

Joint CSO reaction to ODA-eligibility of Covid-19 vaccine related spending

We understand there is consensus among Development Assistance Committee (DAC) Members to use Official Development Assistance (ODA) budgets to cover expenditures related to Covid-19 vaccines, whether these vaccines were initially purchased for domestic use or not. And that there is a general agreement on the value for each vaccine donation, at USD 6.72 per dose.

Since this discussion is currently about to close, we would therefore like to share with all of you our reaction to the proposal that is currently available on the OECD website.

We reiterate our general messages:

- ***Vaccine inequality:*** according to data from the latest Joint COVAX Statement on Supply Forecast for 2021 and early 2022, the current global picture of access to Covid-19 vaccines is unacceptable. Only 20 per cent of people in low- and lower-middle-income countries (LMICs) have received a first dose of vaccine (4 per cent in sub-Saharan Africa), compared to 80 per cent in high- and upper-middle-income countries. This vaccine inequality is the result of some of the wealthiest countries failing to make Covid-19 vaccines a global public good (free of charge to the public, fairly distributed and based on the needs of the most vulnerable), while also hoarding enough doses to vaccinate their own populations several times over. As some of these countries are now planning additional 'booster' doses for their populations, it is clear that the hoarding of vaccines is unlikely lessen even if DAC Member countries reach full vaccination.
- ***This comes at an intolerable health and economic cost for developing countries.*** According to the latest [World Bank figures](#), the pandemic led to almost 100 million more people being pushed into extreme poverty in 2020. And that increase in poverty still is a threat in 2021. Whereas current estimates suggest a global rebound in 2021, it will not be felt equally. While in the richest countries poverty is falling, the impact of Covid-19 on poverty is not only still present but also worsening in the world's poorest countries. The Organisation for Economic Co-operation and Development (OECD) estimates that as a result of the crisis, the annual Sustainable Development Goals' (SDG) financing gap could increase from US\$2.5 to \$4.2 trillion. This calls for urgent action as Covid-19 amplifies pre-existing inequalities, including gender inequalities, and intersects with other crises, such as the climate crisis.
- ***Vaccine dose reallocations are a drop in the ocean when compared to needs.*** These should supplement not undermine commitments towards sharing patents, confidential information and trade secrets, or copyright and industrial design rights. Nor should they undermine commitments towards ensuring Partner countries' access to concessional resources in line with internationally agreed targets. The global response simply cannot be treated as a fundraising exercise in which rich countries donate leftover vaccine doses to countries with less wealth or political heft. Governments must do more to regulate the power of pharmaceutical companies to hoard lifesaving intellectual property in the name of profit-seeking. This means unlocking the technology through supporting a World Trade Organization TRIPS (Trade-Related Aspects of Intellectual Property Rights) waiver, sharing the technology and know-how through the Covid-19 Technology Access Pool (C-TAP), and investing now in regional vaccine hubs across the world to defeat this and future pandemics. That is why we are pushing for a People's Vaccine that is free, fairly distributed and fully accessible to all.

CSOs reaction about the ODA-eligibility of vaccine donations

Members of the DAC-CSO Reference Group are disappointed with the fact that the [current proposal](#) excessively rewards donors for behaviour that has likely exacerbated the impact of the Covid pandemic for the world's poorest countries and peoples.

Many DAC-member countries pre-ordered vast quantities of Covid-19 vaccines when they were still in development; these pre-orders were enough to vaccinate their population many times over. And thus, they ended up with surpluses that were likely not to be used. The response has been to donate the spare doses

to countries who need them, which is laudable. However, receiving credit for this through the ODA statistics is unconscionable. These vaccines were never purchased in the interest of development partners in mind and therefore undermines the integrity, character and quality of ODA.

We are also surprised **the proposal does not include any ODA-eligibility criteria for the dose-sharing**. This lack of principles / criteria could lead to ODA reporting of vaccine doses that may have ended up being wasted since they expired before they could realistically be distributed and administered in recipient countries. Additionally, no criteria have been set up concerning how to report ancillary costs, leaving donors a huge space that may hamper true ODA reporting even more. In our previous recommendations we encouraged the DAC to consider the following, which we believe remain relevant:

- The DAC should establish shared principles and safeguards for bilateral dose donations to be ODA-eligible, similar to the [principles for dose-sharing](#) that apply to COVAX donations. Those principles and safeguards could contribute as well to avoiding ODA inflation.
 - o [Validity/timeliness/previsibility](#):
 - prevent donations of near-expired vaccines, with specific guidance on timeframes;
 - support countries to adapt their vaccination campaigns to the doses being donated;
 - guarantee supply allows for a timely second shot.
 - o Safe, effective, appropriate: Prevent donations of poor quality or insufficiently efficacious vaccines – for example, one that is not efficacious to fight a specific Covid-19 variant in the partner country's context.
 - o The DAC could consider a netting-out rule to ensure vaccine donations that are delivered to developing countries but ultimately not used – because they are inappropriate or expired – are not reported as ODA (vaccines donated minus vaccines actually used).

Transparency- and accountability-related aspects remain crucial. As such, we stress the need for DAC members to provide quality and up to date publicly available information on their in-kind donations of Covid-19 vaccines. Going forward we encourage them to support the creation of a new Common Reporting Standard (CRS) purpose code, with advice given on reporting, such as on project descriptions and detailed disaggregation, to enable quality and standardised reporting. The OECD should also work with DAC members, other reporters and the International Aid Transparency Initiative (IATI) to ensure these updated reporting standards also lead to timely and robust submissions to the IATI platform. In addition, given the likely variability in the quality and types of vaccines counted as ODA, we believe the OECD should produce an annual report, within three months of the calendar year end, where DAC members and other reporters provide additional information, such as breakdowns of the doses shared, type, recipient, cost attributed to them and their expiration date.

The **DAC should closely monitor broader concerns related to in-kind aid**. In-kind is often criticised because there has been evidence of this being used as a way to transfer unwanted goods to developing countries, or to tie their aid to the benefit of donor-based companies. If developing countries see their production capacities increase, these donations of vaccines produced in donor countries could be competing with locally produced doses. Also, the **DAC should regularly review the ODA reporting price for each vaccine** (at least once a year) and adapt the reporting instructions accordingly.

Last but not least, provision of vaccine doses is vital, but needs to go hand-in-hand with **broader support to strengthen health systems** and to ensure equitable roll-out of diagnostics and therapeutics. **And vaccine donations** should come in addition to existing ODA plans and by no means substitute ODA that should have gone into new or existing programmes and projects.

We thank you for your time and consideration.

Endorsing organisations:

1. ACEP - Associação para a Cooperação Entre os Povos, Portugal
2. ActionAid International, International
3. Aid Watch Canada, Canada
4. AKÜ – Estonian Roundtable for Development Cooperation, Estonia
5. Bond – The International Development Network, the United Kingdom
6. CNCN 11.11.11 – Centre National de Coopération au Développement, Belgium
7. COMMAT – Commonwealth Medical Trust, the United Kingdom
8. Dóchas – the Irish Association of Non-Governmental Development Organisations, Ireland
9. Eurodad – European Network on Debt and Development, Europe
10. FOND – Federația Organizațiilor Neguvernamentale pentru Dezvoltare, Romania
11. Global Health Advocates, France / EU
12. Global Responsibility – Austrian Platform, Austria
13. HelpAge International, International
14. ITUC – International Trade Union Confederation, International
15. KANCO – Kenya AIDS NGOs Consortium, Kenya
16. Kopin, Malta
17. Lithuanian NGDO Platform / Vystomojo Bendradarbiavimo Platforma, Lithuania
18. Oxfam International, International
19. PIANGO – Pacific Islands Association of Non-Governmental Organisations, Pacific region
20. Reality of Aid, Global
21. Results UK, the United Kingdom
22. Save the Children, International
23. Trade Union Advisory Committee to the OECD (TUAC), International
24. 11.11.11, Belgium

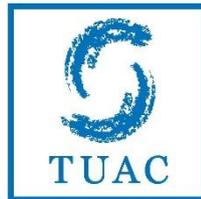


CNCD



dóchas

The Irish Association of Non-Governmental Development Organisations



Lithuanian National Non-Governmental Development Cooperation Organizations' Platform



PIANGO

Pacific Islands Association of Non-governmental Organisations | Association Des Ongs Desiles Du Pacifique



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