

How Europe can lead by example on ACT-A

We are calling on the EU to commit to allocating 1% of all stimulus programmes to multilateral programmes to rid the world of COVID as quickly as possible. Beyond the emergency response, the EU can ensure sustainable actions by investing in pandemic preparedness and prevention, global health research and innovation, and the strengthening of equitable health systems that are universally accessible and free at the point of use.

Together with the latest €540bn package approved by Finance Ministers, and a diversity of other funding sources, we are calling on the European Commission (EC) to use a portion of these funds to deliver their fair share towards ACT-A by investing €1.2bn.

1. Budgetary additionality and complementarity

The EU should commit to mobilise fresh funds that complement, and not replace, investments committed to ODA, or earmarked for other essential global health interventions. ODA should continue to address primarily poverty-reduction strategies and protect the most vulnerable, while funding earmarked to other global health challenges such as the roll out of routine vaccination and combating the ongoing epidemics of HIV, tuberculosis, malaria or neglected tropical diseases must not be diverted.

2. Include international spending as a core part of supporting the EU economy

EU institutions and governments have all endorsed the budgetary flexibility proposed by the EC as part of the way in which the EU should find the funds to respond to COVID, welcoming the temporary flexibility in the use of EU funds to allow transfers between funds, regions and policy objectives. The EU institutions must make sure investing in multilateral efforts to end COVID, such as ACT-A, can be done from domestic-focused stimulus efforts. The EU needs to use this budget flexibility to ensure international efforts to end COVID are a core part of efforts to steady the economy.

3. EU4Health, Horizon Europe and NDICI

As the EU institutions conclude final negotiations on the next MFF, Member States have an opportunity to top-up key programs put forth by the European Parliament, which could be used to support the ACT-A. Member States should agree to a top-up to the NDICI, which is currently slated to be €2.3 billion smaller than equivalent instruments in the current MFF, and is the core source of funding for many ACT-A partners such as Gavi and the Global Fund to fight HIV, TB and Malaria. The EU4Health programme, which was originally proposed to be a 9.7 billion programme was cut to just 1.7 billion in the Council's latest negotiating mandate. This programme would not only boost Europe's preparedness for major cross-border health threats, it could provide a key source of funding for ACT-A. Similarly, the Council's proposal for the next MFF foresees severe cuts to the EU's research budget. This proposal would result in a much smaller health cluster budget under Horizon Europe (6.8 billion) than what is currently available under Horizon 2020 (7.4 billion). This should be reverted with an increase in the health cluster of Horizon Europe to ensure an appropriate budget to contribute to the R&D part of ACT-A if future needs arise.

4. Innovative financial instruments

The EU should assess the results of the current use of innovative financing mechanisms like the European Fund for Sustainable Development in contributing to the response to COVID, in particular in supporting partner countries in strengthening their manufacturing capacities. Based on the assessment and potential appropriate adjustments to ensure additionality, the EU should leverage innovative instruments under the European Fund for Sustainable Development + to finance the scale up of manufacturing capacity and roll-out of COVID medical tools in Europe and in partner countries.

5. Contingency Margins and flexibility instruments

The Budgetary authority of the EU should prioritise using Flexibility instruments over and above the MFF ceilings to get to the €1.2bn from the EU institutions, including:

- Mobilise the annual envelope under the Flexibility instrument, in particular to reinforce key programmes such as Horizon Europe, EU4Health and the NDICI;
- Exploring possibilities to use the Single Margin Instrument to mobilise funds above annual ceilings.

6. Current MFF

Ensuring the full budget implementation of priority areas and programmes such as health research under Horizon 2020, and human development in the Development Cooperation Instrument and the European Development Fund is essential to address the COVID crisis. Budget underspends in the current MFF should be assessed and potentially redirected to the ACT-A.

7. Putting equity at the heart of ACT-A and EU Vaccine Strategy

It is vital that equity is at the heart of the global response to COVID, including COVAX and ACT-A. From choices made on the development of products and their suitability in intended settings (e.g. number of doses, storage and administration of vaccines can have dramatic impact on equitable access in LMICs), to ensuring that as countries sign up to COVAX, policies ensuring equitable access for all must be captured in the contracts brokered between different stakeholders. Allowing different, and potentially preferential, terms for different investors would undermine the central premise of ACT-A. The EU should encourage all partners to guarantee fair and transparent pricing, expand access to intellectual property to produce COVID-19 tools as widely as possible, and commit to distribution and allocation frameworks aligned with the WHO's guidelines.

Additionally, the EU is simultaneously implementing its own Vaccine Strategy through deals with pharmaceutical companies. It is welcome that the EU is not enforcing exclusivity through these deals. However, to ensure efforts are truly complementary and mutually reinforcing, the EU must commit that advanced purchasing deals do not put strain on global manufacturing capacity and hamper industry from supplying timely access to COVID medical tools for those who need them beyond Europe. We call on the EU to ensure that it only purchases tools in line with actual needs and that any surplus medicines, diagnostic tools etc can be channelled through the ACT-A pillars to reach LMICs who may not have the same purchasing power.