

## Letter to the European Commission and the European Council – Ensure Accessible and Affordable Medicines for All

Dear President von der Leyen,  
Dear Commissioner Kyriakides,  
Dear Minister Spahn,

The Covid-19 pandemic has shown the need for the European Union to rethink its approach to the production and development of pharmaceutical products. We welcome the efforts of the European Commission to strengthen the EU's autonomy and resilience in the field of public health through the establishment of the EU4Health programme and the Pharmaceutical Strategy for Europe. With this letter, we urge the European Commission and the European Council to use these new programmes to effectively address the systemic problems in our pharmaceutical system and ensure accessible and affordable medicines for all European citizens.

The EU market exclusivity system allows pharmaceutical companies to set profit-maximizing prices. Companies can obtain market monopolies without needing to demonstrate that their revenue is insufficient to earn back previous investments. Over the past decades, many pharmaceutical companies have used this system to set high medicine prices which are disproportional to the actual costs of development. It is time to conclude that the current system of exclusive market rights does not lead to better medicines, but to exorbitant profits, which puts a high pressure on national healthcare budgets.

At the same time, pharmaceutical companies have received large amounts of public financial support – at both national and EU level – for the development of medicines and vaccines. These grants or subsidies are often not conditional on the accessibility or affordability of the medicines that are being developed. It is possible for the pharmaceutical industry to simultaneously profit from public subsidies and set excessive prices for these products to governments. This way, public money meant to address public health needs flows into the pockets of private shareholders.

The new pharmaceutical strategy offers an opportunity to alter this system and ensure accessible and affordable medicines for all European citizens. Yet, the strategy does not assure that the announced review of pharmaceutical legislation in 2022 will lead to measures ensuring transparency, fair prices and independent research. As Green parties in Europe, we believe that EU-countries have to join forces to ensure accessible and affordable medicines and vaccines for all. We therefore urge the European Commission and the Council to immediately take the following actions:

1. **Make public subsidies conditional on the obligation for pharmaceutical companies to be transparent about the costs of research and development.** When companies make use of public funding or enter into price negotiations with EU-countries, they have to provide transparent data about the share of public money they have used in the development of a medicine, the overall costs of R&D as well as other aspects of the supply chain.
2. **Do not extend pharmaceutical companies' exclusive rights once they have earned back their investments.** The EU should only grant extensions of monopoly positions, including

Supplementary Protection Certificates (SPCs), if applicants provide evidence that the period of effective protection under the patent is insufficient to cover their research investment expenditure.

3. **Step up EU efforts to fund and coordinate independent research into medicines and vaccines with the aim to address public health needs.** This includes the development of new medicines, research of comparative effectiveness of different pharmaceutical treatment options, to identify the ‘real’ innovations, repurposing trials with old off-patent medical products and development of medicinal products for children or for rare diseases.
4. **Expand the possibilities for EU-countries to use compulsory licenses.** The EU has to introduce explicit data- and market exclusivity waivers in the EU pharmaceutical regulation to enable national governments to effectively use compulsory licenses in the public interest.
5. **Step up action against abuses of dominant positions in the pharmaceutical sector.** The European Commission and national competition authorities should perform more investigations and impose fines on companies that abuse their dominant position in the European market by charging excessive prices.

We sincerely hope that the European Commission and European Council will use this momentum to prioritize the public health needs of Europeans over the profits of shareholders and we look forward to your reply.

Yours sincerely,

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