

**Restricted**

Office of the Minister of Foreign Affairs

Cabinet

**Support for Pacific and Global Vaccine Access and Roll-out**

**Proposal**

- 1 This paper seeks approval for a multi-year funding envelope of up to NZ\$75 million to support Pacific and other developing countries to access and roll-out COVID-19 vaccines.
- 2 This paper complements two other COVID-19 vaccine papers being presented to Cabinet simultaneously – “COVID-19 Vaccine Strategy: Update on vaccine purchasing” (led by Ministers Woods, Hipkins, Little and myself) and “Update on the COVID-19 Immunisation Strategy and Programme” (led by Ministers Hipkins, Little and Verrall).

**Relation to government priorities**

- 3 The NZ All-of-Government COVID-19 Vaccine Strategy includes a commitment to supporting equitable access to vaccines for New Zealand and the Pacific at the earliest opportunity.
- 4 A vaccine supports our interest in a safe, stable and resilient Pacific where New Zealand’s interests and influence are safeguarded.
- 5 Key objectives being pursued through New Zealand’s Vaccine Strategy include:
  - 5.1 Making a visible and valued contribution to global vaccine efforts;
  - 5.2 Supporting Pacific vaccine access and immunisation efforts, with a primary focus on Polynesia and the Realm.

**Executive Summary**

- 6 Supporting Pacific access to a COVID-19 vaccine and Pacific immunisation efforts are key objectives being pursued under New Zealand’s vaccine strategy.
- 7 New Zealand has already taken steps to achieve these objectives including by ensuring the Realm is included in New Zealand’s COVAX allocation and by seeking to ensure our bilateral Advance Purchase Agreements (APAs) allow for New Zealand to pass on excess doses to the Pacific to bolster coverage across the sub-region above and beyond what the COVAX Facility could provide.

- 8 These efforts alone will not meet all New Zealand's objectives – to protect the health of Pacific people, support the Pacific's economic recovery, s6(a)
- 9 A range of possible approaches to securing and rolling-out vaccines in the Pacific will be required. A further contribution to global multilateral efforts is also suggested. Given the significant unknowns in relation to the costs, timeframes and sources of a vaccine, New Zealand's approach needs to be adaptable and will depend on the options and constraints that present themselves.
- 10 Coordination with other development partners including Australia, WHO, UNICEF and the multilateral development banks will be important as we seek to ensure a coordinated approach to vaccine access in the Pacific and a well-managed immunisation roll-out.
- 11 A flexible multi-year funding envelope of up to NZ\$75 million is proposed. Final decisions on options to pursue will be based on decisions taken by Pacific governments, and an assessment of the safety, effectiveness and suitability of individual vaccines for the Pacific and supporting effective roll-out.
- 12 Specific initiatives would be approved within existing delegations, with any proposals beyond NZ\$25 million being approved by Joint Ministers (Minister of Foreign Affairs and Minister of Finance). Funding will be drawn from reprioritised Official Development Assistance (ODA) from current baselines. The proposal does not require new funding.
- 13 A public commitment now is important to counter any concerns from the Pacific about a lack of support. s6(a)

## Background

- 14 Most Pacific countries have managed the risk of introducing COVID-19 exceptionally well. Some, like Fiji, Vanuatu and Solomon Islands, have also successfully tested, quarantined and / or eradicated COVID-19 from the community.
- 15 Yet the strict border controls that have served as the region's primary line of defence has resulted in severe economic damage, particularly in countries that are heavily dependent on tourism revenue such as Fiji and the Cook Islands.
- 16 The economic impact of COVID-19 is already being felt in rising regional unemployment, and will likely be seen in cuts to public services or considerable debt accumulation as government fiscal pressures mount.
- 17 Social issues such as gender-based violence have increased during the pandemic, a trend that will likely continue. In the worst case scenario, economic downturn could precipitate civil unrest and political instability.
- 18 New Zealand is working closely with other donors and reviewing our ability to provide additional financial support to Pacific countries. The scale of need is huge and donor financial support will only go so far.

- 19 For some countries, safe travel with countries like New Zealand and Australia would alleviate negative tourism impacts and support recoveries. Early access to a vaccine however will be vital for supporting reopening of borders and ensuring all the Pacific can reintegrate into the recovering global economy.
- 20 Globally, over 180 countries have joined the COVAX Facility, a global multilateral arrangement to pool resources to access a range of vaccine candidates. Developed countries have contributed funding to the COVAX Advanced Market Commitment to support access to this mechanism by developing countries. For many, this will be their main avenue for accessing a vaccine but it will only cover up to 20% of their populations.
- 21 Recognising this and reflecting New Zealand's existing health connections to Polynesian countries in particular (Samoa, Tonga and Tuvalu as well as the Realm countries), the former Minister of Foreign Affairs agreed in principle to use ODA to purchase vaccines for Polynesia.
- 22 I am now seeking Cabinet's approval of funding to operationalise this decision to use ODA to purchase vaccines for Polynesia; to support vaccine access and roll-out across the wider Pacific; and to boost our support for global multilateral mechanisms for vaccine access and roll-out.
- 23 I am seeking approval at this time to enable New Zealand to make a public commitment of support for the Pacific at the earliest opportunity. In doing so, I aim to provide reassurance to the Pacific that support to access and roll-out safe and effective vaccines will be available from New Zealand s6(a)

### **New Zealand's Objectives**

- 24 New Zealand wants to make a visible and valued contribution to global efforts to develop and distribute COVID-19 vaccines. In the Pacific we will want to ensure early access to vaccines, in alignment with New Zealand's timing if possible, with full population coverage.
- 25 New Zealand sees two risks emerging from the competitive global marketplace for COVID-19 vaccines in relation to the Pacific:
- 25.1 Global demand will initially outstrip supply. Pacific countries are at risk of falling to the back of a long queue s6(a)
- 25.2 s6(a)
- 26 s6(a)

### **What have we done so far?**

- 27 In line with our objective of ensuring equitable access to safe vaccines at the earliest opportunity, New Zealand has:

- 27.1 Contributed NZ\$7 million to the COVAX Advance Market Commitment (AMC) to support vaccine access for developing countries, including most Pacific island countries;
- 27.2 Committed an additional NZ\$30 million to the Access to COVID-19 Tools (ACT) Accelerator (for a total of NZ\$37 million), a proportion of which has gone directly to the Coalition for Epidemic Preparedness Innovations (CEPI), for direct investment into global vaccine efforts, as well as funding to support NZ science institutions' participation in these;
- 27.3 With Australia, successfully advocated for the eligibility criteria for the COVAX AMC to be expanded to include most Pacific Island countries (with the exception of Cook Islands, Nauru, Niue, Palau and Tokelau). It is possible these countries will still be required to pay a contribution for their vaccines;
- 27.4 Given the Realm's exclusion from the COVAX AMC, agreed with the COVAX Facility that the Realm's population be included in New Zealand's population for the purpose of COVAX allocations. This means New Zealand has committed to provide vaccines to the Realm sufficient for at least 50% of its population (consistent with our entitlement to receive up to 50% coverage under COVAX).
- 28 New Zealand is also negotiating the right to pass on doses from our overall portfolio to Polynesian countries in each of our purchasing agreements with pharmaceutical companies and ensuring sufficient doses are purchased in our overall portfolio to cover the population of Polynesia (approximately 360,000 people). The decision to use a vaccine offered by New Zealand is ultimately one for Pacific governments to make.
- 29 New Zealand is also supporting Pacific vaccine roll out efforts through:
- 29.1 working with regional agencies and partners through the WHO-led multi-agency Joint Incident Management Team (JIMT) in Suva; and
- 29.2 preparing to implement a pandemic support package to Polynesian countries through the New Zealand Aid Programme-funded Health Corridors Programme managed by the Ministry of Health.

**Problem definition**

- 30 By themselves, these initiatives are not sufficient to meet all New Zealand's policy interests, particularly in the Pacific.
- 31 While the COVAX AMC should provide coverage for up to 20% of Pacific island populations, they will require additional vaccines to achieve full population coverage.
- 32 s6(a)
- 33 It is in New Zealand's interests to support – and be seen to support through proactive communication – access to safe population coverage across the Pacific, not just for Polynesia and the Realm, together with partners such as Australia.

## Analysis

34 Vaccine developments are advancing at pace. Now is the time to ensure New Zealand has sufficient funding and flexibility available to ensure Pacific countries have options and to be well placed to access and roll out vaccines at the earliest opportunity.

35 A range of approaches to support Pacific access and roll-out of vaccines are outlined in the table below.

Option	Description	Benefits	Challenges
<b>Pacific vaccine purchase</b>			
<b>COVAX: The Realm</b>	Under our agreement with Gavi, New Zealand will extend its 50% COVAX coverage to include the Realm.	Enables the Realm countries to access vaccines through COVAX from which they would otherwise be excluded.	Liability and indemnity issues need to be resolved. Only available for Realm countries.
<b>COVAX AMC: Pacific (excluding the Realm)</b>	Cover any costs incurred by Pacific countries (other than the Realm) in COVAX, if cost sharing is required.	Other Pacific countries (except Palau and Nauru) are eligible to receive 20% population coverage via the COVAX AMC.	It is unclear yet what mechanisms would be used. Potentially high transaction costs if providing support bilaterally.
<b>Advanced Purchase Agreements</b>	NZ requests an additional 360,000 doses of vaccine/s most suitable for Polynesia and negotiates the right to pass on vaccines to Polynesia (including the Realm) in each agreement we negotiate with vaccine manufactures.	Secures additional pathways for Polynesia to secure vaccines beyond or instead of the COVAX AMC.	Liability and indemnity issues need to be resolved. Possible that suitable vaccines are not secured by New Zealand. Excludes other Pacific countries with whom we have strong partnerships and an interest in supporting vaccine efforts. Advance purchase of a vaccine candidate may not ultimately be taken up.
<b>Advance Purchase Agreements Excess Doses</b>	Donating surplus NZ doses purchased through APAs to other countries in the Pacific beyond Polynesia.	Provides additional vaccine pathways for Pacific countries.	Relies upon at least some of the APAs currently under negotiation achieving approval for use and New Zealand having surplus doses Liability and indemnity issues would need to be resolved and this would be more difficult in jurisdictions where New Zealand was less active in immunisation roll-out.
<b>Contribution to regional efforts to</b>	Supporting the Pacific to procure vaccines beyond the COVAX AMC, for example through a	Provides an opportunity to support Pacific countries beyond Polynesia and cover more than 20% of their	Regional vaccine procurement mechanisms (e.g. Multi-Donor Trust Fund) are being considered

**RESTRICTED**

<b>Option</b>	<b>Description</b>	<b>Benefits</b>	<b>Challenges</b>
<b>Pacific vaccine purchase</b>			
<b>procure vaccines (Pacific wide)</b>	contribution to regional or multilateral mechanisms, should they be established.	populations.	but only at the idea phase.  It is not clear how such a mechanism would procure vaccines for Pacific countries and when they would be procured.
<b>Vaccine roll-out</b>			
<b>Polynesian Health Corridors</b>	Support vaccine roll-out for Polynesia through New Zealand Aid Programme's Polynesian Health Corridors Pandemic Preparedness workstream, implemented by the Ministry of Health	Strengthens relationships with Polynesian Ministries of Health.  Harness New Zealand's experience with vaccine roll-out.	Needs close collaboration and coordination with other partners to calibrate appropriate level of support and ensure there is no duplication of effort.
<b>Provide funding to a WHO-led JIMT Vaccine Work Plan</b>	Supporting vaccine roll-out beyond Polynesia through a contribution to regional efforts such as through WHO/UNICEF and the JIMT.	Efficient and effective - supports collaborative and coordinated efforts to vaccine roll out Pacific. Draws on the significant expertise and experience of WHO and UNICEF in implementing vaccine programmes in the Pacific and will use existing mechanisms.	Regional coordination efforts are embryonic at this stage.  Unclear if WHO/UNICEF will direct resources for vaccine outside COVAX.
<b>Global contribution</b>			
<b>COVAX AMC</b>	Provide an additional contribution to Gavi for the COVAX AMC.	Demonstrates New Zealand support for equitable access for developing countries.  Enables us to leverage UKs proposal to match funding ((£1 for every US\$4).	Funding cannot to be tagged directly to the Pacific, so goes equally to support all 92 developing countries.

36 It is too early to determine which approach or combination of approaches will be most effective as:

36.1 We don't know when vaccines will be available or how quickly they will be rolled out. Vaccines are expected to become available gradually, complicating roll-out planning and implementation and potentially increasing costs. Initially immunisation will likely be targeted at those most at risk. Achieving sufficient uptake across the whole population to achieve community immunity will take longer, although for some smaller country populations it may make sense to complete immunisations at one time;

36.2 We don't have full information about the vaccines that will be available for the Pacific. The platform and characteristics of a vaccine have a bearing on the

feasibility of roll out, timeframes and costs, logistics and delivery plans. Conceivably a number of different vaccines will flow to the Pacific, complicating roll-out (different cold chain requirements, numbers of doses, etc.) and potentially increasing costs, although this is less of a risk in small populations;

36.3 We don't know the price of vaccines through COVAX or which of New Zealand's APAs will come to fruition, or costs of delivery and roll-out. s9(2)(b)(ii)

36.4 We don't know when other donors' vaccines may become available. To provide early Pacific access it might be more efficient to support an Australian vaccine s6(a)

37 As a result of these challenges I assess New Zealand would be best placed by taking an adaptive approach to providing and supporting the roll-out of vaccines to the Pacific. It is likely a number of these approaches will be used in tandem as New Zealand works closely with regional agencies, other donors and Pacific countries to secure and prepare the region for a vaccine.

38 Decisions on which combination of options to support will be assessed against the best way to achieve New Zealand's objective to secure safe vaccines for the Pacific at the earliest opportunity, and supporting effective roll-out.

39 Assessment factors are likely to include vaccine suitability, timing and costs, resolution of indemnities issues and the contributions of other donors to vaccine efforts.

40 I recommend that officials actively seek to purchase up to 360,000 additional doses of at least one suitable vaccine candidate as part of New Zealand's efforts to procure a vaccine portfolio, to boost the likelihood of achieving full population population coverage for Polynesia. s9(2)(b)(ii)

41 New Zealand's efforts, then, would ensure Polynesian countries would be more likely to have the options available to vaccinate their full populations. This would be achieved through a combination of possible excess vaccines purchased for New Zealand along with the purchase of 360,000 doses specifically for Polynesia.

42 This approach does mean that there is a chance more doses than required for Polynesia will be secured. In this case New Zealand would look to offer surplus vaccines to other countries in the Pacific. Through 2021 there is also the possibility that an international vaccine exchange mechanism will be established. s9(2)(b)(ii)

43 Based on current information on possible options a credible package is described in the table below. These figures are indicative only, particularly in relation to the procurement of vaccines. The actual costs will be confirmed as vaccines become available, and may be more or less:

<b>Approach</b>	<b>Estimated costs or credible contribution (NZD)</b>
Funding to reimburse the Ministry of Health for vaccines procured through New Zealand's COVAX allocations.	\$0.5m s9(2)(b)(ii)
Funding to reimburse Vote Health for vaccine doses (from Vote Development Assistance), procured through New Zealand's bilateral Advance Purchase Agreements, to Polynesia.	Up to \$35.5m
Funding to support Pacific countries' contribution towards vaccines through COVAX AMC (if required).	\$4.0m
A contribution to a multi donor mechanism to support additional procurement for the Pacific including for PNG, if established	\$10.0m
A contribution to the WHO-JIMT to prepare the Pacific to receive vaccines and to ensure safe, efficient and effective roll-out.	\$10.0m
Pacific Health Corridors Pandemic Preparedness Programme to support vaccine roll out in Polynesia (including procurement of consumables)	\$5.0m
An additional contribution to Gavi for the COVAX AMC to support equitable access to vaccines for developing countries and to leverage the UKs matching proposal (£1 for every US\$4).	\$10.0m
<b>Total</b>	<b>Up to \$75m</b>

44 Pacific countries have yet to engage in the vaccine discussion in detail, being largely focused on the more immediate challenges posed by COVID-19. Officials will continue these discussions including to better understand particular vaccine needs and preferences.

### **Indemnity and Liability**

45 Another key challenge to donating doses to the Pacific will be indemnification. <sup>s6(a)</sup>  
s9(2)(b)(ii)

This reflects the accelerated development of COVID-19 vaccines, and the risk in rare cases of unexpected serious adverse events. In normal circumstances this risk can be covered by insurance, but this will not be the case for COVID-19 vaccines.

46 s9(2)(b)(ii)

47 s9(2)(b)(ii)



48 s9(2)(b)(ii)

49 This issue has been raised in early engagements with Polynesian countries. Officials will work with them, and other technical agencies like the WHO as appropriate, on a solution to this challenge including sharing information to help build their understanding.

**Coordination, collaboration and engagement**

50 Pacific capacity to receive and roll-out vaccines is likely to be limited. Absorbing new vaccines will be a challenge. There is a range of technical issues that will need to be addressed before a vaccine can be received and successfully rolled out

51 New Zealand will continue to be in close contact with Pacific governments, as we have been throughout the COVID-19 pandemic at the political, health leaders’ and working level. Our offshore Pacific missions have already signalled at a high level New Zealand’s strong willingness to provide support. Engagement with Polynesian countries in particular has been strong through the Polynesian Health Corridors initiative. This has included regular and valued dialogue on COVID-19 preparedness and response, and discussion about options for support for pandemic preparedness, which has shaped New Zealand’s approach.

52 The Vaccine Pillar of the WHO JIMT provides an important platform for technical discussions and the coordination of donors. The Pillar will be critical in supporting the Pacific to address these issues and helping development partners make the right decisions on which vaccines are best for the region. Officials are are engaging closely with the Pillar on these issues, including with agencies’ in-country offices, which provide another helpful link to Pacific governments.

53 Coordination with other donors, in particular Australia, will be important to avoid duplication of effort and to avoid too many different vaccines being provided to the Pacific. Many donors have already signalled an intention to invest significant resource to support vaccine procurement and delivery:

53.1 Australia has announced AU\$523 million in support for vaccines for South East Asia, Timor-Leste and the Pacific. We are working with Australia as it develops details to ensure complementarity of our efforts;

53.2 The World Bank has announced US\$12 billion will be available globally for countries to use to procure vaccines;

53.3 s6(b)(ii)

- 53.4 We understand the US plans to include North Pacific countries/territories in its 'Operation Warp Speed' but this has not been formally confirmed.

### Timing

- 54 The (virtual) Pacific Islands Forum Leaders meeting (the PIF) was proposed for mid-December but a recent scheduling change means it is now likely to be held in mid-January. Under normal circumstances, this would be a logical juncture for a public announcement of New Zealand support by the Prime Minister. This would give Pacific nations and development partners certainty about New Zealand's intentions, would support cooperation with Australia (which has already announced their approach), and ensure New Zealand continued to be seen as a leading partner s6(a)
- 55 However, given that the PIF has now been re-scheduled to January 2021, and in order to meet our objective of giving certainty to Pacific governments and development partners on New Zealand's intentions, I propose New Zealand makes a public announcement at some point in the coming weeks.

### Implementation

- 56 Implementation timeframes will largely depend on when a vaccine (or vaccines) become available. Vaccines are unlikely to become available for the Pacific until at least Quarter 2 of 2020. Vaccines are also likely to become available only gradually. Support for ongoing purchase and roll-out could be required for a number of years.
- 57 The Polynesian Health Corridors programme will be a primary avenue for New Zealand roll-out support for Polynesia, working in close consultation with other partners including Australia, WHO, UNICEF and the multilateral development banks (World Bank, Asian Development Bank).
- 58 Preparatory work to support vaccine roll-out is already underway by regional partners and by the Ministry of Health.
- 59 Implementation progress will be reported in the regular, MBIE-led COVID-19 Vaccine Strategy Update. Reports on the COVID-19 Immunisation Strategy will include information on support for roll out in Polynesian Health Corridors Programme countries.

### Financial Implications

- 60 This proposal will cost up to NZ\$75 million.
- 61 Funding will be drawn from reprioritised ODA from current baselines. The proposal does not require new funding.
- 62 A multi-year funding envelope is recommended. This will enable funds to be spend in the current and the next financial year, as required.
- 63 If the funding envelope is approved by Cabinet, I propose that the funding for specific activities within the envelope be approved according to existing delegations.

Should activities exceed Ministerial delegations then approval by Joint Ministers (Foreign Affairs and Finance) would be sought.

### Legislative Implications

64 There are no legislative implications from this proposal.

### Impact Analysis

#### Population Implications

65 Pacific populations remain highly vulnerable to COVID-19 in part due to high level of co-morbidities such as diabetes and cardiovascular disease. A COVID-19 outbreak and ongoing battles with the virus, would likely have severe consequences.

66 Whilst to date the Pacific has largely been spared a large COVID-19 outbreak (barring the North Pacific and French Polynesia), their economies have suffered extreme impacts. Ensuring early access to vaccines is critical to preventing uncontrolled outbreaks of community transmission and in enabling the Pacific's economic and social recovery.

#### Human Rights

67 There are no negative human rights implications arising directly from this Cabinet paper.

68 Good health is a human right and Pacific countries will be supported to prepare immunisation strategies that take into account vulnerable populations so that the rights of all will be upheld.

#### Consultation

69 The Ministry of Foreign Affairs and Trade has consulted with the Ministry of Health, Ministry of Business, Innovation and Employment, and Treasury.

#### Communications

70 I propose that the Prime Minister announce the proposal at an appropriate point before mid-December.

#### Proactive Release

71 This Cabinet paper will be released within 30 working days, with redactions as appropriate under the Official Information Act 1982.

#### Recommendations

The Minister for Foreign Affairs recommends that the Committee:

1 **Note** New Zealand's commitment to equitable global access to COVID-19 vaccines and immunisation efforts, in particular its support to the Pacific;

**RESTRICTED**

- 2 **Note** New Zealand is pursuing multiple pathways to support global efforts to equitable access to vaccines and specifically to support Pacific access and roll-out at an early opportunity of a safe and effective COVID-19 vaccine;
- 3 **Note** that the combination of options eventually pursued will depend on a range of factors including vaccine suitability, timing and costs, indemnities and other the contributions of other donors to vaccine efforts. As these factors become clearer adaptability will ensure New Zealand's support is most effective;
- 4 **Agree** that New Zealand-sourced vaccines for the Pacific will be assessed by the Ministry of Health to ensure they are suitable for use in the Pacific;
- 5 **Note** that funding will come from re-prioritised Official Development Assistance;
- 6 **Agree** that up to NZ\$75 million be allocated from Vote Official Development Assistance to support Pacific and global vaccine access and roll-out;
- 7 **Agree** that from this NZ\$75 million, New Zealand makes an additional NZ\$10 million contribution to the COVAX AMC to support multilateral efforts to ensure equitable access to vaccines for developing countries;
- 8 **Agree** that New Zealand should actively seek to purchase up to 360,000 additional doses of at least one suitable vaccine candidate specifically for Polynesia as part of domestic purchasing efforts, from within the NZ\$75 million;
- 9 **Agree** that for approval of other specific initiatives supported from within this funding envelope existing delegations will apply;
- 10 **Agree** that for initiatives over NZ\$25m that would normally require Cabinet approval, approval will be sought from Joint Ministers, being the Minister of Foreign Affairs and the Minister of Finance;
- 11 **Agree** that an announcement of New Zealand's funding package be made by the Prime Minister, at an appropriate point before mid-December.

Authorised for lodgement

Hon Nanaia Mahuta  
Minister of Foreign Affairs

**RESTRICTED**