



Access to COVID-19 Tools (ACT) Accelerator high-level meeting for finance ministries on 29 January 2021

Chairs' Summary

Today, Finance Minister Tito Mboweni of South-Africa and Finance Minister Jan Tore Sanner of Norway co-chaired a high-level virtual meeting between G20 and OECD finance ministries. On the agenda was how to collectively resolve the global economic crisis caused by the Covid-19 pandemic, and to explore how to mobilise the needed resources more effectively.

Presentations by high-level representatives from the WHO, IMF, European Commission, ACT-A partners and others gave an overview of the current epidemiological and economic situation, the link between the disease and the global economy, and the medical needs to end the pandemic.

Beating the Covid-19 pandemic is not a humanitarian goal only. It is also a prerequisite for a swift and sustainable recovery of the world economy and a global common good. Furthermore, accelerated global response is crucial for protecting people and the world from new viral variants that may be harder to control. The rationale for moving fast and for working together across all countries to beat this virus is clear.

The Access to Covid-19 Tools (ACT) Accelerator, established in April 2020, is set up to develop, procure and promote equitable access to Covid-19 tests, treatments, vaccines, and the health systems that support them world-wide. It brings together the world's leading public health organisations for a common purpose – to end the acute phase of the pandemic.

Participants agreed that cooperation on development, supply and distribution of tests, medical treatments and vaccines is pivotal – not only for people's health – but also for putting an end to the global economic crisis. Investing in global control of Covid-19 through equitable roll out of these technologies, is the best economic stimulus we all can give our own economies.

The participants also discussed possible tools and mechanisms for how contributions can be made to fill the remaining funding gap. For 2021 this amounts to USD 27 billion.

It was noted that while this number is large compared to today's global budgets for Official Development Assistance (ODA) it is small compared to the economic return of beating the global pandemic. If all G20 and OECD countries donate less than half a permille of their GDP, these funding needs are met.

Several participants indicated that they stand ready to contribute more.

The meeting called for multilateral cooperation, and guidance and leadership from the G20, G7 and other important players. This will be crucial for the way forward.

Attachments:

Concept Note

Issues for discussion

Concept Note

The Access to Covid-19 Tools - Accelerator (ACT-A) is a unique and unprecedented collaboration to accelerate the development, production and access to tests, treatments and vaccines for Covid-19 worldwide. ACT-A is a *framework for collaboration*. It is not a decision-making body or a new organization. It was set up in response to a call from G20 Leaders in March 2020 and launched by the WHO, European Commission, France and The Bill & Melinda Gates Foundation in April 2020. It is convened by global health organizations¹ and includes states, researchers, companies, civil society and philanthropists.

A key principle underpinning the ACT-A is the equitable distribution of COVID-19 tools to those who need them most. Its overarching goal is to end the pandemic as soon as possible.

Organization of ACT-A

<p>Diagnostics pillar</p> <p>FIND</p> <p>Global Fund</p> <p>Identify new diagnostics. Bring affordable, high quality rapid diagnostic tests to market for populations in low- and middle-income countries.</p>	<p>Therapeutics pillar</p> <p>Unitaid</p> <p>Wellcome Trust</p> <p>Develop, manufacture, procure and distribute treatments for populations in low-and middle-income countries.</p>	<p>Vaccines pillar (COVAX)</p> <p>CEPI</p> <p>Gavi</p> <p>WHO</p> <p>Ensure vaccines are developed as rapidly as possible and manufactured at the right volumes and delivered to those that need them most.</p>
<p>Health Systems connector pillar</p> <p>World Bank, Global Fund and WHO</p> <p>Strengthen the health systems and local community networks and unlock health system bottlenecks. Ensure sufficient supplies of essential Personal Protective Equipment (PPE) and medical oxygen in low- and middle-income countries.</p>		
<p>Access and allocation</p> <p>WHO</p> <p>Directs ACT-A's work on global access and allocation and regulatory processes.</p>		

ACT-A is an umbrella of different workflows. The work is organized through four pillars: Diagnostics, Therapeutics and Vaccines (also known as COVAX), with the Health Systems Connector pillar working across the other three. Each pillar is managed by 2-3 partner agencies. Additionally, WHO leads on the cross-cutting Access and Allocation workflow.

¹ The co-convening global health organizations are the World Health Organization (WHO), the Coalition for Epidemic Preparedness Innovations (CEPI), Gavi, the Vaccine Alliance, the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), Unitaid, the Foundation for Innovative New Diagnostics (FIND), the Wellcome Trust, the World Bank Group and the Bill & Melinda Gates Foundation.

The ACT-A also has a Facilitation Council, co-chaired by Norway and South-Africa and hosted by the European Commission and WHO. The Council's primary function is to provide high-level advice and guidance to ACT-A pillars, principals and partners, as well as global leadership and strategic and political mobilization for the initiative to address key challenges, particularly in the areas of financing and equitable allocation.

Economic backdrop

In its latest World Economic Outlook (October 2020), the International Monetary Fund (IMF) forecasts a contraction in the global economy of 4.4 per cent and 5.2 per cent in 2020 and 2021 respectively. The global cumulative loss of output for the two years combined is estimated at USD 11 trillion. By end 2025, it is estimated that the world could lose USD 28 trillion in gross domestic product (GDP).² These devastating economic consequences, even before accounting for the potential consequences of emerging variants of the COVID-19 virus, are also causing major setbacks to human capital development. Beyond the moral argument to leave no one behind, ensuring equitable access to COVID-19 tools prepares the ground for economic recovery in both HICs and LMICs alike.

Entering 2021, investing in ACT-A is the 'right' and 'smart' decision. The investment needed to fully finance ACT-A contributes to shortening the duration of the crisis and will be paid back quickly once global mobility and trade are restored. Such funding is a sound public health investment, not humanitarian assistance. And sharing the benefits of ending the pandemic comes naturally with sharing the financial burden of controlling it.

Beating the Covid-19 pandemic is a health and health security goal. It is also a prerequisite for a swift and sustainable recovery of the world economy. As a global common good, it would also be good economic policy. Further, it is a sound global public health measure that can protect people from new viral variants. The sooner we control the pandemic the lower the risks are for viral variants that may be harder to handle. The rationale for working together across all countries to beat this virus is very clear.

Financing of the ACT-A

The ACT-A Facilitation Council has explored numerous methods to mobilize the necessary financial resources (including innovative finance and debt instruments) and to frame a fair share of the financing burden. This work led to the elaboration of the "ACT-A Financing Framework". This framework breaks down all ACT-A funding needs, identifies realistic financing sources and mechanisms and their likely contribution, and proposes an approach to define the 'ask' for each potential contributing country to ACT-A by signaling contribution ranges. These 'asks' are based on the ability of each country to contribute, and on their willingness to do so based on past performance in multilateral endeavors.

As of 15 January 2021, ACT-A funding commitments total USD 6 billion and faces a funding gap of USD 27 billion for 2021. Of note, USD 4 billion in US funding to Gavi is in the process of being operationalized and is expected to reduce this gap.

We are reaching out to Finance Ministers because the COVID-19 pandemic requires an all-of-government response and financing that goes beyond development funding; most notably, fiscal stimulus funding will be necessary to mobilize the financial resources required. The

² Based on the scenario where local transmission is assumed to be brought to low levels everywhere by the end of 2022.

economic multiplier effect of collective investments in controlling the pandemic through global deployment of Covid-19 tools is substantial and compares very well to the multiplier effect of domestic economic stimulus.

Countries and other contributors support the ACT-A by contributing directly to the ACT-A implementing partner agencies. Additionally, if sufficient interest from countries, it will be possible to establish a financial mechanism for frontloading, which via the bond market transforms legally binding commitments for several years ahead into funds available today.

Links for further reading:

[The Access to COVID-19 Tools \(ACT\) Accelerator](#)

[ACT Accelerator: An economic investment case & financing requirements](#)

[Urgent Priorities & Financing Requirements at 10 November 2020](#)

[Access to COVID-19 tools funding commitment tracker \(who.int\)](#)

[The Eurasia analysis](#)

[The Rand Analysis](#)

[The Lord O'Neill article, A No-Brainer for the G20](#)

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Issues for discussion



What are we up against?

- To what extent does Covid-19 hold back economic recovery?
- Is ending the pandemic world-wide a prerequisite for global economic recovery?
- Is there a case for a unified and coordinated approach?



What must we do?

- Is there an appetite for supporting equitable distribution of Covid-19 tools globally?
- Do you share the goal of limiting an increase in the poorest countries' debt burden?
- Is there an interest for establishing a frontloading financial mechanism, i.e. a social bond, for financing ACT-A activities?
- How do you consider the prospects for further financial contributions to ACT-A?