The business and economic case for vaccine equity





Chair's Letter

April 2021 Peter Hain

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'Nobody is safe until everybody is safe' has become a cliché over managing the Covid-19 pandemic.

Yet until now the behaviour of most nation states has been the exact opposite.

Britain astutely grabbed multiple pharmaceutical contracts nearly a year ago, so that aged 71, I have had my Oxford- Zeneca vaccine when my similarage cousins in South Africa (from where my family originates), haven't.

With one of the very worst infection and death rates in the entire world, Boris Johnson has transformed his reputation for Covid incompetence into praise for his vaccination programme.

Yet Britain is an island economy dependent upon trade. People have to fly or sail in (or drive in from Europe) for us to feed ourselves and survive economically.

So Brits can all be vaccinated to kingdom come, but we cannot isolate ourselves from the rest of the world. Even during lockdown, people steering planes, ships and lorries have poured in. Under globalisation's



financial and technological integration, no country and nobody can be an island.

But it's hardly surprising that the world has splintered, competed and disputed over vaccine supplies. Because that's how the world has been run over recent years. Nationalism has vanquished internationalism; unilateralism has overwhelmed multilateralism.

President Trump epitomised that, by abandoning the Climate Change Treaty and sidelining the UN, NATO and the EU. He even left the World Health Organisation in the middle of the pandemic. His 'America First' was paralleled by 'Russia First', 'China First' and 'India First'.

Trump, Putin, Zi, Modi – as well as Bolsonaro, Erdogan and of course Brexit – all reflected a mefirst world just at a time when climate change and then the pandemic needed the very opposite.

South Africa's President Cyril Ramaphosa – also chair of the African Union – pleaded at the Digital Davos in January for 'rich countries' to release 'their hoards' of Covid-19 vaccines – and he denounced 'vaccine nationalism'. In South Africa around 50,000 have died from Covid-19 and

1.5 million have been infected, though numbers are probably higher than these official estimates.

Lord Peter Hain is a former anti-apartheid leader and British Cabinet Minister. He is Chair of IC Intelligence



Below: UN Representative wave to the KLM pilots on the arrival of the first batch of 102,960 doses of Pfizer-BioNTech Covid-19 coronavirus vaccines at the Kigali International Airport



RWANDA PRESIDENT PAUL KAGAME WROTE:

'Rich and powerful nations have rushed to lock up supply of multiple vaccine candidates....purchasing many times more doses than they need. This leaves African and other developing countries either far behind in the vaccine queue, or not in it at all.'

Kagame added: 'Ensuring equitable access to vaccines globally during a pandemic is not only a moral issue, but an economic imperative to protect the wellbeing of people everywhere. But when will Africa get the protection it needs? If all lives are equal, why isn't access to vaccines?'

Their pleas seem to have had an impact because G7 countries have belatedly convened to distribute their surplus vaccines and to make substantial funding available to developing countries through Covax, the multi-national vaccine initiative (President Biden promising \$2 billion).

Meanwhile China and Russia have nipped in to donate vaccine to their strategic allies, provoking sour comments from the UK and US of 'vaccine diplomacy'. Obviously every government has to prioritise their own citizens, and yet one expert suggests China's vaccine programme will leave around half a billion Chinese still to be vaccinated after 0.8 billion receive it.

Commenting upon these initiatives and manoeuvres, Oxfam's Pan Africa Director Peter Kamalingin pleaded for donor countries to locate vaccine production in Africa.

Since the virus is mutating, and since so very few Africans have been vaccinated, and since the true number of cases is unknown on the continent, Kamalingin makes a compelling case.

'It is easier to get a nuclear weapon than to get a vaccine,' the Serbian president, Aleksandar Vučić, wittily complained in January, having just received a first shipment from China. Serbia subsequently augmented its stockpile with Russian vaccine, and Russia is also building a local vaccine bottling plant, enabling Serbia to claim the fastest vaccination rate in continental Europe.

The fact remains that vaccine selfishness is selfdefeating. Rich countries won't block the virus until every country does.



Guest post Crown Agents: Lab to Jab Covid-19 Response Facility

Procuring COVID-19 vaccines only one of the problems facing countries across the globe, says firm launching a £20million COVID-19 vaccine response facility to help ensure equitable access for all.

Securing a supply of COVID-19 vaccines is just one of the challenges facing countries across the globe, says Fergus Drake, CEO of procurement and supply chain experts Crown Agents which has recently completed 21 shipments of vaccines to 9 different locations across the globe.

Crown Agents recently launched their 'Lab to Jab' COVID - 19 Response Facility, which aims to raise £20 million to make COVID-19 vaccines more readily available, as well as to improve access to quality healthcare for 5 million people living in the most disadvantaged communities in Africa, Asia and the Middle East.

Complementary to the COVAX initiative, Crown Agents is seeking to use their expertise in health programming and supply chain logistics to ensure countries in the developing world are not left behind in the vaccine roll-out. The company is inviting philanthropists, corporate partners, trusts and foundations to join the effort by donating to the fund, and where possible co-creating programmes to respond to the most pressing needs of specific countries.

Crown Agents works in over 60 countries and has vast experience in supporting governments to address health emergencies. They have purchased, shipped and distributed supplies globally for over a century. Last year, they managed to cut through a competitive procurement environment for PPE supply and assisted in distributing it on the ground and training health workers, including in conflictaffected countries such as South Sudan. More recently, they were commissioned by the Ministry of Health Ukraine to do an emergency procurement of the COVID-19 vaccine. They secured a supply of 2 million doses of the Astra Zeneca vaccine and delivered the first batch of 500,000 doses less than six weeks later.

To learn more about the Crown Agents 'Lab to Jab' COVID-19 Response Facility fund please visit this page or contact Keith Kibirango, Director of Philanthropy and Private Sector Engagement, Keith.Kibirango@ crownagents.co.uk

FERGUS DRAKE, CEO, CROWN AGENTS

"Getting hold of the vaccine is only the half of the story. We know from our experience supplying emergency medicines to conflict zones and shipping millions of items of PPE around the world during this pandemic that procuring it is one thing, but getting it to the beneficiaries is another story entirely with many other risks.

For instance, purchasers need to ensure that they do not buy counterfeit versions of the vaccine and then ensure that they are not misappropriated. The vaccines could also become unusable because deliveries are delayed as a result of the lack of a proper supply chain. If the vaccine supply isn't tracked properly, there will be a mismatch between



supply and demand and it will be impossible to plan a vaccination campaign properly. If health workers aren't mobilised or there is low uptake because the population has been fed misinformation, there won't be enough coverage for it to be effective.



A successful vaccine campaign therefore requires countries to think holistically and coordinate all the different elements carefully to ensure its ultimate success."

The recovery depends on global herd immunity, and that can only be achieved through vaccine equity **Dr Desné Masie**

There will be no global economic recovery from the panedemic until everyone is safe. That will require global herd immunity to allow for the free movement of people, capital and goods. The main way that will be achievable is through mass immunisation and global vaccine equity. Covax is a good start, but it relies on altruism and makes the moral case for health and safety, but unfortunately I don't believe the acceleration of global vaccine equity will gather pace unless we appeal to the bottom line for business and political leaders.

Recent research by Citi says that Covid-19 vaccination will lead to "herd immunity" in the final quarter of 2021, said Citi Research, at least in richer countries provided vaccines are at least 70% effective. Many richer countries have secured vaccine pre-orders, and so will first experience the economic benefits of herd immunity. Overall, Citi forecasts that Covid-19 vaccination could raise global economic growth by 0.7 percentage points in 2021, and 3 percentage points in 2022 as activity returns to normal. But vaccine nationalism in rich countries is ultimately short sighted given our interconnected world, as the pieces by Lord Hain and Dr Mucheka attest.

We need to get everyone safe and moving again



if we want a global recovery by the end of this year. This is supported by research by Eurasia Group, which says global equitable access to COVID-19 vaccines estimated to generate economic benefits of at least US\$ 153 billion in 2020-21, and US\$ 466 billion by 2025, in 10 major economies -Canada, France, Germany, Japan, Qatar, South Korea, Sweden, United Arab Emirates, United Kingdom and the United States. This will create the momentum for a return to global growth. The Eurasia report, which was commissioned by the Bill & Melinda Gates Foundation, finds that these economic benefits will depend on rich countries throwing their support behind COVAX (the COVID-19 Vaccines Global Access) the global initiative aimed at equitable access to COVID- 19 vaccines led by UNICEF, Gavi, the Vaccine Alliance, the World Health Organization, and the Coalition for Epidemic Preparedness Innovations. Dr Tedros Adhanom Ghebrevesus, WHO Director-General, has called on countries to commit to the work of COVAX is not just the right thing to do – "it's the smart thing for all countries - socially, economically and politically."

In addition to COVAX, however, equitable pricing of vaccines is also a must. The revelation earlier this year that South Africa was paying more



than double than much wealthier EU countries for the AstraZeneca vaccine is an outrage. A string of revelations about vaccine prices has focused attention on a practice considered normal in the drug industry but often frowned on elsewhere: charging different prices to different customers for the same product. South Africa's government found itself on the defensive after a senior health official revealed that 1.5 million doses of the Oxford and AstraZeneca vaccine just purchased for use among health workers would cost \$5.25 (£3.84; €4.32) a dose, more than twice what the European Union is paying at \$2.15. Higher income countries apparently get the discount because they have invested in the research and development, but somehow that doesn't seem like a reasonable or equitable explanation, rather it seems immoral. Poorer African countries have to demand more transparency in vaccine negotiation and ramp up capacity for production in pharma in hubs such as Morocco and South Africa as research by McKinsey has argued India has shown is possible.

In this context, the pressure on rich countries both economically and morally has seen them step up commitments substantially, but the question is if it is too little too late, given we are in a race against time against new variants and increasing economic and social devastation. And as we hear from Fergus Drake, CEO of Crown Agents, the practicalities of vaccine rollouts when these commitments are made are incredibly complex.

Finally, when all these issues are overcome and everyone is immunised then the issue of widespread issuance of vaccine passports becomes another fly in the ointment and this will again depend on which variants the person has been immunised against and if there are reassurances about discrimination, fraud, privacy and new variants.

The best solution is clearly to have as many people immunised globally as soon as possible, so that all these issues can be worked out and standardised.

The question is do we have the will to do so? If so, the next few months will be critical as to how this plays out.

Dr Masie is an economist and chief strategist of IC Intelligence.





Source: Euromonitor International Macro Model, National Statistics Note: Global real GDP growth using PPP weights; figures for 2020 onwards are forecasts updated 29 September 2020.









Source: The Economist Intelligence Unit; World Economic Forum



D. Vaccinating when 30% of the population has been exposed



The business and economic reasons for why rich countries should share vaccines equally with African countries

By Dr Rufaro Mucheka



As the pandemic engulfed the world, governments had to make tough choices between lives and livelihoods to reduce the impact of Covid-19 infections. With more than 115 million infections and 2.5 million deaths globally and counting, vaccines have become the most effective weapon to slow the spread of the disease. Yet the world is already seeing "vaccine nationalism", as governments hoard doses already in short supply to protect their own citizens.

Britain has ordered 367 million doses for its population of 67 million and the EU has secured nearly 2.3 billion doses for its 450 million people. It is estimated that richer countries have already ordered more than 800 million surplus doses, with options for a further 1.4 billion. On the other hand, the African Union secured 270 million shots to supplement 600 million doses from COVAX for its



population of 1.2 billion. Although rich countries are promising to donate their surpluses to poor countries, the fact that poor countries are not being given an equal first bite of the cherry means their economies are left to linger in coronavirus fatigue for much longer.

The World Health Organisation promotes equitable access to medicine, yet leaving the distribution of vaccines to the market is absurd as no one is safe until all of us are safe. Rich countries are ignoring global initiatives designed to ensure equitable access to treatments and vaccines, such as COVAX. As major funders of the R&D, they could demand that the technology developed with public money be shared as a commitment to public good.

Despite the initial fear of the impact Covid-19 would have on Africa, the numbers show otherwise. With just over 100 000 Covid-19 deaths in Africa, this translates to 86.4 deaths per million, compared to the global 325.6 per million. Yet South Africa, with 38% of the continental infections to date, is sitting at 835.1 deaths per million population, more than double the world average. The second wave, fuelled by a more transmissible variant, has shown that the risks on the continent cannot be ignored, particularly given Africa's porous borders. The reality is that while Africa's numbers appear low, this could be attributed to the capacity of rich nations to more accurately track the impact.

It is understandable why rich countries are prioritising vaccines for their citizens, but the risks of doing so are real:

- The new South African variant has shown that the longer it takes to eradicate the virus, the more it will mutate, possibly reducing vaccine efficacy.
- Global supply chains will remain severely
- disrupted, costing up \$9t to the global economy, borne by rich countries.
- The lingering existence of Covid-19 will make it harder for struggling businesses to create

 employment. This is unsustainable given the record unemployment levels (14.8% in the USA and 32.5% in South Africa).

Business and leisure travel around the world will continue to be depressed for years to come.

There is no doubt that no one is safe until the whole world is safe. The logic of the rich countries that, "If we can treat the disease, we have nothing to fear" meaning that even if unvaccinated Africans come our way, it is not a life and death issue given the experiences with HIV, ebola, etc. This is a flawed line of defence. Covid-19 has shown us that economies are susceptible, not because of the strength of their economies, but the health of their citizens. As poverty levels increase in Africa due lockdowns, illegal migration into developed countries will also increase.

Also, the interconnected global economy relies highly on the mobility of both people and capital, people mobility plays a key role in unlocking opportunities especially in Africa. With Africa presenting clear growth opportunities, as highlighted by the IMF below, unlocking such opportunities relies highly the people travelling.

There are economic and business reasons for rich countries to assist developing nations to get enough vaccines, and get them fast. It is clear that until the virus is completely eradicated, the economic well-being of the poorest will be fragile and rich countries will be susceptible to such risks as long as people travel to do business as safety precautions will continue to be required for much longer. In addition, supply chains will continue to be fragmented. To save lives and quickly reverse the negative impact on livelihoods, rich countries should mobilise every possible resource to supply effective vaccines to African countries.

Dr Mucheka is an expert on Internationalisation of Businesses in Africa

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