

## **Written evidence submitted by Susanna Moorehead, Development Assistance Committee Chair, OCED**

This is in reply to your request for additional information to the IDC's inquiry into the impact of the coronavirus pandemic and the UK's response in respect of developing countries. Thank you for continuing to engage the DAC.

The DAC statistical working party (WP-STAT) met in June and discussed the ODA eligibility of COVID-19 related activities. The OECD Secretariat presented a new frequently asked questions (FAQs) document, setting out its interpretation of ODA eligibility based on the DAC Reporting Directives.

During the WP-Stat meeting, not all members agreed with the Secretariat's interpretation of the rules. In particular, two members disagreed with the assessment of the eligibility of research for a COVID-19 vaccine. Several members expressed a preference for a case-by-case approach to assessing ODA eligibility, rather than blanket exclusions.

Following the meeting, the FAQs document was slightly amended and posted on the OECD website. The document is accompanied by a note that makes clear that the guidance is preliminary, and will be updated as discussions among DAC members evolve and concrete examples of activities have been assessed for eligibility by the OECD Secretariat.

At 3 pages, the FAQ document is short and easy to follow. You can find it on the OECD website here:

[https://www.oecd.org/dac/financing-sustainable-development/ODA-eligibility\\_%20of\\_COVID-19\\_related\\_activities\\_final.pdf](https://www.oecd.org/dac/financing-sustainable-development/ODA-eligibility_%20of_COVID-19_related_activities_final.pdf)

The ODA eligibility of COVID-related activities will be discussed again at the next meeting of WP-STAT on 24-26 November. Topics for discussion will include: i) the eligibility of earmarked contributions for COVID-19 to CEPI as well as to other organisations; and ii) the eligibility of other specific activities submitted to the Secretariat for consideration by members. Finally, a review of CEPI's new business plan will be carried out in early 2021 to determine whether there is a need to assign an ODA coefficient to core contributions to CEPI in the future.

## Frequently asked questions on the ODA eligibility of COVID-19 related activities

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*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 among DAC members evolve.*

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### **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 FAQ 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 countries<sup>1</sup>. 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.

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<sup>1</sup> 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](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](https://global-response.europa.eu/index_en)