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# FINANCING PANDEMIC RESPONSE

ADB'S EXPERIENCE

Robert Boothe

Strategy, Policy and Partnerships Department - ADB

ADB

# Context



## Initial pandemic support

COVID-19 Pandemic Response Option (budget support) to address fiscal and economic shocks



## Evolving demand - vaccines

Critical to address health, economic, and fiscal dimensions of the crisis

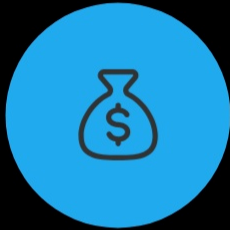


## Need for second phase of support

Developing Member Countries (DMCs) expressed strong demand for vaccine financing support

ADB provided initial pandemic support targeting fiscal and economic shocks, but needed a second phase of support to address evolving demand from DMCs.

# Constraints



## Financing Constraints

DMCs faced limited fiscal space and challenges in securing financing for vaccine procurement and distribution



## Access Challenges

DMCs lacked experience in dealing with global health stakeholders and vaccine manufacturers, hampering their ability to secure vaccine supplies



## Health and Safety Concerns

DMCs had to ensure proper cold chain logistics, storage, and administration capacity to safely deliver vaccines to their populations

A range of factors constrained DMC's access to safe and effective vaccines

# APVAX



## **Immediate resource availability**

Fair and transparent allocation; doesn't undercut other planned development spending



## **Speed and efficiency**

Expedited due diligence while managing legal and regulatory risks



## **Flexible components**

Provide different financing instruments to address DMCs' varied needs

The Asia Pacific Vaccine Access Facility (APVAX) was designed to provide speedy and flexible support to DMCs, with a focus on fair and transparent allocation, and a flexible approach to financing options.

# Strengths and Challenges

- **Fast project preparation**

Approximately 3+ months to prepare a project under APVAX, 46% faster than standard project

- **Technical support provided**

APVAX projects accompanied by technical assistance at regional and country level

- **Facility evolved during implementation**

APVAX program demonstrated flexibility to adapt to evolving understanding of pandemic and vaccines

- **Confusion over financing terms**

Difference in financing terms between RRC and PIC components created some confusion

- **Concerns on risks sometimes outweighed practical solutions**

Strict adherence to vaccine eligibility criteria (including manufacturing processes) limited flexible implementation in some cases

- **Access challenges not addressed**

Finance was necessary but not sufficient condition; access challenges were not fully addressed



# Path Forward



## **Improve equity and transparency of global allocation**

Improve early warning system, pandemic surveillance; build consensus around a more transparent and equitable approach to vaccine access



## **Introduce greater flexibility**

Support advance payments to secure early stage access alongside advanced economies; introduce greater flexibility through existing lending instruments for rapid financing



## **Build regional capacity for manufacturing and regulatory strength**

Collaborate with partners to enhance local production and strengthen regional regulators for safe vaccines

By addressing key issues like equitable access, regional supply, and capacity building, ADB can further strengthen its ability to help DMCs navigate future health crises and improve pandemic preparedness and response efforts.