

Frequently asked questions on the ODA eligibility of COVID-19 related activities, update December 2020

*Since the emergence of the Covid-19 pandemic, many questions have been raised on whether activities in response to the pandemic can be counted as official development assistance (ODA). These FAQs present the OECD Secretariat's interpretation on eligibility, based on the Reporting Directives. The guidance here is **preliminary** and will be updated as concrete examples of activities have been assessed and as discussions in the WP-STAT evolve.*

FAQ 1. What types of COVID-19 related activities count under ODA?

All direct support to countries on the DAC List of ODA Recipients to fight the pandemic and invest in recovery counts as ODA. Examples include:

- investments in partner countries' health systems: support to health administrations, hospitals, laboratories, etc.;
- activities related to COVID-19 control: information, education, communication, testing of the population in developing countries, prevention, treatment, care, vaccines and vaccination campaigns (for research, see FAQs 3 and 5);
- humanitarian response to mitigate the impact of COVID-19 and to help protect and rebuild the livelihoods of poor women and men; etc.

FAQ2. Does provision of vaccines/tests/treatments for COVID-19 to developing countries count as ODA?

Yes, the costs of providing vaccines/tests/treatments to developing countries are eligible as ODA. Such activities directly and primarily contribute to the welfare of developing countries.

FAQ3. Does research for developing a vaccine/tests/treatments for COVID-19 count as ODA?

For research, specific eligibility rules apply [see paragraph 101 in the Reporting Directives [DCD/DAC/STAT\(2018\)9/FINAL](#)]:

Research into the problems of developing countries is ODA-eligible, conducted whether in the donor country or elsewhere. To be eligible, research needs to be either:

- (i) undertaken by an agency or institution whose main purpose is to promote the economic growth or welfare of developing countries, or

- (ii) *commissioned or approved, and financed or part-financed, by an official body from a general purpose institution with the specific aim of promoting the economic growth or welfare of developing countries.*

According to the rules, the focus is on problems of developing countries. This ruling has led to the exclusion from ODA of research that benefits developed countries as much as developing countries: ODA includes medical research only in relation to diseases that disproportionately affect people in developing countries. For example, medical research on cancer is excluded from ODA unless it focusses on cancers with a high burden on developing countries¹. Similarly, **research for a vaccine/tests/treatments for COVID-19 would not count as ODA, as it contributes to addressing a global challenge and not a disease disproportionately affecting people in developing countries.** This situation may evolve. If research in the future looked into the development of a COVID-19 vaccine specifically for developing countries, it would count as ODA.

Several initiatives are being launched at the moment to collect funds for COVID-19 vaccine research or to facilitate global access to vaccines. They will be reviewed on a case-by-case basis by the Secretariat, as part of the regular WP-STAT and ODA reporting processes, and all elements of their design and objectives will be taken into consideration when assessing their eligibility.

FAQ4. Do contributions to the Coronavirus Global Response Initiative count as ODA?

The Coronavirus Global Response Initiative (see Box 1) aims at accelerating research on COVID-19 tools. There is a solidarity aspect in the initiative, which is reflected in the objective to also accelerate equitable global access to vaccines/tests/treatments and leave no one behind; however, this objective cannot be considered as the main objective and would not justify counting the entire value chain of research work as ODA. Should there be specific costs attached to this equitable access objective, they could be counted as ODA, e.g.: upfront agreement on procurement of vaccines at established and equitable prices to secure access to future COVID-19 vaccines in developing countries.

Donations to the horizontal work stream of the initiative aim to help health systems in the world cope with the pandemic and can be considered eligible if funding is earmarked to developing countries.

The Secretariat can review individual cases of contributions when more details are available.

FAQ5. Does co-operation on COVID-19 with health research institutions in developing countries count as ODA?

Yes, COVID-19 research in collaboration with developing countries counts as ODA, as long as it strengthens the capacity of developing countries to conduct their own research. Support for epidemiological surveillance and research in a developing country to keep this country's health authorities informed of the status of the pandemic and to control the spread of the disease in the country would also count as ODA. More generally, research focused on developing countries, e.g. studying the specificities of COVID-19 spread in Africa (e.g. age of the population) counts as ODA.

¹ This example is taken from the composition of the ODA coefficient for the International Agency for Research on Cancer.

Box 1. Coronavirus Global Response Initiative

Recognising that the coronavirus pandemic requires a global response and that the world quickly needs to develop and deploy effective diagnostics, treatments and a vaccine, an initial group of global health actors launched a "[Global Collaboration For The Accelerated Development, Production And Equitable Global Access To New COVID-19 diagnostics, therapeutics and vaccines](#)".

Its mission is not only accelerated development and availability of new COVID-19 tools – it is to accelerate equitable global access to safe, quality, effective, and affordable COVID-19 diagnostics, therapeutics and vaccines, in Europe and worldwide, regardless of where they have been developed or who has funded them. This solidarity will ensure that in the fight against COVID-19, no one is left behind.

The European Union responded to this call by joining forces with Canada, France, Germany, Italy, Japan, Norway, Saudi Arabia, Spain and the United Kingdom to host a pledging event – the **Coronavirus Global Response Initiative** – from 4 May to end May 2020.

Donors were invited to pledge to the Coronavirus Global Response and specify which priority to donate to:

- **Tests** to rapidly diagnose the disease. These tests need to be accurate and easily accessible.
- **Treatments** to minimise symptoms in coronavirus patients, so that fewer people have to go to hospital.
- **Vaccines** to protect people, to prevent the disease from coming back, and to allow all to return to normal life.

Donors can also donate to the **horizontal work stream of the Coronavirus Global Response, aiming to help health systems in the world cope with the pandemic**.

The funds collected will be channelled to:

- The Coalition for Epidemic Preparedness Innovation (CEPI) for vaccines
- Gavi, the Vaccine Alliance for vaccine deployment (related to coronavirus)
- Therapeutics Accelerator for therapeutics
- UNITAID for therapeutics deployment (related to coronavirus)
- Foundation for Innovative New Diagnostics (FIND) for diagnostics
- The Global Fund for diagnostics deployment (related to coronavirus)
- The World Health Organization (WHO) for health systems (related to coronavirus)

As of end May, the pledges amounted to €9.8 billion (€2.3 billion more than the target).

Source: https://ec.europa.eu/regional_policy/en/newsroom/news/2020/05/05-04-2020-coronavirus-global-response-international-pledging-event and https://global-response.europa.eu/index_en

FAQ6. COVID-19 Global Vaccine Access Facility – COVAX Facility

Links: <https://www.gavi.org/covax-facility>, <https://www.gavi.org/vaccineswork/covax-explained> and https://cepi.net/wp-content/uploads/2020/10/COVAX_Facility_Explainer.pdf

Question: A government considering joining the COVAX Facility for the purchase of COVID-19 vaccines to cover its national demand for such vaccines has the following questions:

- The COVAX Facility foresees tiered pricing for HICs, MICs and LICs, with HICs (and UMICs) paying the highest price per vaccine dose. According to Gavi, this also serves to cover for investment at risk, given that no vaccine has so far been cleared for the market.

- This tiered pricing as well as the coverage of at-risk investment solely by self-financing HICs (and UMICs) can be considered a cross-subsidization of those self-financing countries who pay lower prices as well as of the financing instrument meant to cover the needs of up to 92 LICs and LMICs, the Gavi COVAX AMC, which will be entirely financed through ODA-contributions.
- Accordingly, their question is: could the contribution as a self-financing HIC be partially counted as ODA funding, and if so, to what extent, given that prices articulated by Gavi currently rely on estimates, including the at-risk tranche of investments?

Description: COVAX is the vaccine pillar of the Access to COVID-19 Tools (ACT) Accelerator. Gavi has created the **COVAX Facility** through which self-financing economies and funded economies can participate. Within this also sits an entirely separate funding mechanism, the **Gavi COVAX Advance Market Commitment (AMC)**, which will support access to COVID-19 vaccines for lower-income economies. Combined, these make possible the participation of all countries, regardless of ability to pay.

Participating in the COVAX Facility guarantees that lower-income nations, who would otherwise be unable to afford these vaccines, as well as a number of higher-income self-financing countries that have no bilateral deals with manufacturers, will get access to COVID-19 vaccines. For the wealthiest self-financing countries, some of which may also be negotiating bilateral deals with vaccine manufacturers, it serves as an insurance policy to protect their citizens, both directly and indirectly. It will provide direct protection by increasing their chances of securing vaccine doses. At the same time, by procuring COVID-19 vaccines through COVAX, these nations will also indirectly protect their citizens as they reduce the chances of resurgence by ensuring that the rest of the world gets access to doses too.

Self-financing countries and economies participating in the Facility can request vaccine doses sufficient to vaccinate between 10-50% of their populations. The amount they pay into the Facility will reflect the number of doses they have requested.

Subject to funding availability, funded AMC-eligible countries will receive enough doses to vaccinate up to 20 per cent of their population in the longer term. Since demand is initially likely to exceed supply, allocation will be spread across countries based on the number of doses that are available and increase as that availability increases.

Secretariat's assessment: The COVAX facility is a way for developed countries ("self-financing economies") to secure access to a certain number of vaccine doses for their own populations. Given this objective, **it is not deemed ODA-eligible**. Funding for the Gavi COVAX AMC is entirely separate from that of the COVAX Facility, there is no cross-subsidisation by the funds of self-financing participants (instead the AMC will be funded mainly through dedicated ODA contributions, see FAQ7). In the view of the Secretariat, tiered pricing would not be sufficient to demonstrate a primary objective focused on developing countries nor to consider part of the contribution as ODA.

FAQ7. Do contributions to Gavi Advance Market Commitment for COVID-19 Vaccines (Gavi COVAX AMC) count as ODA?

Link: <https://www.gavi.org/sites/default/files/2020-06/Gavi-COVAX-AMC-IO.pdf>

Description: This investment opportunity of USD 2 billion will provide vital seed funding to support high-risk populations in low-income countries (LICs) and lower middle-income countries (LMICs), as part of the COVAX Facility. While the funding for vaccines for upper middle-income countries (UMICs) and high-income countries (HICs) will be pooled from domestic health funds to secure doses for contributing countries (see FAQ6), the Gavi COVAX AMC is being established to specifically support procurement and delivery of vaccines for developing countries. In the factsheet under the link, the Gavi COVAX AMC is presented as the "ODA-supported financing instrument of the COVAX Facility". It will use ODA to

incentivise manufacturers through guarantees to ensure sufficient global capacity is installed before vaccines are licensed. It will then procure vaccines and assist in delivery for LICs and LMICs.

Secretariat's assessment: The Gavi COVAX AMC is an Advance Market Commitment for the development and procurement of vaccines for the benefit of the developing countries. **Contributions to this facility are ODA-eligible.**

FAQ8. Do contributions to the Foundation for Innovative New Diagnostics (FIND) count as ODA?

Links: <https://www.finddx.org/> and investment case at: https://www.finddx.org/wp-content/uploads/2020/05/ACT-A-Dx_Investment-Case_FINAL.pdf

Description: FIND is a global non-profit organisation driving innovation in the development and delivery of diagnostics to combat major diseases affecting the world's poorest populations. Funding to FIND supports development and implementation of critically needed diagnostic solutions that can help combat diseases of poverty in low- and middle-income countries and reach global goals.

FIND and the Global Fund are co-conveners of the Access to COVID-19 Tools (ACT) Accelerator Diagnostics Pillar (the two other pillars are Therapeutics and Vaccines). The Diagnostics Pillar aims to enable affordable, accessible testing for everyone who needs it, including facilitation of the supply of 500 million tests to LMICs within 12 months. Workstreams span research and development, market readiness, procurement, and country preparedness.

Without mass testing, which relies on availability of high-performing, rapid tests – the disease will continue to spread. Innovation and scale up of these tests must be accelerated for deployment in all countries. Models of the progression of the pandemic in low- and middle-income countries have shown that testing, if deployed in a timely way as part of a broad package of interventions, could contribute to saving at least 9 million lives and avert at least 1.5 billion COVID-19 infections. Current estimates indicate that 500 million tests are needed over the next 12 months in low- and middle-income countries to enable such a life-saving scenario.

- To that end, an investment of USD 6 billion is required, of which USD 2 billion immediately to expedite development, manufacturing and scale-up of the rapid tests that will enable mass testing to be introduced globally – as well as procurement of tests to fill critical short-term gaps in low-income countries. The investment case describes a breakdown of areas for investment:
- **R&D of tests & digital tools:** Accelerate development of high performing, affordable rapid diagnostic tools, and create robust digital, data and analytics solutions (USD 300 million).
- **Market readiness:** Prepare markets to accelerate implementation through regulatory support, market shaping and manufacturing scale-up (USD 100 million).
- **Supply, pooled procurement & equitable distribution of tests:** Support cost of test procurement and deployment in low- and middle-income countries (USD 5 billion).
- **Country preparedness:** Strengthen health systems and build country capacity and preparedness for rapid and effective test implementation (USD 600 million).

Secretariat's assessment: The *R&D* and *Market readiness* phases are not directly linked to developing countries, as opposed to the *Supply, pooled procurement & equitable distribution of tests* and *Country preparedness* phases. Given that the latter two phases represent more than 90% of total planned funding, and that a share of the two first phases can be considered ODA-eligible as well, **the Secretariat considers that 100% of contributions to FIND can be reported as ODA.**