

Battling Malaria: a new European fund to fix a critical market failure

Lifesaving medical interventions are not getting developed despite scientific feasibility and significant donor funding available - novel public-private partnership aims to broaden product development pipeline

Berlin, October 29, 2019

During the World Health Summit 2019, participants have today been informed about the ongoing arrangements to form the “EU Malaria Fund”, which is expected to be operational early next year. This novel funding instrument aims to bridge the gap between molecule and marketing of feasible and affordable innovative solutions to prevent and treat Malaria.

The EU Malaria Fund is conceived to finance companies through venture loans. These non-dilutive investments in solutions against Malaria will be paid back in case of product development success but would be waived in case of failure. Funding will be provided to incorporated, scientifically promising projects not yet pursued by the pharmaceutical industry. This will extend deal-flow in Malaria to pharmaceutical companies. The upcoming Fund’s initial projected investment volume is well above €100 million.

Malaria kills one child every two minutes. Pregnant women and children under five remain especially vulnerable, as do the impoverished, immune-compromised and marginalized. Thus, this preventable and curable disease continues to claim the lives of more than 435,000 people each year, largely in Africa. In the last two decades, significant progress to reduce disease burden has taken place with the support of the European Union and other global partners. However, the effects of global warming, the increasing resistance to available treatments and insecticides, as well as increased travel and migration flows, may imminently paint a radically different epidemiological picture. As such, product development efforts must be boosted with sustainable, blended financing solutions.

Prof. Dr. Stefan H. E. Kaufmann, Founding Director of the Max Planck Institute for Infection Biology Berlin and Co-Chair of the EU Malaria Fund’s Scientific Advisory Council states: “The EU Malaria Fund addresses market-failures in product development by channeling sustainable business investments to public health.” Prof. Dr. Ruth Arnon, Former President of the Israel Academy of Sciences and Humanities and Co-Chair of the Scientific Advisory Council adds: “If successful, the instrument has potential to be deployed in other priority areas, for example in the field of anti-microbial resistance.”

Michael Müller, Governing Mayor of Berlin, adds: “We very much welcome this important new initiative. As a city strongly committed to fostering medical innovation and international

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cooperation, Berlin is delighted to support the global fight against Malaria.” Dr. Pedro Alonso, Director of the World Health Organization’s Global Malaria Programme concludes: “The choice before us is clear. If we continue with a “business as usual” approach – employing the same level of resources and the same interventions – we shall not make any further progress and will not meet our targets. I would like to congratulate the European Union for this important initiative.”

The partners particularly wish to thank DG Research and Innovation of the European Commission, for the substantial support to fight poverty-related diseases through the consecutive EU Framework Programmes for Research and Innovation and through the European and Developing Countries Clinical Trials Partnership (EDCTP).

Once the procedure to set up the EU Malaria Fund is successfully completed, the Fund will blend investment from the European Union, Fondazione Monte dei Paschi di Siena, Foundation for Innovative New Diagnostics (FIND), and Novartis AG, among others. The Bill & Melinda Gates Foundation has expressed its intent to participate in the EU Malaria Fund.

The National Academy of Medicine of the United States of America intends to provide independent decision support, and the Organisation for Economic Co-operation and Development (OECD) will analyze the Fund’s intervention system strengths and weaknesses. The Fund is supporting the implementation of the World Health Organization’s Global Technical Strategy for Malaria 2016 – 2030. Along these lines, the EU Malaria Fund works in alignment with the G20 Health & Development Partnership.

The Fund has been initiated by kENUP Foundation with support from the European Investment Bank (EIB) and is expected to be managed by Investitionsbank Berlin, the public promotional bank of the Federal State of Berlin.

Additional information on how to participate can be found at www.controlmalaria.eu.

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