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## Industry News

# The AMR Action Fund: \$1B to Develop New Antibiotics

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As someone who has been in the antibiotic research space for decades, working with many companies and organisations across the globe, last week's announcement of a new Anti-Microbial Resistance fund was a hugely significant event.

The AMR Action Fund of nearly 1B USD has been generated by 23 pharma companies in partnership with the WHO. This fund will focus on treatments for drug resistant infections, a major threat to global health and already responsible for 700,000 deaths per year.

The key objectives of the fund are:

- Take 2-4 new antibiotics through Phase 2-3 clinical development and to approval by 2030.
- Create market conditions that enable sustainable investment in antibiotic development.

Antibiotic developers have been succumbing to a significant market failure. For example, in the US Achaogen and Melinta went bankrupt despite having launched effective antibiotics to market. This is 'upside down' and demonstrates failure in the market, as we normally expect a potentially life saving drug to launch and generate significant sales. Not so with new antibiotics.

The reasons are multifactorial but point to the fact that the traditional 'volume of sales' model does not work. We also need to consider 'stewardship' of antibiotic usage to avoid rapid onset of resistance thus rendering the drug largely ineffective and compromising our arsenal of available drugs should a superbug emerge. Careful use can minimise resistance but leads to reduced use, thus reduced sales.

Tangible efforts have been made in enabling early discovery through funding from Public Private Partnerships, charities, and specialist funds such as CARB-X, Wellcome Trust, GARD-P, Novo REPAIR Impact Fund and others. These 'PUSH' mechanisms of funding continue to be critical in light of diminished VC investments and unpredictable public markets. We can already see success in terms of breathing new life and innovation into the antibacterial discovery pipeline through these funds. Yet, we are still devoid of a 'PULL' mechanism to solve the market dynamic.

Addressing the 'PULL' mechanism is essential to effect market-reform and there are positive signs of change. Of particular note is the UK-led subscription model, a pilot program that will delink revenue from volume of sales. Policy makers and governments need to continue testing creative ideas and align behind these new models to avoid collapse of the antibiotic pipeline of life saving drugs.

The AMR Action Fund has been positioned to support the antibiotic space, and companies with programs in development, to avoid further bankruptcies, give time, and enable the appropriate reforms to take place and ultimately stimulate future investment.

It is estimated that, without action, AMR-associated deaths will rise to 10 Million per year by 2050. Given that current deaths are 700,000 per year it is difficult to understand why there is a sense of AMR being a future problem. I am very thankful to be part of the global community doing impactful collaborative work addressing issues and reinvigorating the antibiotic pipeline.

The COVID-19 pandemic has shown us how health and the global economy are inextricably linked. I am hugely encouraged by the new Action Fund and the bridge it is creating to achieve a long lasting solution to AMR. It is imperative to have life saving antibiotics available for generations to come.