



COVAX

THE SHAREHOLDERS COUNCIL MEETING (“THE COUNCIL”)

14 July 2021

Virtual meeting

1. Welcome and Introduction

- 1.1 Finding a quorum of delegates present, the Shareholders Council meeting commenced at 13.00 Geneva time on 14 July 2021. Minister Dr Fernando Ruiz and Dr Chrysoula Zacharopoulou chaired the meeting.
- 1.2 The Co-Chairs welcomed the Council members and speakers and introduced the agenda. In their opening remarks, the Co-Chairs referred to the recent consultations held by each of them with their respective Upper-Middle Income Country (UMIC) and High Income Country (HIC) member groups and stressed the importance of ongoing communication to strengthen links, find solutions and provide support to the COVAX Facility. Members were reminded of the urgent need not only to donate but also to deliver more doses, as many countries faced a third COVID-19 wave, with health systems under pressure and vaccine shortages resulting in inequitable access to vaccines. The Co-chairs acknowledged the regular updates provided by the Facility, noting that transparency and visibility of information, including delivery schedules, were key to allow all members to participate in shaping the future of COVAX.

2. COVAX Facility Updates

- 2.1 Seth Berkley, CEO, presented the latest Facility updates. Since the Council met on 18 May 2021, the Facility completed deliveries to 135 additional participants, crossing the 110 million dose threshold, but the need to deliver more remains a top priority. COVAX has been working to diversify its portfolio further and has been working with donor countries to facilitate near-term dose donations. He highlighted two new Advance Purchase Agreements (APAs) with Sinopharm and Sinovac, bringing the number of different products to 11, and noted that the Facility is expecting substantive vaccine supplies in the third and fourth quarters of 2021, which requires urgent country preparations. He noted that the distribution of vaccines

continues to be unequal, while the pandemic may be entering a new deadly phase with the Delta variant spreading all over the world.

- 2.2 Dr Berkley presented key metrics where significant progress has been made, including exceeding the resource mobilisation targets for 2021 and reaching US\$ 9.7 billion for vaccines and US\$ 775 million for delivery, thanks to the generosity of donors, in addition to portfolio diversification through signing new deals. He welcomed an agreement with the US Government to add 500 million doses of Pfizer vaccine to the COVAX portfolio, including 200 million doses to be delivered in 2021.
- 2.3 He welcomed Tanzania as the latest member to join the AMC Group, and Equatorial Guinea, which joined recently as a Self-Financing Participant (SFP). He referred to the launch of the dose-sharing programme and noted that the COVAX Humanitarian Buffer has received its first applications.
- 2.4 In relation to the allocation rounds, he noted that there have been five rounds to date, with approximately 283 million doses allocated to 251 participants. Future allocation rounds are planned to begin in quarter three, and the Facility will ensure that participants with lower coverage through COVAX doses will catch up with others to ensure equitable access.

Discussion

- Council members congratulated the COVAX Facility on its achievements and ongoing work and reiterated their commitment to the goal of ensuring equitable access to COVID-19 vaccines. Germany announced its readiness to donate at least 30 million doses, primarily through COVAX, with substantial volumes expected to be available in August. An appeal was made for other governments to announce donations as soon as possible.
- In response to concerns expressed by participants about late deliveries, vaccine shortages and how the shortfall in Serum Institute of India (SII)/AstraZeneca (AZ) doses would be made up, the Secretariat explained that SII was expected to resume exporting, but it was hard to predict when. The diversified portfolio was allowing volumes to be filled, with second doses being prioritised; however, delivery of the same vaccine for both doses could not be guaranteed. Important work was ongoing to review data from multiple sources on the possibility of 'mixing and matching' first and second doses.
- The Facility highlighted the complications of managing disease outbreaks, stating that the original allocation mechanism was not intended to predict where outbreaks might arise. Participants welcomed the work currently in progress with WHO colleagues to revise the model, taking epidemiology into account. It was noted that vaccination campaigns are generally not the best measure to address outbreaks once they are underway.

- In response to questions about country preparedness to receive vaccines, it was noted that absorptive capacity was considered in allocation decisions and that essential work was in progress to facilitate country readiness and minimise vaccine wastage.
- Members acknowledged the importance of the COVAX Manufacturing Task Force, which was working to build and strengthen local manufacturing capacity, viewed as a political priority by many countries.
- In response to questions about 2022 coverage targets, the Secretariat clarified that COVAX had not yet set a precise goal but was watching developments closely and would look to the WHO for guidance and assess its ability to deliver against WHO targets. It was still not clear whether boosters would be required and whether vaccines were needed to target variants.
- It was noted that the first applications for the Humanitarian Buffer had been received and decisions would be made in the coming weeks, following review.
- Finally, the Secretariat highlighted that while COVAX had visibility of the equivalent of 5.5 billion doses, this was not enough to cover all those in need and sufficient funds were not available to finance these volumes. Through a combination of more Advance Purchase Agreements (APAs), additional funding and donations, the Facility would strive to reach whatever goal was set, but there were still epidemiological questions to be addressed and it was important to be guided by science.

3. Supply Risk Mitigation

- 3.1 Aurélia Nguyen, Managing Director, Office of the COVAX Facility, introduced the COVAX Facility global supply forecast, highlighting a significant anticipated ramp-up that will reach the 1.9 billion doses target towards the end of 2021. She noted that responding to the pandemic has entailed the development, approval, and manufacturing of new vaccines at an unprecedented speed and scale which has brought various supply and shipment challenges not only to COVAX, but to most buyers around the world.
- 3.2 She highlighted several steps that COVAX has taken to expand, diversify and improve the reliability of its portfolio such as signing new deals and benefiting from dose donations. New deals had been signed in the last two weeks with Sinovac (50 million doses), Sinopharm (60 million doses) and Clover (64 million doses), bringing the total volumes under legally binding contracts to almost 4 billion doses. Commitments from countries to donate amount to about 530 million doses, with more expected. She added that Sinovac and Sinopharm had received WHO Emergency Use Listing (EUL)

and delivery was expected very soon, and that Clover was expected to receive EUL approval allowing delivery in Q4 2021. Noting that the windows were now open to purchase doses from these 3 new candidates, she invited participants under the optional purchase model to contact their Senior Country Manager with any questions on the process or deadlines.

- 3.3 She presented the supply forecast and current assumptions for the rest of 2021, noting that all supply outlooks come with risks, including regulatory approval, approval of manufacturing sites, resumption of exports from India-based suppliers, onboarding of new suppliers to COVAX and availability of financing to exercise optional doses from manufacturers. The Facility would continue to mitigate risks where possible and participants would receive monthly supply and delivery updates.
- 3.4 Marie-Ange Saraka Yao, Managing Director, Resource Mobilisation, Private Sector Partnerships and Innovative Finance presented an update on dose donations from donor countries which have facilitated the acceleration of the dose-sharing mechanism to benefit all AMC participants and advance the equity goal. She reported a significant ramp-up in donations since the last meeting, with close to 300 million doses for delivery by the end of 2021 and, importantly, given the current situation, more than 70 million doses in July. The Facility is able to provide a diverse product range, including AZ, J&J and Moderna and deliveries have been made to 26 countries to date. She reported that contributions of approximately 300 million additional doses were expected to be delivered before the end of 2021. Ms Saraka Yao reiterated her gratitude to countries for their generous donations and encouraged all others to do so, as early as possible. She highlighted the value of the mechanism in managing outbreaks, as seen recently with donations provided to Tunisia by the US and France.
- 3.5 Aurélia Nguyen presented the COVAX Manufacturing Taskforce vision, objectives as well as its four workstreams. The Taskforce, established in April 2021, aims to secure more doses for COVAX and to enable the Facility to achieve its mission with a focus on AMC92 countries, while mitigating the unintended impact on other vaccines and health products. It also seeks to strengthen regional health security by establishing sustainable regional long-term manufacturing of vaccines.
- 3.6 Finally, she outlined three mechanisms that are currently under consideration by the Facility, namely: reselling of excess doses from bilateral deals to the Facility, a brokerage facility for country-to-country reselling of doses from bilateral deals, and exchange or swapping of doses between COVAX participants. The Facility is assessing the risks, benefits and feasibility of these mechanisms, as well as the role of COVAX within them, and is planning a workshop for Council members in the near future, to present more detail and gather feedback to contribute to the decision-making process, expected to be concluded in late July or August. She set out the six principles against which the mechanisms would be assessed: fair and equitable access, mutual benefit, simplicity, manufacturer buy-in, value-add and implications for future pandemics.

- 3.7 Santiago Cornejo, Director, Country Engagement, Office of the COVAX Facility reported that, in response to requests from participants, the Facility had issued financial reports on how the funding provided by them had been utilised to date, showing funds allocated to reservations of doses and for deals, as well as remaining liabilities. Members were invited to ask any questions about the financial statements, the utilisation of funds and opportunities for future utilisation.

Discussion

- Council members expressed support for the proposed brokerage and re-selling mechanisms, which were seen as necessary to get the hundreds of millions of doses likely to be on the secondary market in Q3 and Q4 of 2021 into the COVAX framework. It was stressed that the six principles set out by the Facility for the operation of these mechanisms should be respected. The Facility thanked Norway, France and the UK for their offers of technical and legal support, to overcome remaining challenges quickly and facilitate operationalisation by Q3 2021. In response to an appeal for the AMC92 to be included in discussions about these mechanisms, the Facility highlighted the link with the development of the cost-sharing mechanism which allows AMC92 to procure doses additional to those provided by AMC funding.
- Council members also expressed their interest in the exchange mechanism and offered support for its development. Finally, on this topic, some countries requested written material and documents with additional information on the exchange.
- Members voiced strong commitment to dose-sharing, reiterating the need for donations as early as possible, with clearly stated timings and product types, to accelerate delivery. In response to a question about the scale of the financial burden to COVAX of the ancillary costs related to dose-sharing, the Facility reported that an AMC Investors Group meeting was scheduled for the next week to take stock of dose donations including ancillary costs, and to consider ways of improving the dose-sharing mechanism. Having experienced a steep learning curve, the Facility was now in a better position to assess how best to ensure that AMC funding could be dedicated to vaccine purchase.
- In relation to Gavi's capacity to facilitate dose-sharing beyond 2021, once the acute face of the pandemic was over, the Secretariat confirmed that, while there was still some uncertainty, dose donations were expected to remain important, alongside donor funds and cost-sharing using Multilateral Development Bank (MDB) financing to accelerate coverage, and that members would be updated on this topic going forward.
- In response to questions about the COVAX Manufacturing Task Force, it was noted that the WHO is an integral part of the Task Force and in turn co-ordinates closely with the WTO. The Facility explained that the Task Force also collaborates regularly with the ACT-A Vaccine Manufacturing Working

Group, in particular in relation to government support for the efforts of the Manufacturing Task Force. The Facility offered to share documentation in relation to the Manufacturing Taskforce and proposed a briefing session or informal workshop to go into more depth on the different workstreams and co-ordination with other bodies, if this was of interest to members.

- The Facility confirmed that, in the event that upfront payments were not used, they would be refunded and not used to fund other, non-COVID19 vaccines.
- It was noted that windows were currently open for Clover, Sinopharm and Sinovac, and that further windows would be opened as new products came into the portfolio.
- The need for country preparedness ahead of the expected ramp-up in deliveries in Q4 was re-emphasised by the Facility and all countries urged to seek any necessary support to overcome obstacles.

4. Forward look to 2022

- 4.1 Tania Cernuschi, Team Lead, Global Access, Department of Immunization, Vaccines and Biologicals, WHO presented the WHO Global Vaccination Strategy. Its goal was to inform country-specific vaccine targets and global goals, in light of current uncertainties, to promote an equitable approach to COVID19 vaccination globally and to inform global policy-making and access efforts, recognising that vaccinations are just one of several important tools.
- 4.2 She presented the conceptual framework for the 2022 goals, based on socio-economic aspirations and country-specific health goals, with four major steps to global recovery, in age-descending order, from high-risk groups and older adults to vaccination of children. She set out three possible approaches for 2022: reinstating the 20% goal to continue coverage of high-risk groups and older adults (Strategy A); expanding coverage to all adults, while also committing and raising resources to ensure sufficient supply to vaccinate adolescents and children, should the scientific advice to do so become available in 2022 (Strategy B); despite current scientific uncertainty, leveraging the momentum and crisis of the pandemic to vaccinate all age groups, including children, whenever clinical evidence supports this and to strengthen primary healthcare services (Strategy C). The Strategic Advisory Group of Experts on Immunization (SAGE) has indicated a preference for Strategy B. Discussions with regional WHO leadership are ongoing and member states will be consulted very soon.
- 4.3 Santiago Cornejo summarised the process undertaken to date to determine the future participation model for SFPs, including the approval by the Gavi Board in June 2021 of Option B, based on the principles of simplification, inclusiveness and mitigating the financial risk to Gavi. He provided an

overview of the outcome of the recent SFP workshop on this topic, including the need for greater visibility on availability of doses, ongoing interest from participants to exchange best practices and a call for clarity on arrangements for the transition to the new model. He announced plans for a fourth workshop in August at which finalised terms and conditions would be shared, following which interested participants would be invited to sign agreements and deals signed with manufacturers in September. The tight timelines were driven by lessons learned to ensure that volumes could be secured in time for delivery in 2022.

Discussion

- Council members welcomed the new simplified procurement model, which would help to establish a sustainable purchasing mechanism for this and future pandemics.
- The Facility noted the feedback from members on the proposed SFP participation model, including the importance of flexibility to accommodate changing country needs over time, and to allow countries to stay connected to COVAX to engage constructively for future pandemics.
- Members expressed concern that the proposed SFP model focused on procuring countries and requested greater clarity about the Terms and Conditions for non-procuring countries, including those participating in reselling, dose-sharing and exchange. Clarity about the implications for outstanding obligations under existing commitment agreements was also requested.
- The Facility stated that further information would be provided to address these questions, as well as any implications for governance arrangements.
- In response to a question about the intended audience for the WHO Global Vaccination Strategy, clarification was provided that its aim was to support development of National Vaccination Programmes by countries, as well as the establishment of global goals by WHO and other international entities. It was also hoped that it would inform the future of COVAX for 2022.
- The Facility noted a concern that the proposed mechanisms for reselling, exchange and brokerage must not negatively affect AMC donations or incentivise any practices that might concentrate doses in particular places, contrary to COVAX's founding principle of fair and equitable access.

5. Summary, Takeaways and Closing Remarks

- 5.1 Following a summary of the meeting 'takeaways' by Aurelia Nguyen, Dr Berkley encouraged the Council members to contact their Senior Country Managers with any specific questions and called for their continued

solidarity in addressing future challenges in the fast-moving COVID-19 environment.

- 5.2 In her closing observations, Dr Zacharopoulou stressed the need for High Income Countries to fulfil their responsibilities by financing and sharing doses and for all countries, whether High Income, Upper Middle Income or AMC92, to work together and with the COVAX Facility to deliver solutions to overcome the pandemic. She expressed her wish to hold the next meeting in early September, to ensure that members' views could be represented at the September Board meeting and invited all members to contact the Co-chairs in the meantime.
- 5.3 Minister Ruiz reiterated the Co-chairs' availability to receive comments, advice and proposals, noting the dedicated email address set up for UMIC participants for this purpose. He stressed the urgent need to translate donations into distributed doses and stated his intention to organise a meeting to address manufacturing challenges and solutions, given the high interest in this topic. Finally, he reminded the members of the fundamental principle of equitable access to allow all to come out of the pandemic. After determining that there was no further business, the Co-Chairs closed the meeting.
