

GAVI – HGPI - UNICEF Collaborative Symposium

Global Health and Corporate Strategy

Diverse, Innovative Partnership Models



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HGPI Health and Global
Policy Institute



Supported by: the Ministry of Foreign Affairs of Japan

In cooperation with: RESULTS Japan



GAVI Alliance

www.gavialliance.org

The GAVI Alliance is a public-private global health partnership committed to saving children's lives and protecting people's health by increasing access to immunisation in poor countries. The Alliance brings together developing country and donor governments, the World Health Organization, UNICEF, the World Bank, the vaccine industry in both industrialised and developing countries, research and technical agencies, civil society organisations, the Bill & Melinda Gates Foundation and other private sector partners. Since it was launched at the World Economic Forum in 2000, GAVI has prevented more than 5.5 million future deaths and helped protect 370million children with new and underused vaccines.



HGPI Health and Global
Policy Institute

Health and Global Policy Institute

<http://www.hgpi.org>

Since its establishment in 2004, the Health and Global Policy Institute (HGPI) has been working to help interested citizens shape health policy by generating policy options and bringing stakeholders together as a nonpartisan think tank. HGPI's mission is to improve civic and individual well-being and to foster a sustainable, healthy community by shaping ideas and values, reaching out to global needs, and catalyzing society for impact. HGPI commits to activities that bring together relevant players in different fields to provide innovative and practical solutions and help interested citizens understand choices and benefits from a global, long-term perspective. HGPI promotes global citizenship by building a society for people possessing diverse backgrounds and holding different values. It aims to achieve a sustainable, healthy, and more prosperous world.



UNICEF Tokyo Office

<http://www.unicef.org/tokyo/jp/index.html>

The United Nations Children's Fund (UNICEF) was created by the United Nations on December 1946, to provide emergency food and healthcare to children in countries that had been devastated by World War II.

UNICEF has been since the driving force that helps build a world, where the rights of every child are realized, providing health care and immunizations, clean water and sanitation, nutrition, education, emergency relief, and policy advocacy with a presence in more than 160 countries and territories. To conduct such activities, UNICEF upholds the Convention on the Rights of the Child, adopted by the UN General Assembly in 1989.

UNICEF Tokyo Office is tasked to strengthen its partnerships with key counterparts in Japan and South Korea, especially with government officials, parliamentarians, aid agencies and NGOs, to mobilize public-sector resources such as ODA and advocate for children's rights.

Summary

The symposium “Global Health and Corporate Strategy: Varied and Innovative Models” was hosted in collaboration with the GAVI Alliance and UNICEF Tokyo Office, supported by the Ministry of Foreign Affairs of Japan, in cooperation with RESULTS Japan.

With the IMF/World Bank annual general meetings held in Tokyo in October, attention is being drawn toward the major agenda of investments into health. Under this increased momentum, the emphasis at this symposium was on partnerships within corporations and various organizations particularly for the solving of global health problems. The merits, barriers and solutions to such partnerships were discussed through the sharing of successful examples, and with a focus on the impact produced by international social action that utilizes the special features of businesses and varied and innovative approaches it is aspired to help solve global health problems.



Opening Remarks



Dr. Seth Berkley
CEO, GAVI Alliance

GAVI Alliance carries out activities to save people's lives and protect their health through immunization in developing countries as an innovative public-private partnership. Specifically, by using various innovative finance mechanisms, we conduct activities such as support on immunization programs, strengthening the health system and shaping a vaccine market. Here, GAVI's three innovative finance mechanisms will be introduced.

Firstly, there is a finance mechanism of vaccine bonds. International Finance Facility for Immunisation (IFFIm) issues vaccine bonds to raise funds. The financial base of IFFIm is supported by legally-binding, irrevocable pledges of donor governments.

Secondly, there is a funding mechanism called Advance Market Commitments for developing and providing vaccines in prices affordable to developing countries. Since it costs a vast amount of money to develop a vaccine, pharmaceutical companies normally have to provide vaccines at a high price. In this scheme, therefore, in exchange to committing development funds, donors secure a pledge that manufacturers provide the vaccines at a price affordable to people in developing countries.

The third funding mechanism is the Matching Fund. It is a scheme to match donations from corporations, their customers, employees and business partners with funds from the British Government or the Bill & Melinda Gates Foundation, and use them to supply vaccines to developing countries.

Many organizations are working with the GAVI Alliance today, such as governments, international institutions and the private sector, and this enables us to achieve goals that couldn't have been achieved by a single organization. As you can see from the cases of GAVI Alliance, if private corporations like yours participating in this symposium contribute to people's health in developing countries, it leads to a healthy market and growth of the country. In other words, investment for people's health creates the soil for successful business in future.



Dr. Kiyoshi Kurokawa
Chairman, HGPI

Private companies to participate in global health through diverse approaches

In the past, development aid used to be conducted mostly by governments, but today, there are various innovative approaches taken by the private sector.

Currently, developed countries are facing a time of crisis. That is to say, economic growth is stigmatized, yet the national burden on medical care is increasing due to aging society and increase in chronic diseases, and the uncertain situation prolongs. Additionally, some people say “why do we have to continue international support?” In such a challenging situation, what should we do to provide sustainable aid for solving global issues? In order to overcome this issue, GAVI Alliance has a unique mechanism to link potential donors and recipient organizations. Through investment, we can realize both top-down support by governments or international organizations, and the bottom-up support by NGO, and achieve a common goal by taking advantage of respective institutions. Moreover, by utilizing the partnership of GAVI Alliance, we can contribute to solve issues of developing countries, not as a donation, but as a business.

There is a remarkable growth in the economies of developing countries, and the market is expanding. Investing into these countries is not a matter of CSR, but rather a strategic investment for your company. It will become your future market. By making the investment at this point of time, your company name will be recognized by children and mothers, who may become future customers and partners. Sumitomo Chemical developed a mosquito net called “Olysetnet” which is made of thread containing insecticide to prevent malaria. They provided it to more than fifty countries with a focus on African countries, through international organizations such as UNICEF. What is more, by making a factory in Tanzania, they created the employment of 4,000 people. I sincerely hope that you would think the ways to utilize your products and technologies to do something for the people in the developing countries. Private companies can participate in global health in various ways, not only by developing vaccines and medical drugs. There should be a field in which the specialty of your company is highly appreciated.



Dr. Tadataka Yamada
Member of the Board, Chief Medical &
Scientific Officer, Takeda Pharmaceutical
Company Limited

Significance of public-private partnerships viewed from the history of vaccines

Efforts to develop and deliver vaccines are good examples of public-private partnerships. They are of great importance because vaccines are the most efficient and cost-effective health solutions.

Looking back on the history of vaccines, the first vaccine against smallpox was produced in the 18th century and the disease has since been successfully eradicated. However, as with most medicines, vaccines have rare severe side-effects and from about the 1960s in the U.S., an increasing number of patients who suffered from the side-effects of immunization brought actions in the courts against vaccine manufacturers and medical institutions. As a consequence, many companies who develop and produce vaccines withdrew from the market, and a significant shortage of vaccines became a public health issue. Therefore, a compensation system was established in which the government capped the liability of vaccine manufacturers for patients who suffered health damage caused by immunization. This public-private partnership for securing the supply of vaccines facilitated the research and development of new, safer vaccines. As a result, many new vaccines were developed, such as vaccines against hepatitis B, pneumococcus, rotavirus and human papilloma virus. In this way, vaccine manufacturers have been conducting innovative research to address public health issues.

Currently, most people in developed countries are properly immunized, but in developing countries, many lives are lost from vaccine preventable diseases. Bill Gates who is the strongest supporter of the GAVI Alliance, says “Humanity’s greatest advances are not in its discoveries but in how those discoveries are applied to reduce inequity”.

Immunization can save many lives, but whether one has access to vaccines often depends on where that person resides. In order to solve this critical issue as quickly as possible, public-private partnerships are indispensable. The role of private sector is to contribute to the development and dissemination of vaccines through partnership with various players in the world.

Multi-stakeholder partnership in global health



Moderator

Mr. Koichi Kaneda

Senior Director, Corporate Social Responsibility, Corporate Communication Dept., Takeda Pharmaceutical Company Limited

After hearing the keynote lectures, the panelists then moved into a panel discussion whereby they debated over how the corporate sector may involve itself in global health by referring to specific experiences.

The discussion was centered on the following three aspects of corporate participation; 1) firstly, that currently, not only pharmaceutical companies which, by their nature are directly linked with health initiatives, but also other companies from various fields are participating in global health activities, 2) secondly, that companies are establishing an innovative and multifaceted partnership with other non-business sectors in participating in global health, and 3) thirdly, corporate participation is taking place not only in the form of corporate donation, but as a business.

Various real-life examples of corporate participation in global health initiatives were introduced from pharmaceutical, food manufacturing, and financial industries, as well as from other sectors. A case example from an international organization raised an issue of how a non-corporate organization may establish partnership with various companies.

Question and answer session with the audience followed, through which further discussion over innovative and multi-faceted partnership in global health was held.



Partnership Case Study - Ghana Project -



Dr. Yasuhiko Toride

Director of Nutrition Improvement Projects
/ Associate General Manager, R&D Planning Dept., Ajinomoto Co., Inc

Sustainable social business as a solution to global health issues

The Ghana Project is a social business which aims at improving nutritional status of infants in Ghana. A traditional weaning food is fermented corn porridge with sugar added; however this on its own does not have sufficient nutritional value. The project was thus launched to address this problem by developing supplements which could simply be added to porridge in replacement of sugar.

In order for a social business to be successful, it is extremely important that the product is culturally acceptable and accessible to the very people who need it. In our project, the children who are in need of nutritional improvement reside mainly in the rural areas, and are thus hard to reach via the conventional distribution system. We are thus seeking to develop a new distribution system in cooperation with NGOs such as PLAN and CARE, which have been working in rural communities. Furthermore, we are also testing to target the mothers who are raising the infants using a social marketing approach with the USAID and JICA. In this attempt, it may be noted that we are the first Japanese company to become involved in a public-private partnership with USAID. We are proceeding with the project in collaboration with many other partners, including University of Ghana, the Ghanaian Ministry of Health, and NPOs providing nutritional support programs, such as INF (International Nutrition Foundation) and GAIN (Global Alliance for Improved Nutrition).

One of the most important factors in establishing a multi-sectoral partnership is sharing of a common goal – which for us, is the improvement in the nutritional status of infants in Ghana. There are certainly many important differences between private and public partners. It is however not only possible but crucial that partners respect the differences and based on the respect, build a win-win relationship. The importance of creating new value system by collaborating with the local people should also not be underemphasized.

What may have been unachievable on our own becomes a realistic goal by collaborating with various partners. I believe that a sustainable social business to address global issues could become the next paradigm in business, which, unlike the conventional business, requires long-term strategic vision.



Dr. Junichi Mitsuyama

Senior Operations Manager, FUJIFILM Corporation/Director, Toyama Chemical Co., Ltd.

Sustainable social business as a solution to global health issues

I would like to introduce a case of “partnership in Ikuyaku” regarding anti-infective drug.

“Souyaku” (Drug discovery and development) aims to achieve a certain goal through repeated procedures of making hypotheses, experiments, verification, and finally creating and manufacturing a medical drug. This is a process to turn something unboundedly close to “zero” into “one”, by accumulating the effort, bringing in researcher’s experience, idea and even luck. On the other hand, “Ikuyaku” Drug fostering and evolution” refers to a stage after releasing a medical drug to the market, and it is a process to foster a better “medicine” through activities such as gathering relevant information widely from the society, improving it to have a shape easier to swallow, making a better package, and applying the knowledge to other fields.

In order to realize Ikuyaku, it is crucial to receive advice and support from stakeholders regarding medicine, such as medical sites (doctors, nurses, laboratory technician, etc.), public administration, academic society and most of all, patients. For Ikuyaku, it is expected to analyze the given advice and information, provide scientific explanation, and embody it in a concrete form. To show an example, there was a report from a local institution in which pediatric medicine for middle ear infection did not work for some children, so they cracked an adult drug into small pieces, let the children take it, and it turned out to work dramatically. Therefore, we gathered the information in and around this medical institution, and successfully developed it as a new pediatric drug in relatively a short period of time.

From such experience, I believe that the relationship with partners is extremely important to overcome issues such as infectious diseases that development countries confront. Since pharmaceutical companies and developing countries have different economic conditions, it is inevitable that there is a wide gap in the definition of “sincerity” and “acuteness” for each party. That is to say, pharmaceutical companies are profit-making business, so they cannot provide medical drugs to patients stably without making profit. On the other hand, for people in developing countries, it should be an honest feeling that they wish to obtain cheap medicine even if they have to ignore drug patents. The issue of infectious diseases cannot be solved by just providing medical drugs. For a pharmaceutical company to truly contribute to global health, it is essential to provide comprehensive medical practice including public health and improvement in medical access.

Partnership Case Study -Vaccine & Medicine Development for NTDs through Partnership-



Dr. BT Slingsby

Director of Global Access Strategies, Eisai Co., Ltd.

Investment to health conducted by drug development partnerships

It is truly a paradigm shift that global health and corporate strategy are described in one article. Until today, global health has been targeting developing countries and corporate strategy has been mentioned in developed countries. But from now on, there will be a further globalization and developing countries will play a greater role. In such circumstances, it is important to invest into the health of people in developing countries, not just by a single company, but as a pharmaceutical industry as a whole.

Product Development Partnership (PDP) would provide good examples of such activities. PDP aims at making use of new technologies to global health, by getting involved in various processes from development to delivery of drugs, in cooperation with institutions such as the U.S. government, the British government and non-profit organizations sponsored by Bill & Melinda Gates Foundation etc. In 2009, Eisai conducted clinical development of curative medicine for Chagas’ disease, in cooperation with a non-profit organization called Drugs for Neglected Diseases initiative (DNDi). Also, from 2012, we started supporting vaccine development for Chagas’ disease and leishmaniasis in cooperation with a non-profit organization called Sabin Vaccine Institute. In this way, we carry out activities not as a pharmaceutical company alone, but together with non-profit organizations.

A challenge we face when forming a partnership like this is that different sectors have different cultures, and they have their own goals to achieve. Also, they often have different development partners and funding partners, which makes it difficult to liaise. In order to solve these issues, I think it is important to make a core team. It is necessary to make a core team that consists of project managers from each team, and create a coherent culture by that core team. By doing so, stakeholders can communicate with each other and build a relationship of trust. Through such efforts, I believe we can overcome the difference in culture and the organizational framework.



Mr. Satoru Yamamoto

Director, Head of International Investors
Services, FICC Sales Dept(I), Daiwa
Securities Co.Ltd.

Vaccine bonds – an innovative fundraising scheme is realized via public-private partnership

Vaccine bonds are a groundbreaking investment scheme which raises funds to operate immunization programs in poor countries. Its concept lies firmly within the capital market behavior, yet vaccine bonds have succeeded in dramatically improving the effectiveness of ODA funds. Three aspects of vaccine bonds are worth noting; firstly, that vaccine bonds have succeeded in delivering funds to where they are needed, secondly, that they have established themselves as a viable business, and thirdly, that they represent a best-practice which is unique to Japan.

The International Finance Facility for Immunisation (IFFIm) which issues vaccine bonds, was established in 2006 with the aim of financially supporting the works of Global Alliance for Vaccines and Immunisation (GAVI), which was launched in 2000. IFFIm's financial base consists of very long-term (20years) legally-binding grants from its sovereign sponsors, and the amount committed to date totals 63 billion US dollars. The World Bank acts as the Treasury Manager. The scheme may be likened to a time machine which, by issuing bonds backed by grants from sovereign donors, brings funds from the future to save the lives about to be lost today. Numerous stakeholders, including public and private sectors, and international organizations, are involved in vaccine bonds. Daiwa Securities Group Inc. sold Japan's first vaccine bonds, serving to bridge the fund from Japanese investors with developing countries around the world.

Some of the key factors which led to Daiwa establish partnership with the relevant sectors in selling Japan's first vaccine bonds included strong leadership at the highest level of the company, experienced professionals consolidating frameworks for issuance of bonds and rating, and a clear sense of mission – to save the children of the developing countries. With many customers agreeing with our social mission, our client base has widely expanded, which, I believe, has turned our initiative into a sustainable business model. On the other hand, numerous issues remain, including expanding GAVI's sources of financing and consequently, enabling bonds to be offered for sales at all time. We hope to offer solutions to these issues by developing a hybrid product of donation and investment, developing a donation programme, and structuring funds so that interested clients may purchase bonds whenever they wish.

Seeking Multi-Stakeholder Partnerships



**Dr. Kunihiko Chris
Hirabayashi**

Director, United Nations Children's Fund
Tokyo office

IKEA-UNICEF Partnership shows that “Children are Everyone’s Business”

I wish to introduce a 10-year old partnership between IKEA and UNICEF India, which has claimed that “children are everyone’s business”. India has been one of the largest production bases for IKEA, an international home products company. In the 1990s, however, several television programs exposed children working in the carpet industry and cotton plantation in Pakistan and India for IKEA, which urged the company to consider these issues seriously. IKEA quickly declared that it will no longer accept child labor at its suppliers or their sub-contractor, and in the face of the situation whereby more than 60,000,000 children were forced into labor, that it will launch a campaign to promote children’s welfare and address the root causes of child labor.

The causes of child labor are many and are complexly intertwined, including poverty, nutritional, hygiene and educational background of children. IKEA has decided to collaborate with UNICEF India, which, with professional knowledge and solid commitment, has long been working in India and successfully built relationship of trust with the local communities.

Under the partnership, UNICEF would collaborate with the international society, central and local governments, regional authorities and NGOs to promote the health, nutritional and education issues of children in India. IKEA, on the other hand, would closely work with the suppliers and monitor conditions of employment so as to prevent child labor, and draw the world’s attention to the issues of child labor by promoting its activities to its clients. By establishing the partnership, it became possible for UNICEF and IKEA to utilize each other’s network and involve more stakeholders, and take effective actions.

As a result of the partnership, today, an additional 15,000 children go to school in the cotton-growing regions in India. By collaborating with UNICEF, which works to save lives and health of underprivileged children around the world, and by practicing honesty in business, IKEA may be judged as having achieved remarkable success not only in avoiding loss of business chance but also in addressing child labor issue.

What are the keys to succeed varied and innovative partnership?

Kaneda In order to establish partnership in your projects, what is the most important key to success, or a barrier you face, if you name one?

Toride The most important point is that we selected the nutrition issue as our target, which is considered to be one of the most pressing issues in the world. By clearly showing the attitude that we aim to solve this issue, which is an international consensus, we were able to establish partnership across borders.

Mitsuyama We constantly communicated with specialists and academic societies to share information. By doing so, our partners often facilitated our activities. Fostering good relationships of trust with partners is the key for success.

Slingsby It is to find a champion in each organization, and work with them. Key players always change to new ones. It is necessary to find new leaders and reach them, which was a challenge for us.

Yamamoto The person who wants to do it has to work the most. If not, it won't be convincing. When acting as an organization, it is important to carefully find key persons within the company, and get hold of them. Additionally, an external approach is sometimes effective; that is to say, by receiving recognition from a third party, you can shorten the time to persuade people within the company.

Hirabayashi First of all, achieve results. It is important to make cases of quick wins, and raise the recognition toward the partnership. What is important after that is to have an evaluation index, and review the results every year or every half a year. This process may lead to possibilities for further partnerships.

A question from the audience How do you provide education to the local recipients?

Toride As regards to nutrition education for mothers, we work with organizations such as USAID and an international NGO called Plan, who have experiences in the nutrition education in communities. It is crucial to work with appropriate partners.

A question from the audience What do you think about the sustainability of social business?

Yamamoto In order to secure continuity of the business, we worked on making a system in which the business continues even when the leader who founded the project is gone. Also, I think that positive recognition from a third party can be a drive to continue



the business as an organization.

A question from the audience Regarding UNICEF's case of having partnership with IKEA, isn't there a criticism to tie up with one particular corporation?

Hirabayashi In this case, we have the partnership in order to achieve a common goal "to eliminate the child labor", and it is not to support the company's business. "Is this good for children?" is the criterion for judgment when UNICEF considers which companies to form partnership with.

A question from the audience In social business, what do you think about the balance between the aspect of solving social problems and the aspect of business?

Toride It is not easy to realize both, but I believe it is possible. I think so because contributing to world health through food is one of the core missions of Ajinomoto, and it is very important for the existence of Ajinomoto to continue contributing to the global problem of under nutrition through our business. Also, I think that enhancing the company's brand value in developing countries will lead to future market acquisition.



Overview of the panel discussion

Berkley I sincerely thank the wonderful panelists for this discussion. GAVI Alliance works with the aim of effective intervention. Most pharmaceutical companies working with GAVI create a healthy market in developing countries, and generate healthy competition. Private companies can play a great role in solving the issues of global health. The participants of this symposium consist of corporations, international organizations and governments who work in various fields. In order to solve the issues of international health, it is vital that various partners collaborate, and each party works in a field of their specialty.

Yamada There is a case in which one pharmaceutical company which lagged behind in the field of drug access became one of the most successful corporations in this area in just a few years through the commitment of its managers and employees. It is no



accident that they have become one of the most commercially successful companies in emerging markets as well. A corporation can only succeed if it lives up to its responsibility to serve the best interests of the community in which it operates. From my own experience of working in both private and public sectors, I believe that private-public cooperation is indispensable for the goal of allowing people in the world to live healthier lives.

Kurokawa In this discussion, I learnt some good examples of private company activities, and I feel that private companies now do things the governments used to do. Business is shifting from PUSH to PULL. In other words, it is becoming increasingly important to realize who needs what, and how to deliver it. In this world of rapid change, I wish that more young people go abroad, look at the world, understand what kind of era we are in today, and think what you want to do. For young people who create the future, it is essential to cooperate with global friends and partners to make the world a better place.

Closing Remarks



Dr. Shiro Konuma

Director, Global Health Policy Division
International Cooperation Bureau Ministry
of Foreign Affairs

In 1987, an American drama film titled "Wall Street" was released. In its sequel, released in 2010, the character of Gordon Gekko, the wealthy, unscrupulous corporate raider, declares that "greed is not only good, but legal". Whatever the fate of Gordon might have been, we are obliged to admit that human greed, one of the seven deadly sins, has stood at the base of economic activities since the Age of Exploration, and are likely to continue to do so. We have only recently witnessed corporate greed expressed via the LIBOR scandal.

The story of "Wall Street" may not necessarily be replicable in Japan, yet many of us nevertheless wish to obtain better salary, or live in a luxurious apartment in central Tokyo, and in order to achieve such aims, corporates must raise profit. In other words, we cannot live without the profit raised by companies.

On behalf of the Ministry of Foreign Affairs, I would like to thank all the speaker and the panelists for providing us with real-life examples of the truly innovative public-private partnership (PPP). I am also extremely grateful that we were able to hold constructive and meaningful discussions in the symposium. I believe that we may conclude that what is necessary in order for a business to succeed is not greed but reasonable profit. PPP is a powerful tool to achieve this, and in establishing partnership, the government ought to always bear in mind the *raison d'être* of the private sector, regardless of the issues and shape of the partnership.

The first step of PPP would be for both the government and the private sector to play a mutually supportive role in aiding the vulnerable people of the world, and take on the responsibility to save lives from preventable diseases. Based on that mission, the Ministry of Foreign Affairs wishes to continue to promote PPP for the future.



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