

Joint CSO recommendations on the last proposal for valuation of donations of excess COVID-19 vaccine doses to developing countries in ODA

We understand that members of the Development Assistance Committee (DAC) are reaching consensus towards reporting the donation of excess of Covid-19 vaccine doses as Official Development Assistance (ODA), doses that were initially purchased for domestic use only. And al that there is a general agreement on the value for each vaccine dose donation, at U\$ 6.72.

Ahead of the upcoming deadline to agree on the valuation of donations of excess COVID-19 vaccine doses to developing countries in ODA we would like to share the following:

Members of the DAC-CSO Reference Group, co-signed below, reiterate our disappointment that the [new proposal](#) continues to excessively reward donors for a behaviour that has likely exacerbated the impact of the Covid-19 pandemic for the world's poorest countries and peoples. This vaccine inequality is the result of some of the wealthiest countries failing to make Covid-19 vaccines a global public good (free of charge to the public, fairly distributed and based on the needs of the most vulnerable), while also hoarding enough doses to vaccinate their own populations several times over. Additionally, the majority of OECD DAC members continue to oppose the proposal to waive patents and other restrictions and to share vaccine technology with all qualified producers. This situation has led to some countries sitting on vaccine surpluses that are unlikely to be used, while others await sufficient vaccines to cover their population.

Donating spare doses to countries that need them is laudable. However, receiving credit for this through the ODA statistics is unconscionable. These vaccines were never purchased with the interest of development partners in mind and therefore rewarding these donations undermines the integrity, character and quality of ODA. As such, **the DAC should develop strict ODA-eligibility criteria on dose valuation and principles for such dose sharing.**

On the **valuation/pricing discussion**, there is no market to redistribute leftover vaccine doses, which makes it difficult to establish a market price. Should DAC members agree on one price, this should be as low as possible to ensure dose donations are not overvalued and, thus, avoid the artificial inflation of ODA budgets. Furthermore, mechanisms should be put in place to ensure DAC members do not report more than the original cost of the vaccine doses they are donating as ODA – the current proposal has no mechanism to regulate this situation.

Regarding **ODA-eligibility criteria for dose sharing, the new proposal must address issues related to vaccine expiration and the capacity of the partner country to make use of the donation.** However, the eligibility criteria could be strengthened further by including, for example, indications on predictability. While new proposal refers to the '[Joint Statement on Dose Donations of Covid-19 Vaccine to African Countries](#)' it fails to include additional suggestions for strengthening the ODA-eligibility criteria. This lack of stronger principles / criteria could lead to ODA reporting of vaccine doses that do not reach the final beneficiaries in developing countries. The proposed price of 6,72 \$ is based on a GAVI reference cost for purchasing doses and ancillary cost. However, when used for dose donation valuation no criteria have been set up concerning how to report these ancillary costs. This leaves a huge space for ODA reporting that may even more hamper true ODA reporting and increase the risk of doses being delivered without consideration to the availability of essential materials like syringes to administer the vaccines.

In our previous recommendations we also encouraged the DAC to consider the following, which we believe remain relevant:

Transparency- and accountability-related aspects remain critical. As such, we stress the need for DAC members to provide good quality, up-to-date publicly-available information on their in-kind Covid-19 vaccine donations. Going forward, **we encourage DAC members to support the creation of a new Common Reporting Standard (CRS) purpose code**, with advice given on reporting, for example on project descriptions and detailed disaggregation, to enable quality and standardised reporting. The OECD should

also work with DAC members, other reporters and the International Aid Transparency Initiative (IATI) to ensure these updated reporting standards also lead to timely and robust submissions to the IATI platform. Additionally, given the likely variability in the quality and types of vaccines counted as ODA, we believe the OECD should produce an annual report, within three months of the calendar year end, in which DAC members and other reporters provide additional information, such as breakdowns of the doses shared, type, recipient, the attributed costs and their expiration date.

The **DAC should closely monitor broader concerns related to in-kind aid**. In-kind is often criticised because there has been evidence of this being used as a way to transfer unwanted goods to developing countries, or to tie their aid to the benefit of donor-based companies. If developing countries see their production capacities increase, these donations of vaccines produced in donor countries could be competing with locally produced doses. We welcome the commitment to **review the ODA valuation price for the year 2022**, which we understand will accordingly lead to the adaption of the reporting instructions.

Last but not least, the provision of vaccine doses is vital, but needs to go hand-in-hand with **broader support to strengthen health systems** and to ensure the equitable roll-out of diagnostics and therapeutics. **Vaccine donations** should come in addition to existing ODA plans and by no means substitute ODA that should have gone into new or existing programmes and projects.

We will be looking attentively at how these negotiations conclude, and we thank you very much for considering the crucial issues we are raising.

Yours sincerely,