Foundation has estimated the cost of procuring and delivering the vaccine for poor countries at \$25 billion, which represents just over a quarter of the profits of top ten Pharmaceutical corporations last year.

The race for a vaccine, treatments and tests

A successful vaccine or vaccines to protect people against Covid 19 is the sum of humanities desire. Over 100 potential vaccines are under development³. Some are already entering human trials. Many treatments for the disease are also being developed. All of this is happening at unprecedented speed and in many cases with significant global cooperation. The Coalition for Epidemic Preparedness (CEPI)⁴, the multilateral organisation set up in Norway after the Ebola outbreak in 2014/16⁵, is aiming to mobilise \$2 billion to make three vaccines available to the point at which they can be mass manufactured and deployed. The US government is investing billions more⁶ in vaccine development, including a \$1 billion partnership⁷ with Johnson and Johnson, the world's largest pharmaceutical company⁸.

In addition to the race for a vaccine are the parallel races to deliver mass, accurate and rapid testing, vital to keeping the disease under control, and also the development of treatments to mitigate the impact of the disease when it is caught.

Humanity has fully eliminated diseases such as smallpox in the past⁹.



Statue commemorates eradication of Smallpox in 1980.

What is needed

Medicine sans Frontieres has identified¹⁰ four things that are needed to ensure a people's vaccine available to all, and to have a chance of eliminating the scourge of this disease:

1. Research and development of new vaccines and treatment. This must be patent free, not subject to any intellectual property restrictions or other monopolies.
2. A huge scale up of manufacturing and supply capacity all over the world now, before we know for sure which vaccine is proven safe and effective.
3. Transparent and affordable prices for governments and treatment providers.
4. Free access for people at the point of care, meaning no one should have to pay to be protected from Covid 19.

The cost of a vaccine

The worldwide cost of delivering a vaccine to all, free of charge, can only be estimated at this stage, and is subject to many variables. The Gates Foundation has estimated a cost of \$25 billion to procure and deliver the vaccine to low and lower middle- income countries.¹¹. But we can be sure that whatever the cost, it is hugely outweighed by the benefits, both in terms of lives saved and the economic cost.

History shows us that vaccines can be manufactured at scale and at very low prices, provided profits and monopolies do not get in the way. It is reasonable to assume the cost to produce each dose, given the huge existing public investment in research and development, could be done sustainably by manufacturers for \$2 a dose. Pharmaceutical corporations will try as much as possible to increase these prices. Johnson and Johnson for example have floated the idea of \$10 dollars a dose.

This is a fraction of the economic cost of the virus, which the IMF has estimated at \$9 trillion. It is a fraction of the \$5 trillion in economic stimuli agreed by the G20¹². It is also a fraction of the annual profits of the pharmaceutical industry; in the last year, the top ten pharma corporations alone made a profit of \$89.22 billion¹³. The cost of the vaccine would represent just over a quarter of these profits, or just over three months' worth.¹⁴

The risk of failure

To deliver a people's vaccine to all will require unprecedented global cooperation. It will require ripping up the rule book which gives exclusive rights to pharmaceutical corporations and guarantees their huge profits. It will require rich nations committing to global collective cooperation rather than narrow nationalism.

Patents, medicines, markets and vaccines.

The global system for developing new medicines and vaccines is fundamentally broken because it is too reliant on the private market and big Pharmaceutical firms. This means that the medicines that are produced are sold for very high prices, and that the cures and treatments for many diseases remain undiscovered and undeveloped because they are unlikely to make a profit. This is particularly true for diseases that impact poor people in poor countries. Intellectual Property Rights are used by big Pharmaceutical corporations to charge higher and higher prices for medicines, where they get the exclusive right to produce a medicine for 20 years. They justify this as having to deliver a return on their research, but in reality a huge amount of their research and development is actually delivered by public money and through universities. This is particularly true for the most innovative and risky elements of new research where there are high rates of failure.

Twenty years ago, in the face of the HIV/AIDS pandemic which was claiming millions of lives, the world's biggest pharmaceutical corporations, backed by the US government tried to preserve the patents on their hugely expensive medicines, and to prevent far cheaper generic versions being produced and used¹⁵. The US government under President Clinton was trying to force the South African government to stop using generic medicines meant to save their citizens lives¹⁶. Generic versions (that is not branded versions of the drugs) now cost \$75 a year compared to \$15000 for the patented medicines¹⁷. These high prices for branded patented medicines spelt a death sentence for the millions of poor people living with HIV/AIDS as they were priced beyond the reach of anyone but the richest. Following a global outcry¹⁸, in which Oxfam played a part¹⁹, big Pharma and the US government backed down, in a move that has meant millions of lives have been saved. Sadly this breakthrough only happened after years of delay which spelt a death sentence for millions of people living with HIV.²⁰

Pneumonia is the biggest killer of children under the age of five, with 2,000 children dying every day. For nearly twenty years, millions of children have not had access to the patented vaccine manufactured by Pfizer and GlaxoSmithKline due to its high cost, which has generate billions in profit for those corporations. It was only in December 2019 after a long campaign by MSF that a third company was allowed to make an affordable version, halving the price of the vaccine²¹.

In 2009, during the swine flu pandemic, rich nations like Australia, Canada, and the United States made large advanced orders for the vaccine from manufacturers, meaning that the rest of the world received the vaccine in much lower quantities and much slower. They were unable to vaccinate their citizens²².

And since the outbreak of Coronavirus, rich nations have been trying to monopolise access to other vital supplies, such as oxygen, diagnostic tests, ventilators and personal protective equipment (PPE)²³. The head of the African Centre for Disease Control (CDC) has written about how African nations have found themselves forced to the back of the queue, being told they will have to wait six months for vital equipment as it has all been bought by rich nations.²⁴

All of this suggests that the risk that a vaccine, when discovered, will only be available to the lucky few, tailor made for profit, not for the people who need it most.

The politics of the vaccine

At the World Health Assembly on 18th May²⁵, a resolution proposing the pooling of intellectual property and equitable access to all has been proposed by the EU²⁶. We know from leaked documents that the US government is trying to water down global agreements on vaccines to protect the pharmaceutical industry²⁷. They have tried to insist that all language on pooling patents is removed from the EU draft resolution for the World Health Assembly and replace this with language about respecting intellectual property rights. The current draft is weakened but still had language on using patent pools and that the vaccine is a global public good²⁸.

At the pledging conference hosted by the EU on May 4th \$8 billion was pledged by rich nations and other actors. Only the United States decided not to contribute at all to this endeavour.²⁹

Over twenty countries and global organisations, including the governments of Germany, France and organisations like the World Health Organisation have pledged to give everyone equal access to coronavirus vaccines and treatments around the world³⁰. The government of Costa Rica has proposed that all intellectual property and data in the race for the vaccine, as well as tests and medicines, should be pooled and accessed by all. This proposal has been supported by the WHO and many governments. The Bill and Melinda Gates Foundation have said they will help fund the huge scale up in production required³¹. This is an excellent start.

The governments of countries including Canada³² and the Netherlands³³ have also rewritten their laws or indicated their willingness to use existing powers also used or threatened to use their powers, under the World Trade Organisation (WTO) rules, to override the patents for medical technologies held by pharmaceutical corporations (a process known as compulsory licensing³⁴) to enable cheap production by their own governments, companies or other public producers to ensure their needs are met.

At the same time, President Donald Trump has attacked³⁵ the World Health Organisation, uniting the rest of the world, and many of his fellow compatriots, behind the WHO³⁶. A previously agreed and reasonably comprehensive G20 statements on health had to be shelved in the light of³⁷ opposition from the Trump administration. Reports have emerged of the Trump Administration attempting to buy up vaccine producers to ensure exclusive access³⁸. The US government in negotiations has consistently sought to defend the rights of Pharmaceutical companies³⁹. Following intense criticism from civil society⁴⁰ pharmaceutical corporation Gilead just gave up a special designation from the US government that would have allowed for extended monopoly control over the 20-year patents it has filed for in more than 70 countries for its potential COVID-19 treatment candidate, Remdesivir. Gilead has now donated its entire current supply to the US government but hasn't said what price it would charge for subsequent production. One estimate from the Institute for Clinical and Economic Review is that it could be as much as \$4,460 a dose and Wall Street is expecting that Gilead will make major returns.⁴¹

The G20 has asked the WHO to set up a task force⁴² to establish an expert body that will organise the global effort to boost vaccine manufacturing capacity and ensure a vaccine is effectively and fairly distributed.

What needs to happen now

The world needs a globally agreed plan to fund the research, development and equitable production and distribution of vaccines and treatments for Covid 19 worldwide. This could be

known as the Salk Plan, after the inventor of the vaccine against polio who insisted it was patent free. This needs to also lay the foundation for a strong system to cope with future health challenges. This will involve four steps

1. Mandatory sharing of all intellectual property to ensure no pharmaceutical corporation has a monopoly.

Our chances of success against this disease are best if humanity works together, not competes separately for a solution. All technology, knowledge and data needs to be shared in such a way that any nation can use and produce vaccines and treatments. In the past, pharmaceutical corporations have restricted access, especially to middle income countries like India who produce medicines and vaccines on behalf of most people in low and middle income countries.

The patent 'pool', as proposed by Costa Rica should be agreed⁴³. It would create a giant repository of knowledge in the fight against Covid-19 that could be freely accessible to all countries -- and keep lifesaving treatment affordable to all.

Participation in this pool should be mandatory, and in the absence of participation, governments should be encouraged to use their powers under the WTO and other trade rules to override the patents of pharmaceutical corporations in the public interest.

2. A huge investment by rich nations in vaccine development and production.

The richest nations in the world will need to invest heavily in the development and production of vaccines and treatments.

Rich nations should fund the construction of distributed production capacity globally, in advance of the discovery of a successful vaccine.

Global financing mechanisms such as a new issuance of the IMF reserve currency, the Special Drawing Rights (SDR)⁴⁴ should be linked to financing the cost of producing and distributing the vaccine and treatments to all who need them.

Investments of public money to support pharmaceutical and other actors in researching and developing a vaccine should be made binding on open, patent free access to all discoveries, and companies should share their own intellectual property to enable others to make use of such technology to scale up production.

As part of this, rich nations should agree to a commitment to purchase the first billion doses at a minimum, at the lowest possible price, ideally around \$2 a dose. This should then be distributed equitably according to the globally agreed plan, for example focusing on the world's 60 million health workers, the elderly and those with medical conditions that make them especially vulnerable to the virus. Just because a vaccine or treatment is being produced in a specific country does not mean they should have preferential access.

3. A global agreement for the equitable distribution of vaccines and treatment.

A global plan for the equitable distribution of vaccines and treatments should be drawn up by experts on behalf of the WHO, and agreed by all nations. We will need a worldwide allocation system that is fair, transparent, and dedicated to ending the pandemic. The first doses could for example go to those countries with the most acute

exposure to the disease. They can also go to health workers worldwide as well as the elderly and medically vulnerable in each country, and from there to the whole population.

For developing countries in particular, the Global Alliance for Vaccines and Immunisation (GAVI) already funds vaccinations in 73 low- and middle-income countries. Rich nations should ensure GAVI has enough money to guarantee purchase of enough vaccine for all of these 73 countries and for any other developing country that needs support. Over recent years many countries have been forced out of Gavi because their GDP per capita passed an arbitrary threshold. This is hardly a measure of health capacity or the ability to fight Covid 19. All countries that have exited Gavi in the last ten years should be allowed to rejoin to get access to the vaccine through Gavi. Other multilateral agencies like the Global Fund can also help fund and support the delivery of vaccines, treatments and diagnostic tests.

It is critical that vaccines and treatments are delivered for free to individuals. Pricing vaccines and treatments so that only wealthy people and wealthy governments can access them is entirely self-defeating if we are to win the fight against this disease and end this pandemic altogether.

4. Fixing the broken system

The current system for delivering medicines is primarily working for the profits of the few, not the good of everyone. As a result, even in normal times, many millions die because of this. Pharmaceutical corporations are competing rather than co-operating, focusing on delivering the highest profit possible for shareholders, only researching drugs that will make money and neglecting the diseases of the poor, and using intellectual property rules to charge eye-watering prices.

Even though coronavirus research has been funded by several governments since 2002, and even though several coronavirus outbreaks have emerged since then, such as SARS and MERS, there was no preparation or investment from the pharmaceutical industry to address this pandemic threat, because the there threat of a pandemic is not a profitable market so of little interest to pharmaceutical corporations.

One of the most fundamental lessons of his pandemic is that the health of our global economy is dependent on the health of humanity. That failing to invest in the health of humanity, or leaving our health to the whims of the market, is economically self-defeating.

To defend our global economy we need to treat health and the development of vaccines and treatments as primarily a tax financed global public good, not a profit driven private enterprise. A system where priorities are based on human need and future threats, rather than by market price and shareholder returns. An innovative⁴⁵ health system that is far more publicly led and delivered, and far less focused on private profit will in turn enable us to defend our market economies more broadly and protect people's livelihoods and jobs.

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¹ <https://www.gatesnotes.com/Health/What-you-need-to-know-about-the-COVID-19-vaccine>

² <https://www.awesomestories.com/asset/view/Jonas-Salk-Could-You-Patent-the-Sun->

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- ³ https://cepi.net/news_cepi/cepi-publishes-analysis-of-covid-19-vaccine-development-landscape/
- ⁴ https://cepi.net/news_cepi/2-billion-required-to-develop-a-vaccine-against-the-covid-19-virus-2/
- ⁵ <https://www.cdc.gov/vhf/ebola/history/2014-2016-outbreak/index.html>
- ⁶ <https://www.phe.gov/emergency/events/COVID19/Pages/default.aspx>
- ⁷ <https://www.sciencemag.org/news/2020/03/1-billion-bet-pharma-giant-and-us-government-team-all-out-coronavirus-vaccine-push>
- ⁸ <https://www.fiercepharma.com/marketing/j-j-tops-world-s-most-valuable-pharma-brand-list-followed-by-roche-and-bayer>
- ⁹ <https://www.who.int/csr/disease/smallpox/en/> 40 years ago in 1980, following a worldwide scale up of vaccination, the WHO announced the eradication of Smallpox.
- ¹⁰ MSF Access Campaign position paper on the sharing of technologies for COVID-19 to ensure equitable access for all.
- ¹¹ <https://theprint.in/health/defeating-covid-doesnt-just-need-a-vaccine-but-also-rich-countries-to-not-monopolise-it/413222/>
- ¹² <https://www.aljazeera.com/ajimpact/q20-pledges-5-trillion-defend-global-economy-covid-19-200326185218460.html>
- ¹³ <https://www.statista.com/statistics/272720/top-global-biotech-and-pharmaceutical-companies-based-on-net-income/>
- ¹⁴ It would represent 28%.
- ¹⁵ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1119675/>
- ¹⁶ <https://foreignpolicy.com/2020/04/17/big-pharma-post-pandemic-world-coronavirus-vaccine-cure-intellectual-property/>
- ¹⁷ <https://foreignpolicy.com/2020/04/17/big-pharma-post-pandemic-world-coronavirus-vaccine-cure-intellectual-property/>
- ¹⁸ <https://www.nytimes.com/2001/04/20/world/drug-makers-drop-south-africa-suit-over-aids-medicine.html>
- ¹⁹ <https://www.nytimes.com/2001/02/13/world/oxfam-joins-campaign-to-cut-drug-prices-for-poor-nations.html>
- ²⁰ <https://www.theguardian.com/uk/1999/dec/19/theobserver.uknews6>
- ²¹ <https://msfaccess.org/first-alternative-pneumonia-vaccine-breaks-pfizer-and-gsk-decades-long-stranglehold-promising-more>
- ²² <https://time.com/5820963/end-pandemic-free-vaccine-worldwide/>
- ²³ <https://www.nytimes.com/2020/04/09/world/coronavirus-equipment-rich-poor.html>
- ²⁴ <https://www.nature.com/articles/d41586-020-01265-0>
- ²⁵ <http://g2h2.org/posts/wha73events/>
- ²⁶ <https://www.keionline.org/32775>
- ²⁷ We have a leaked copy of the negotiations around the EU resolution for the World Health Assembly <https://genevahealthfiles.wordpress.com/2020/04/29/changes-to-the-eu-proposal-on-covid-19-response-wha73/> the key paragraph is OP4.2 where the original calls for the pooling of patents. The new proposed version deletes reference to pooling patents and adds in language on WTO, Intellectual Property (see page 13/14)
- ²⁸ <https://healthpolicy-watch.org/wp-content/uploads/2020/05/Chair-proposal-for-a-CONSOLIDATED-zero-draft-on-a-WHA73-22Covid-19-Response22-WHA73-18-May-2020-Agenda-item-XX-Draft-Resolution-Text-of-4-May-at-12.00.pdf>
- ²⁹ <https://www.nytimes.com/2020/05/04/world/europe/eu-coronavirus-vaccine.html>
- ³⁰ https://www.who.int/docs/default-source/coronaviruse/transcripts/transcript-who-actlaunch-24apr2020.pdf?sfvrsn=45977318_2 and https://www.theguardian.com/world/2020/may/03/european-leaders-join-forces-to-combat-covid-19?CMP=Share_AndroidApp_Skype
- ³¹ <https://www.weforum.org/agenda/2020/04/bill-gates-7-potential-coronavirus-vaccines>
- ³² <https://theconversation.com/canadas-coronavirus-aid-package-guards-against-drug-shortages-with-compulsory-licensing-134974>
- ³³ <https://foreignpolicy.com/2020/04/17/big-pharma-post-pandemic-world-coronavirus-vaccine-cure-intellectual-property/>
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- ³⁵ <https://www.nytimes.com/2020/04/07/us/politics/coronavirus-trump-who.html>
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- ³⁷ <https://www.telegraph.co.uk/global-health/science-and-disease/british-scientist-head-un-task-force-distributing-covid-19-vaccine/>

³⁸ <https://www.politico.eu/article/germany-confirms-that-donald-trump-tried-to-buy-firm-working-on-coronavirus-vaccine/>

³⁹ <https://genevahealthfiles.wordpress.com/2020/04/29/changes-to-the-eu-proposal-on-covid-19-response-wha73/> and https://www.washingtonpost.com/national-security/trump-expands-battle-with-world-health-organization-far-beyond-aid-suspension/2020/04/25/72c754e6-856e-11ea-9728-c74380d9d410_story.html?fbclid=IwAR3IPYTewlzQi31zZyaLdeX-8jyeF_20sdT5wCcR0JYFxErNTsilmBj8V7s

⁴⁰ <https://www.citizen.org/news/gilead-must-relinquish-monopoly-on-potential-coronavirus-treatment/?eType=EmailBlastContent&eld=15fb58e6-d82b-4bff-833e-63ab246fd0a1>

⁴¹ <https://www.reuters.com/article/us-health-coronavirus-gilead-pricing/will-gilead-price-its-coronavirus-drug-for-public-good-or-company-profit-idUSKBN2212NM>

⁴² <https://www.telegraph.co.uk/global-health/science-and-disease/british-scientist-head-un-task-force-distributing-covid-19-vaccine/>

⁴³ <https://www.statnews.com/pharmalot/2020/04/06/covid19-coronavirus-patents-voluntary-pool-world-health/>

⁴⁴ <https://oxfamilibrary.openrepository.com/handle/10546/620976>