Global Health Technologies Coalition Outside Witness Testimony for the Record Subcommittee on State, Foreign Operations, and Related Programs Dr. Kristie Mikus, Executive Director, Global Health Technologies Coalition

On behalf of the Global Health Technologies Coalition (GHTC), a group of more than 45 nonprofit organizations, academic institutions, and aligned businesses advancing policies to accelerate the creation of new drugs, vaccines, diagnostics, and other tools that bring healthy lives within reach for all people, I am providing testimony on fiscal year 2025 (FY25) appropriations for global health programs at the US Agency for International Development (USAID). These recommendations reflect the needs expressed by our members working around the globe to develop new and improved technologies for the world's most pressing health issues. We appreciate the Committee's support for global health, particularly for continued research and development (R&D) to advance new drugs, vaccines, diagnostics, and other tools for long-standing and emerging health challenges.

I am testifying today because we still do not have the technologies that we need to achieve a future where pandemics are prevented and health is within reach for everyone. In 2022, **1.3 million** people were killed by **tuberculosis**, **1.3 million** people were newly diagnosed with **HIV**, and **249 million** people were infected by **malaria**. In 2019, at least **1.27 million** people were killed by **antibacterial resistance**. Today, more than **1 billion people** worldwide are still affected by neglected tropical diseases. Unfortunately, it is women and children who are often the most underserved in the health sector. And as we look toward the future, we cannot afford to sit idly and wait for future pandemic threats with the potential to match or exceed the disruption of COVID-19.

To develop the innovations and technologies that we need to defeat these diseases and to prevent future pandemics, the US government needs to sustainably increase its investments in global health research programs. Public funding is critical for this sector because companies have little commercial incentive to invest in health areas that impact people in poverty. Not only are innovations and technology greatly needed, but they are also investments that yield incredible benefits outside of global health. Data from the past 16 years show that investments in global health R&D lead to economic gains in the United States and in partner countries. As told in a recent analysis conducted by a partnership between Policy Cures Research and GHTC, between

2007 and 2022, \$46 billion in US government investment in global health R&D led to \$104 billion in economic activity and the creation of more than 600,000 jobs countrywide. This is not to mention the follow-on effects of the innovations that the United States invested in during that time period, which are projected to generate \$255 billion and counting for the US economy.

As the world's leader in biomedical research, the United States has both a responsibility and an opportunity: with relatively small public investments, we have the power to save and improve millions of lives. To continue our progress toward developing lifesaving tools in FY25, we respectfully urge the Committee to support global health research by:

- Increasing or sustaining funding levels for every global health program under the US
 Department of State and USAID.
- Creating a new, additive <u>Supporting Innovative Global Health Technologies (SIGHT) Fund</u>
 <u>under USAID for global health innovation at \$250 million in FY25.</u>
- Again, including report language directing USAID to increase global health innovation spending.
- Again, including report language requesting that USAID produce an annual report on its global health research programs.

USAID has provided unparalleled support for the late-stage development of global health technologies for decades. It is the only US agency with a mandate to improve global health that supports the development of global health products from early-stage concepts to delivery around the world. USAID identifies innovation gaps, sponsors clinical trials, and scales new technologies to communities in need. Additionally, USAID uses novel financing models, builds interagency and multisectoral partnerships, and applies a business mindset to stretch the US government dollar for maximum impact. The agency's value-add is driving the late-stage research and scale-up of global health products that offer significant public health benefits but are not supported by other public or private funders.

Still, USAID's global health innovation mandate is increasingly constrained by three challenges:

• USAID funding for R&D has not kept pace with total global health spending. In 2006, USAID spent eight percent of its global health budget on R&D. Today, USAID spends 5.5%, and this spending is projected to decline further without a course correction.

- USAID funding for R&D is siloed by disease or health area, limiting funding
 opportunities for products that are novel or needed for emergencies. Funding for innovation
 today is drawn from disease- and population-specific appropriations accounts, limiting the
 ability of USAID to fund products that address multiple health issues or emerging challenges.
- Constrained budgets force leaders in the Global Health Bureau to prioritize immediate
 impact over innovation. With limited resources, leaders must make difficult decisions
 between funding programs now and funding innovation that could drive greater impact in the
 future.

To this end, sustained or increased funding for every global health line and a new, additive approach to funding global health innovation is needed at the agency. With an initial appropriation of \$250 million, the SIGHT Fund would raise total annual USAID investments in global health innovation to approximately ten percent of overall Global Health Bureau funding, slightly above the previous peak of eight percent set in 2006. Filling the cracks, the SIGHT Fund could be tapped for different health challenges as R&D opportunities emerge, especially for products currently without a funding source, such as those for antimicrobial resistance and malnutrition, as well as population-specific tools. The SIGHT Fund would improve health research coordination within USAID and with health research agencies across the US government. USAID has long-standing partnerships with many innovators, and the SIGHT Fund would supplement, not supplant, these existing programs and partnerships—expanding the global health pie rather than slicing it further. It would enable USAID to make bolder investments in new technologies while reducing the trade-off between programming and innovation. The SIGHT Act (H.R.6424) was introduced on a bipartisan basis in the House of Representatives in November 2023. It would establish the program area and staffing needs to implement the SIGHT Fund's appropriated budget. GHTC is actively advocating for the passage of H.R.6424 and a Senate companion bill in 2024.

In addition, we urge Congress to renew its request for an annual R&D investments report from USAID. At the request of Congress, USAID releases an annual report on its health-related R&D investments and programs. These reports provide Congress and the global health community insight into how USAID is investing in global health research and progressing toward its health-related R&D strategy. The strategy is an important articulation of USAID's health innovation mission and (together with the reports) is an essential accountability tool to

ensure that USAID is on track to meet its health R&D goals. This request is critical to ensuring that US investments in global health research are efficient, coordinated, and maximally effective. Global health R&D is unique as a foreign policy goal in that it also supports researchers in the United States. From 2007 to 2022, more than \$39 billion in federal funding went to US-based institutions for global health research and development, supporting hundreds of thousands of estimated jobs and generating billions more in economic growth. In addition, many of the tools and technologies developed from this funding benefit people living in the United States, either directly or indirectly, by strengthening national health security and global prosperity.

As we emerge from a global pandemic, it is clearer than ever that increases in investment for global health innovations are critical. Stronger global health R&D positions the United States to be better prepared for the next pandemic, saves lives, and bolsters health R&D capacity in the United States and abroad. Increased funding and an enabling policy environment that supports breakthrough innovation is an investment with documented benefits across multiple sectors and, ultimately, leads to more accessible and equitable health for all. With increased public funding for global health research, we can achieve a world that is healthier and safer for everyone.

GHTC urges the Committee to continue to direct USAID to prioritize science, technology, and innovation to advance its global health and development mission, allocate sufficient resources to support this work, and continue producing detailed, public annual reports on USAID's health R&D strategy.

We urge the Committee to maintain strong support for the Global Health Programs account under the State Department and USAID—supporting, at minimum, sustained funding at fiscal year 2023 levels for each disease- or population-specific program and supporting increases where possible—and create a new SIGHT Fund for global health innovation with a new and additional \$250 million investment. Global health innovation and implementation must not be seen as competing priorities, but rather part and parcel of the US commitment to improving global health. Global health research that improves the lives of people around the world—while at the same time supporting US interests, creating jobs, and spurring economic growth at home—is a win-win investment.

I thank you for this opportunity to provide this testimony.