

Economists propose new strategy for public health management

A new report by the International Financial Institution Advisory Commission (IFIAC), a prestigious panel of economists established by the US Congress in 1998 to make recommendations on restructuring global financial institutions, has suggested that the World Bank be restructured to include grant support for scientific research as one of its primary missions.

The IFIAC recommends that the World Bank phase out its current lending operations, write off its earlier loans to heavily indebted poor countries and restructure itself to operate more as a foundation, providing grants for research and poverty relief programs needed by the world's poorest nations. The report (<http://phantom-x.gsia.cmu.edu/IFIAC>) even suggests that the Bank be renamed the World Development Agency to reflect its new role.

Renowned health economist Jeffrey Sachs, director of the Center for International Development at Harvard University and a principal author of the IFIAC report is one of the main advocates of making research funding a major priority for the Bank. "Solutions to the problems of the poorest of the poor involve a lot more than turning economic and political dials, and often require generation of new knowledge in core areas," Sachs told *Nature Medicine*, adding that research on the problems of tropical agriculture and infectious diseases has been poorly funded by existing agencies and corporations in the developed world.

In recent years, the World Bank has begun to treat public health as an economic development issue (*Nature Med.* 4, 873; 1998), but long-term solutions will require a greater focus on research. "The Bank is trying to turn in the right direction," says Sachs, "but ... it still does very little in terms of basic knowledge generation [such as] epidemiology or investing in new antimalarial drugs or supporting basic research on a malaria vaccine."

The IFIAC report recommends that the new structure of the Bank be modeled after successful nonprofit organizations like the Rockefeller Foundation, which has been heavily involved in research targeted towards developing countries' needs. Sachs says that World Bank funding for research on tropical agriculture is "about \$50 million per year right now, which in my view is a shockingly small number," and that Bank

funding for health-related research is similarly small. With a total of \$30 billion in funding contributed by developed countries, the restructured Bank could become the world's largest grant-giving foundation if the IFIAC recommendations are implemented.

In addition to a shortage of funding from international institutions, economists and activists alike say global public health efforts are also hindered by the reluctance of companies to invest in developing medicines and vaccines for poor countries. Last summer, economists at Harvard lobbied for the establishment of a \$10

billion vaccine purchase fund, set aside by the governments of wealthy countries, to guarantee a market for such vaccines. Instead, officials at the US Treasury Department have been considering reducing the tax bill to companies that develop vaccines for poorer countries as compensation for the unprofitability of such R&D, rather than having the government purchase doses of the vaccines outright.



Jeffrey Sachs

Even if companies produce successful drugs and vaccines, developing countries may be unwilling to distribute them for political reasons. GlaxoWellcome's offer to sell AZT to South Africa at a 75% discount was refused by the South African government because they insisted it was still too expensive, although many saw this as part of a wider strategy to force agreement for parallel importation of several medicines.

Last month, Pfizer circumvented any financial arguments when it announced that it would give Diflucan, a treatment for cryptococcal meningitis, free of charge to South African AIDS patients. This donation is likely to be used as leverage by developing country governments to lobby other pharmaceutical companies to give away expensive AIDS drugs. Such a philanthropic gesture is unlikely given the high cost of R&D, meaning that a more sustainable approach to developing countries' public health problems will be required in the long term, and one in which only a restructured World Bank could play a central role, says Sachs.

Alan Dove, New York

Ministers pledge to Stop TB

Health and finance ministers from 20 countries bearing 80% of the world's tuberculosis (TB) burden have met in Amsterdam to sign a declaration pledging to increase treatment regimes in their respective countries to curtail the spread of the disease. Efforts are to be coordinated through a new secretariat located within the World Health Organization (WHO) in Geneva called Stop TB. But despite the public demonstration of unity, with delegates from all 20 countries signing the declaration, Stop TB executives could not agree on how the initiative should be governed.

Convened by the WHO and the World Bank, the Tuberculosis and Sustainable Development conference was dedicated to galvanizing political commitment to fighting TB. Delegates agreed to increase DOTS coverage to 70% by 2005. However, Stop TB director Arata Kochi, who is on secondment from the WHO, estimated that to achieve such expansion would cost \$200 million per year, and at present, the initiative has only \$125 million in the bank.

The declaration also called for the creation of a Global Fund for Tuberculosis, which will invest in research into new diagnostics, drugs and vaccines. James Orbinski of *Médecins sans Frontières* pointed out that no new vaccine has been developed since 1923 and no new drugs have been developed since 1963. William Foege, representing the Gates Foundation, pledged \$25 million to the development of new drugs for TB, and backed the role of the WHO in leading the initiative: "If we want them to provide the required leadership, we must provide them with the required budget."

However, the fact that Stop TB operates within the WHO's institutional framework is a cause for concern for some partners who feel that the initiative cannot move quickly because of the WHO's bureaucracy. Members of the Stop TB committee met with Brundtland at the end of the meeting to discuss a draft document defining its governing structure. The outcome of this closed meeting was that the legal structure