

Science has delivered, will the WTO deliver?

TRIPS waiver proposal from India, South Africa and other members

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A proposal by India, South Africa and eight other countries calls on the World Trade Organisation (WTO) to exempt member countries from enforcing some patents, and other Intellectual Property (IP) rights under the organization's Agreement on Trade-Related Aspects of Intellectual Property Rights, known as TRIPS, for a limited period of time. It is to ensure that IPRs do not restrict the rapid scaling-up of manufacturing of COVID-19 vaccines and treatments. While a few members have raised concerns about the proposal, a large proportion of the WTO membership supports the proposal. It has also received the backing of various international organizations, multilateral agencies and global civil society.

Unprecedented times call for unorthodox measures. We saw this in the efficacy of strict lockdowns for a limited period, as a policy intervention, in curtailing the spread of the pandemic. International Monetary Fund (IMF) in its October 2020 edition of World Economic Outlook states "...However, the risk of worse growth outcomes than projected remains sizable. If the virus resurges, progress on treatments and vaccines is slower than anticipated, or countries' access to them remains unequal, economic activity could be lower than expected, with renewed social distancing and tighter lockdowns". The situation appears to be grimmer than predicted, we have already lost 7% of economic output from the baseline scenario projected in 2019. It translates to a loss of more than USD 6 trillion of global GDP. Even a 1% improvement in global GDP from the baseline scenario will add more than USD 800 billion in global output, offsetting the loss certainly of a much lower order to a sector of economy on account of the Waiver.

Merely a signal to ensure timely and affordable access to vaccines and treatments will work as a big confidence booster for demand revival in the economy. With the emergence of successful vaccines, there appears to be some hope on the horizon. But how will these be made accessible and affordable to global population? The fundamental question is whether there will be enough of Covid-19 vaccines to go around. As things stand, even the most optimistic scenarios today cannot assure access to Covid-19 vaccines and therapeutics for the majority of the population, in rich as well as poor countries, by the end of 2021. All the members of the WTO have agreed on one account that there is an urgent need to scale-up the manufacturing capacity for vaccines and therapeutics to meet the massive global needs. The TRIPS Waiver Proposal seeks to fulfil this need by ensuring that IP barriers do not come in the way of such scaling up of manufacturing capacity.

Why existing flexibilities under the TRIPS Agreement are not enough The existing flexibilities under the TRIPS Agreement are not adequate as these were not designed keeping pandemics in mind. Compulsory licenses are issued on a country by country, case by case and product by product basis, where every jurisdiction with an IP regime would have to issue separate compulsory licenses, practically making collaboration among countries extremely onerous. While we encourage the use of TRIPS flexibilities, the same are time-consuming and cumbersome to implement. Hence, only their use cannot ensure the timely access of affordable vaccines and treatments. Similarly, we have not seen a very encouraging progress on WHO's Covid19-Technology Access

Pool or the C-TAP initiative, which encourages voluntary contribution of IP, technology and data to support the global sharing and scale-up of the manufacturing of COVID-19 medical products. Voluntary licenses, even where they exist, are shrouded in secrecy. Their terms and conditions are not transparent. Their scope is limited to specific amounts or for a limited subset of countries, thereby encouraging nationalism rather than true international collaboration.

Why is there a need to go beyond existing global cooperation initiatives?

Global cooperation initiatives such as the COVAX Mechanism and the ACT-Accelerator are inadequate to meet the massive global needs of 7.8 billion people. The ACT-A initiative aims to procure 2 billion doses of vaccines by the end of next year and distribute them fairly around the world. With a two-dose regime, however, this will only cover 1 billion people. That means that even if ACT-A is fully financed and successful, which is not the case presently, there would not be enough vaccines for the majority of the global population.

Past experience

During the initial few months of the current pandemic, we have seen that shelves were emptied by those who had access to masks, PPEs, sanitizers, gloves and other essential Covid-19 items even without their immediate need. The same should not happen to vaccines. Eventually, the world was able to ramp up manufacturing of Covid-19 essentials as there were no IP barriers hindering that. At present, we need the same pooling of IP rights and know-how for scaling up the manufacturing of vaccines and treatments, which unfortunately has not been forthcoming, necessitating the need for the Waiver.

It is the pandemic – an extraordinary, once in a lifetime event – that has mobilized the collaboration of multiple stakeholders. It is knowledge and skills held by scientists, researchers, public health experts and universities that have enabled the cross-country collaborations and enormous public funding that has facilitated the development of vaccines in record time – and not alone IP!

Way forward

The TRIPS waiver proposal is a targeted and proportionate response to the exceptional public health emergency that the world faces today. Such a Waiver is well-within the provisions of Article IX of the Marrakesh Agreement which established the WTO. It can help in ensuring that human lives are not lost for want of a timely and affordable access to vaccines. The adoption of the Waiver will also re-establish WTO's credibility and show that multilateral trading system continues to be relevant and can deliver in times of a crisis. Now is the time for WTO members to act and adopt the Waiver to save lives and help in getting the economy back on the revival path quickly.

While making the vaccines available was a test of science, making them accessible and affordable is going to be a test of humanity. History should remember us for the "AAA rating" i.e. for Availability, Accessibility and Affordability of Covid19 vaccines and treatments and not for a single "A rating" for Availability only. Our future generations deserve nothing less.