

Funding for TB and malaria product development partnerships: Australia's back

Author : Robin Davies

Date : March 26, 2015

While the [launch](#) of DFAT's own 'innovation hub' captured the limelight on 23 March, foreign minister Julie Bishop [announced](#) on the same day, the eve of World Tuberculosis Day, further Australian support for some organisations with a proven record of innovation. Australia will contribute A\$30 million over three years to public-private partnerships for medical research, known as [Product Development Partnerships](#) (PDPs). The funding will be divided equally between three organisations: the [TB Alliance](#), the [Foundation for Innovative New Diagnostics](#) (FIND) and the [Medicines for Malaria Venture](#) (MMV).

Australia began supporting PDPs in 2012 under the Labor government, which divided its initial allocation of A\$10 million equally between four organisations, namely the three above and [Aeras](#), a TB vaccine development partnership. (The basis and process for selecting these four organisations was never clear. Likewise, it is unclear why Aeras has now fallen from favour.) Labor made no further allocations to PDPs before losing office. Bishop has made approving [references](#) to their work (and pre-announced an unspecified level of support to the TB Alliance) but it has taken [18 months](#) for the government to decide to continue funding at the rather modest level established in 2012, and to allocate it. As a result, Australia has effectively skipped one or, depending on the timing of payments, two years' funding for PDPs.

[Policy Cures](#) estimated total public and philanthropic support for PDPs, of which there are 18, to be US\$482 million in 2013. Australia's A\$10 million annual contribution, at today's exchange rate, represents a modest 1.6 per cent of that amount. One-third of Australia's annual contribution, expressed as a share of the 2013 income of the three PDPs actually selected for support, is still rather small. For MMV the percentage is 3.9 per cent; for the TB Alliance it is 5.1 per cent. For FIND, it is more significant at 11.0 per cent.

As noted [here](#), Bishop said in launching the government's 'new aid paradigm' that the government will spend A\$30 million each year on health and medical research, and that this would be 'the most we have ever invested in a single year'. That was before the December 2014 aid budget [raid](#). Now, with a commitment of A\$10 million per annum to PDPs and near-certain cuts in the level of funding for bilateral and regional programs' support for health and medical research, this funding target, which in any case was no real increase on the spending level established by the previous government, is unlikely to be met.

Nevertheless, only a handful of bilateral donors support PDPs, with three-quarters of all funding coming from just three sources in 2013, the Bill & Melinda Gates Foundation, USAID and the UK Department for International Development. And, according to Policy Cures research, total PDP funding has been falling since 2008, though it rallied a little in 2013. Against that background, additional Australian support is positive, as is the fact that the government has given a three-year commitment.