



Innovation and Development as a Global Priority - B20 Task Force  
Preliminary Recommendations Book as of 30 March 2013

Biotechnology

## 1) Shifting national healthcare priorities from absolute life expectancy to healthy life expectancy

### ▪ *Starting point*

Since the early 1900's improvements in healthcare and public health have resulted in extending life expectancy by some three to four years per decade across developed countries. This has improved the productivity and longevity of labor capital, fueling general economic growth, as well as growth fueled through the success of the innovative life sciences and healthcare industries in many countries.

Although innovation in healthcare and public health still has the potential to advance life expectancy, paradoxically, as a result of the increase in wealth, longevity, and changes in lifestyle, developed countries now face new healthcare challenges such as obesity, diabetes, Alzheimer's and cancer that threaten their economic sustainability as healthcare costs driven by these diseases increase faster than GDP.

The G20 should establish and champion a policy agenda that aligns incentives in industrial, economic and healthcare policy that accelerate the shift in spend on healthcare innovation and delivery away from efforts focused on treating illness and extending absolute life-expectancy towards a new focus of extending healthy life expectancy; adding years of life to patient populations that are economically productive as economic producers and consumers. This will support the economic stability sought by G20 policy-makers through leveraging the relationship between healthcare and economic prosperity and security, as well as address legitimate concerns over managing the budget impact resulting from the emergence of diseases such as diabetes and Alzheimer's.

### ▪ *Recommendations:*

- a. Establish and publish metrics around healthy life-expectancy
- b. Establish country specific priority areas with targets for improvement in healthy life expectancy
- c. Establish co-funded private/public research for cross-G20 priority areas

DESCRIPTION OF ACTION



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Shifting national healthcare priorities from absolute life expectancy to healthy life expectancy			
<b>RELEVANCE</b>		<b>EXPECTED IMPACT</b>	
Biotechnology helps societies solve old problems in new ways. Through the science of using living cells and the discovery of new molecules, biotech innovation provides societies with innovative means to address their most urgent needs: such as fighting disease, feeding the hungry, and improving the environment.		Economic growth through a healthier and more productive human capital base  Healthcare cost reduction through increased productivity of expenditures	
<b>CRITERIA FOR SUCCESS</b>		<b>ACCOUNTABLE FOR RECOMMENDED ACTION</b>	
Healthy life expectancy Healthcare expenditure productivity		International organizations, international initiatives, competent foreign and local research centers National governments International (exporting) biotech companies Local municipalities	
<b>MAIN BENEFICIARIES AND DECISION-MAKERS</b>			
National governments Citizens in need of medical care Local municipalities National and global pharmaceutical industry			
<b>ACTIVITIES</b>	<b>TIMELINE</b>	<b>MAIN BARRIERS FOR IMPLEMENTATION</b>	<b>SUPPORT REQUIRED FROM STAKEHOLDERS</b>
Establish and publish metrics around healthy life-expectancy  Establish country specific priority areas with targets for improvement in healthy life expectancy  Establish co-funded private/public research for cross-G20 priority areas	St. Petersburg September 2013  2013-2014  Depending of the progress	Traditionalism of local consumers and their commitment to existing solutions  Lack of interest for proposed changes among national governments	Research centers / international organizations / national governments: assessment of industry needs and formulation of recommendations for better understanding the options  National governments: improvement of national medical policies and specification of priorities  International biotech companies: modification of existing technological solutions for developing countries (greater affordability, etc.)



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## **2) Reallocation of current healthcare expenditure towards the development and diffusion of novel solutions**

### **▪ *Starting point***

Given the current status of public finance, private sector of G20 recognizes that it will be carrying a growing share of investment in health innovation. We urge policy-makers to address the imperatives of continuing funding for primary research and to work with business to develop better, more effective instruments for financing innovation in health, taking into account changes in the market. We cannot afford to hold innovation back for several years until the economies return to pre-crisis levels of capital availability and risk appetite in life sciences because each year of delay in research and deployment will further dampen growth prospects of countries with mature economies and exacerbate the longevity risk to macroeconomic stability identified by IMF. Compounding financial pressure, market dynamics in centralized payer environments prevent adequate funding and growth of innovative healthcare industries. These challenges are also relevant for developing countries with large populations whose basic healthcare needs are still to be met. The principle of stimulating investment in disruptive innovations that drive healthy life expectancy and productivity improvement holds true for all G20 members.

As governments globally consider how to manage overall public budgets in the challenging economic environment, the focus on healthcare should be to stimulate investments that drive progress towards maximizing the productivity of healthcare spend. This will ensure the continued realization of the economic benefits of productive and healthy populations, as well as sustainable economic growth within new and existing healthcare industries.

B20 seeks G20 members and key health and science policy-makers in G20 countries to align economic, industrial and healthcare policies that will allow innovation to proceed under the current market and budget constraints, without slowing the progress in the quality of lives, and taking full advantage of the global nature of 21st century innovation.

### **• *Recommendations***

- a. Create specific incentives to drive private investment into novel healthcare industries



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- b. Create specific incentives to drive private investment in priority healthcare outcomes
- c. Maintain current levels of public investment in healthcare

<b>DESCRIPTION OF ACTION</b>			
Reallocation of current healthcare expenditure towards the development and diffusion of novel solutions			
<b>RELEVANCE</b>		<b>EXPECTED IMPACT</b>	
Biotechnology helps societies solve old problems in new ways. Through the science of using living cells and the discovery of new molecules, biotech innovation provides societies with innovative means to address their most urgent needs: such as fighting disease, feeding the hungry, and improving the environment.		Healthcare cost reduction through increased productivity of expenditures  Economic growth through new, exportable healthcare industries	
<b>CRITERIA FOR SUCCESS</b>		<b>ACCOUNTABLE FOR RECOMMENDED ACTION</b>	
Healthcare expenditure productivity Disruptive innovations in market		International organizations, international initiatives, competent foreign and local research centers National governments International (exporting) biotech companies Local municipalities	
<b>MAIN BENEFICIARIES AND DECISION-MAKERS</b>			
National governments Citizens in need of medical care Local municipalities National and global pharmaceutical industry			
<b>ACTIVITIES</b>	<b>TIMELINE</b>	<b>MAIN BARRIERS FOR IMPLEMENTATION</b>	<b>SUPPORT REQUIRED FROM STAKEHOLDERS</b>
Create specific incentives to drive private investment into novel healthcare delivery industries	St. Petersburg September 2013  2013-2014	Rising healthcare costs and growing budget pressures dampen innovation investment	Research centers / international organizations / national governments: assessment of industry needs and formulation of recommendations for better understanding the options
Create specific incentives to drive private investment in priority healthcare outcomes	Depending of the progress	Central payer market dynamics prevent diffusion of disruptive innovations	National governments: improvement of national medical policies and specification of priorities
Maintain current levels of public investment in healthcare		Inability to improve foreign business and local business interaction	International biotech companies: modification



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			of existing technological solutions for developing countries (greater affordability, etc.)
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### 3) Facilitate the sharing of best practices and rapid adoption across G20 countries

▪ **Starting point**

Healthcare biotech increases the effectiveness and safety of treatments as well as reducing the use of ineffective treatments and adverse reactions through its approach on Personalized Medicine that works to diagnose precisely patient’s problems and enables to better adapt healthcare solutions to suit individual and specific patient’s needs. All these practices are highly transferrable.

▪ **Recommendations**

- a. Create a catalogue/repository of innovations/best practices with proven measurable impact
- b. Exchange evidence on successful implementation at summits aligned to B20, G20 meetings

<b>DESCRIPTION OF ACTION</b>	
Facilitate the sharing of best practices and rapid adoption across G20 countries	
<b>RELEVANCE</b>	<b>EXPECTED IMPACT</b>
Biotechnology helps societies solve old problems in new ways. Through the science of using living cells and the discovery of new molecules, biotech innovation provides societies with innovative means to address their most urgent needs: such as fighting disease, feeding the hungry, and improving the environment.	<p>Economic growth through a healthier and more productive human capital base</p> <p>Healthcare cost reduction through increased productivity of expenditures</p> <p>Economic growth through new, exportable healthcare industries</p>
<b>CRITERIA FOR SUCCESS</b>	<b>ACCOUNTABLE FOR RECOMMENDED ACTION</b>
<p>Number of practices highlighted</p> <p>Number of countries implemented</p> <p>Number of practices adopted via exchange</p>	<p>International organizations, international initiatives, competent foreign and local research centers</p> <p>National governments</p>



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		International (exporting) biotech companies Local municipalities	
<b>MAIN BENEFICIARIES AND DECISION-MAKERS</b>			
National governments Citizens in need of medical care Local municipalities National and global pharmaceutical industry			
<b>ACTIVITIES</b>	<b>TIMELINE</b>	<b>MAIN BARRIERS FOR IMPLEMENTATION</b>	<b>SUPPORT REQUIRED FROM STAKEHOLDERS</b>
<p>Create a catalogue/repository of innovations/best practices with proven measurable impact</p> <p>Exchange evidence on successful implementation at summits aligned to B20, G20 meetings</p> <p>Address the specific approaches and linkages to healthcare innovation in mature high-debt nations (G8) and rapidly growing high surplus major economies (BRICS).</p>	<p>St. Petersburg September 2013</p> <p>2013-2014</p> <p>Depending of the progress</p>	<p>Coordination failure</p> <p>Traditionalism of local consumers and their commitment to existing solutions</p> <p>Lack of interest for proposed changes among national governments</p> <p>Inability to improve foreign business and local business interaction</p>	<p>Research centers / international organizations / national governments: assessment of industry needs and formulation of recommendations for better understanding the options</p> <p>National governments: improvement of national medical policies and specification of priorities</p> <p>International biotech companies: modification of existing technological solutions for developing countries (greater affordability, etc.)</p>