

STRENGTHEN INDO-PACIFIC VACCINE PARTNERSHIPS

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Context and background

Australia should actively engage the United States to partner in making COVID-19 vaccines available across the Indo-Pacific region, including via multi-lateral initiatives.

Several countries in the Indo-Pacific region are experiencing high levels of SARS-CoV-2 (commonly known as the coronavirus) transmission, which has contributed to significant demand for COVID-19 vaccines. In response, China and Russia have actively engaged in “vaccine diplomacy” to expand their influence and presence in countries of strategic significance to Australia, including Indonesia and Papua New Guinea.⁷¹ A well-coordinated, whole-of-region approach to the distribution and administration of COVID-19 vaccines will be critical to halting the ongoing transmission of the SARS-CoV-2 virus, avoid duplication of effort, and ensure cost-effectiveness of development assistance. A comprehensive Indo-Pacific vaccination strategy will also aid global economic recovery.

As part of its commitment to the Indo-Pacific region, Australia in November 2020 announced a Regional Vaccine Access and Health Security Initiative, which is designed to provide “safe, effective and affordable COVID-19 vaccines for the Pacific and Southeast Asia.”⁷² The initiative entails a A\$500 million commitment over

three years and will capitalise on the efforts undertaken by the Therapeutic Goods Administration (TGA) and the Department of Foreign Affairs and Trade (DFAT)’s Indo-Pacific Centre for Health Security (CHS) prior to the pandemic – to fast-track regulatory approval and distribution of medical products. This framework will accelerate the availability of COVID-19 vaccines across the region once they have received TGA approval.⁷³

In contrast, the United States has provided little detailed information to date on how it will directly support countries throughout the Indo-Pacific region, nor how it will work with key regional stakeholders and allies to contain and eliminate the SARS-CoV-2 virus, including fair, rapid and equitable distribution of currently available COVID-19 vaccines.

The Biden administration

The primary focus of the Biden administration throughout 2021 is on containing and eliminating the spread of the SARS-CoV-2 virus throughout the United States.⁷⁴

On 14 January 2021, then President-Elect Biden released the “American Rescue Plan” which aims to secure an additional US\$1.9 trillion from Congress to launch a federal vaccination program, offer direct financial relief to Americans, and provide community support for struggling businesses and communities.⁷⁵ In terms of

THE BIDEN ADMINISTRATION’S JOINT DECISIONS TO JOIN COVAX AND REVERSE THE PLANNED UNITED STATES’ WITHDRAWAL FROM THE WORLD HEALTH ORGANIZATION HAS ALREADY BEEN WELCOMED BY THE INTERNATIONAL COMMUNITY AS A SIGN OF THE UNITED STATES’ WILLINGNESS TO RE-ENGAGE IN MULTILATERAL APPROACHES TO DEFEAT COVID-19.

international commitments, President Biden announced at the G7 meeting in February 2021 the United States will contribute US\$4 billion towards the COVAX initiative,⁷⁶ a multinational arrangement aiming to provide COVID-19 vaccines to low and middle-income countries that might otherwise lack timely access.⁷⁷ Given the Trump administration had declined to join COVAX, pledging instead an ‘America First’ vaccine policy,⁷⁸ the Biden administration’s joint decisions to join COVAX and reverse the planned United States’ withdrawal from the World Health Organization has already been welcomed by the international community as a sign of the United States’ willingness to re-engage in multilateral approaches to defeat COVID-19.

What is the COVAX initiative?

COVAX is a joint initiative between the World Health Organization, the Coalition for Epidemic Preparedness Innovation (CEPI) and Gavi, the Vaccine Alliance (a global public-private global health partnership). The initiative aims to help facilitate the rapid development and manufacture of COVID-19 vaccines and ensure their equitable and fair distribution to all countries.^{7,9} COVAX has guaranteed it will purchase two billion doses of COVID-19 vaccines and distribute them to countries so that they can vaccinate at least 20 per cent of their population. The initiative is particularly important for low-income countries that would otherwise struggle to gain access to COVID-19 vaccines due to cost barriers, 'vaccine nationalism,' and supply issues due to limited production capacity. At least five vaccine manufacturers have currently signed supply agreements with COVAX, and it is expected COVAX will commence distributing vaccines in the first quarter of 2021.^{7,10}

JOINT US-AUSTRALIA-NEW ZEALAND VACCINE ARRANGEMENTS, IN ADDITION TO SUPPORT PROVIDED VIA THE COVAX INITIATIVE, WILL ALSO POTENTIALLY HELP COUNTER SOME OF THE EFFORTS BY CHINA AND RUSSIA TO USE THEIR VACCINES TO INCREASE THEIR INFLUENCE IN SOUTHEAST ASIA AND THE PACIFIC.

Yet while the Biden campaign released a series of foreign policy statements on restoring American leadership and working to improve relations with Central America and Africa,^{7,11} no equivalent policy positions were outlined on the Biden team's future engagement with the Indo-Pacific region or China specifically. This has led to widespread speculation on how President Biden will approach wider US engagement in the Indo-Pacific.^{7,12}

Australian interests

Australia has a number of intersecting interests regarding COVID-19 vaccines that will be best served by a more regionally engaged United States. Given the combined population size of Southeast Asia and the Pacific islands, Australia's regional vaccine initiative will be insufficient to meet the region's needs. New Zealand has pledged its excess COVID-19 vaccines to Pacific island countries for free,^{7,13} which will help prioritise Australia's support for Southeast Asian countries; but additional international contributions will be critical to containing the SARS-CoV-2 virus throughout the region and reopening tourism and trade. Joint US-Australia-New Zealand vaccine arrangements, in addition to support provided via the COVAX initiative, will also potentially help counter some of the efforts by China and Russia to use their vaccines to increase their regional influence.

Specifically, China's pledge to make its COVID-19 vaccines a 'global public good' has been accompanied by high-level diplomatic missions to promote its vaccines to countries across the region and further abroad.^{7.14} These vaccine diplomacy/soft power efforts have been recognised as an attempt to make "strategic inroads" into the region,^{7.15} with some characterising China's efforts as building a "Health Silk Road" commensurate with the Belt and Road Initiative.^{7.16} Yet concerns remain about the efficacy of some of China's COVID vaccines,^{7.17} and information is beginning to emerge of significant price variation in advance purchase agreements between countries,^{7.18} raising the prospect that Indo-Pacific countries might face having to vaccinate their populations twice at considerable expense if current vaccines provide insufficient protection. It is therefore in Australia's short, medium and long-term interests that proven safe and effective vaccines are made available, distributed and administered as soon as possible. The United States' support for an Indo-Pacific vaccine drive will be critical to ensuring that outcome.

Policy recommendations

- › **Establish a joint US-Australia-New Zealand COVID-19 vaccine taskforce to pool procurement and work with partners to coordinate vaccine distribution and administration across Southeast Asia and the Pacific.** Vaccine manufacturers have already been identified as elevating prices for individual countries, which is best countered by multinational purchasing platforms. A US-Australia-New Zealand taskforce can work with countries in the region and international platforms like the COVAX initiative, and the World Health Organization's South-East Asia and Western Pacific regional offices, to coordinate the purchase, delivery and administration of COVID vaccines. A joint taskforce will also help prevent duplication of effort, ensure cost-effectiveness of development assistance, prevent wastage, and facilitate a more rapid distribution and administration across the region.
- › **Enable additional financing options through multilateral institutions to increase manufacturing and vaccine availability.** The COVAX initiative provides one of the most important platforms for distributing an initial supply of COVID vaccines to countries eligible to receive official development assistance, but the initiative remains significantly underfunded. In addition, COVAX will not meet countries' full needs, necessitating additional measures. Enabling financing arrangements via the Asian Development Bank to support the construction of new manufacturing facilities, and the World Bank to support direct procurement from existing manufacturers will supplement the COVAX initiative. Helping countries gain access to proven safe and effective vaccines directly from manufacturers via loans and financing arrangements will also circumvent indemnity problems associated with donated vaccines and place decision-making back in the hands of national governments.
- › **The United States and Australia lead an initiative in the World Trade Organization to waive intellectual property rights to rapidly upscale regionally-based manufacturing of approved, efficacious vaccines, diagnostics and therapeutics.** Intellectual property (IP) barriers on COVID vaccines, diagnostics and therapeutics via the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) framework continue to impede rapid upscaling of critical medical products to contain the SARS-CoV-2 virus.^{7.19} This is despite the fact the TRIPS agreement permits countries to waive IP considerations in national emergencies.^{7.20} Australia, the United States, and other like-minded countries like Canada and the United Kingdom could work constructively to waive or partially waive existing IP protections, allowing for vaccine producers in India, Indonesia, Vietnam and South Korea amongst others, to commence manufacturing. This will be particularly important in advance of second-generation COVID vaccines to counter currently circulating and future variants.