PRESS RELEASE

Global inflation threatens progress on neglected disease innovation despite increase in private sector funding

Policy Cures Research's new G-FINDER report shows that, after years of relative stability, funding for neglected disease R&D fell by 10% from 2021 to 2022, largely as a result of high inflation in 2022.

Sydney, Australia, 31 January 2024 – The new G-FINDER report shows that while nominal funding for global research and development (R&D) for the world's most neglected diseases dropped by just 3% in 2022, when adjusted for inflation to reflect lower buying power, real funding fell by 10%. The resulting reduction in the amount of R&D global funding is able to support limits product developers' ability to deliver on planned activities and may slow down collective progress in bringing much needed innovations to countries around the world.

Dr Nick Chapman, CEO of Policy Cures Research, says: "We've seen record-high investments in neglected disease R&D stabilise in recent years and are now observing a decline in funding. Some of this is due to spending less on R&D, perhaps related to post-pandemic budgetary pressures, and some of it is due to the fact that high inflation means even a stable level of funding wouldn't support as much R&D activity as it did the year before. Regardless of the cause, this is still a concerning development, as this level of funding is not enough to deliver the growing number of products making their way through the pipeline."

Industry funding was the only sector to increase its R&D funding in 2022

Private sector funding for neglected disease R&D rose by 3.9% (USD$24 million) to $640 million, its second-highest total since 2007, and was mostly driven by growth from smaller pharmaceutical and biotechnology companies. In total, industry accounted for 16% of global investments in 2022.

While additional industry funding is welcome, it can also indicate a shift in the market. The G-FINDER report analyses diseases that disproportionately affect people in low- and middle-income countries (LMICs) for which there is insufficient commercial opportunity to attract R&D by the private sector. Growing interest by industry in diseases which historically offered few opportunities for private profit could signal growing markets for these products in higher income countries. As climate change extends the range of tropical diseases, high-income countries are increasingly likely to link neglected disease investments to their national health and security priorities. Spillovers from inward-looking high-income country investment, however, will not meet the demand for products that specifically address the needs of people in LMICs.

New database reveals strength of neglected disease product development pipeline

Policy Cures Research has also published its new infectious disease R&D pipeline tracker, which contains a comprehensive list of products and candidates for neglected and emerging infectious diseases. It covers all product categories including drugs, microbicides, vaccines, biologics, diagnostics and vector control products, and all stages of research, from early-stage R&D through to product registration. The pipeline tracker provides valuable context for interpreting R&D funding against the products it is supporting.

Our research shows that the number of candidates in the R&D pipeline for neglected disease has increased by more than 50% since 2015, with growth across almost all product categories. As the pipeline has matured, the products under development have advanced more quickly

than new candidates have entered the pipeline. But despite this promising growth, high levels of late stage attrition mean we may not yet not have enough promising candidates in development to satisfy the wide range of unmet needs that exist, especially in the most neglected diseases.

New tool tracks funding commitments in neglected disease R&D

As of January 2024, Policy Cures Research is providing forward-looking estimates of some R&D investments for neglected diseases. The new tool, Compass, currently tracks funding from major philanthropic funders, announced funding to product development partnerships (PDPs) and uses publicly available sources to update funding flows. These forward-looking figures are estimates, unlike the rigorous analysis behind the G-FINDER data, but provide a valuable interim supplement to the annual G-FINDER reports, helping to forecast trends.

For further information or interview requests, please contact Emmanuelle Bomo at ebomo@policycuresresearch.org

Resources and links

- The full Neglected Disease G-FINDER report: policycuresresearch.org/2023-neglected-disease-g-finder-report
- All G-FINDER survey data, including investments in sexual and reproductive health (SRH) and emerging infectious diseases (EID), are on the G-FINDER data portal at gfinderdata.policycuresresearch.org
- The Infectious Disease R&D Tracker: policycuresresearch.org/pipeline-database
- The Compass tool will be live on January 30th at gfinderdata.policycuresresearch.org/pages/static/compass

About the Neglected Disease G-FINDER report

The G-FINDER project, now in its sixteenth year, is the most comprehensive resource on global funding of R&D for neglected diseases such as HIV/AIDS, malaria, TB, Neglected Tropical Diseases (NTDs), and a range of others. The annual G-FINDER report is intended to help policy makers, funders and product developers better understand the global landscape for neglected disease R&D, where funding gaps exist, and how their investments fit into the global picture. The G-FINDER survey is conducted annually by Policy Cures Research and funded by the Bill and Melinda Gates Foundation. Core funding from Open Philanthropy also contributed to making this report possible.

Methodology

G-FINDER funding data on R&D investments for global health is collected in a global annual survey run by Policy Cures Research. The survey engages the world's funders and developers of global health R&D and includes public, private and philanthropic organisations as well as researchers, product developers and intermediaries. The survey is supplemented by an analysis of publicly available funding databases. The result is a unique repository of investment data, providing an unmatched resource for policymakers, donors, researchers, and industry to inform their decision making and deliver more impactful outcomes.

About Policy Cures Research

Policy Cures Research is an independent, not-for-profit, research and policy organisation providing strategic analysis and decision-making tools for those involved in the creation of new health technologies for neglected diseases, emerging infectious diseases and sexual & reproductive health issues. Its focus is on providing governments, funders, researchers and civil society organisations with the insights they need to make optimal R&D policy and funding decisions for diseases affecting the world's most vulnerable populations.