



# **Economic Policy For a Pandemic Age: How the World Must Prepare**

## **The EU Vaccination Experience – Troubles, But.....**

Jacob Funk Kirkegaard, PIIE Senior Fellow

# Agenda



- I. Pan-European Vaccine Procurement**
- II. EU Vaccination Rollout**
- III. Lessons For the Future**

# I. Pan-European Vaccine Procurement

1. Commission tasked with EU (+NO + IS) vaccine procurement in mid-June 2020 **WITHIN** existing EU budget for 2020
2. In April 2020 Commission mobilized 2014-2020 MFF Contingency Margin of up to 0.03% of GNI + unspent budget resources = Emergency Support Instrument (ESI) of €2.7bn towards testing, Covid-19 treatment, vaccine development, production scale-up and other pandemic issues.... **i.e. no specific EU vaccine budget allocation**
3. Member states repeatedly rebuffed EU Commission requests for more money in summer of 2020
4. ESI does not cover member states' costs of vaccines, but it (and other MS support for vaccines) came late and in a smaller per-capita scale than US Operation Warp Speed/UK
5. Best thing about this improvised setup is probably that the alternative would have been far, far worse!

# I. Pan-European Vaccine Procurement

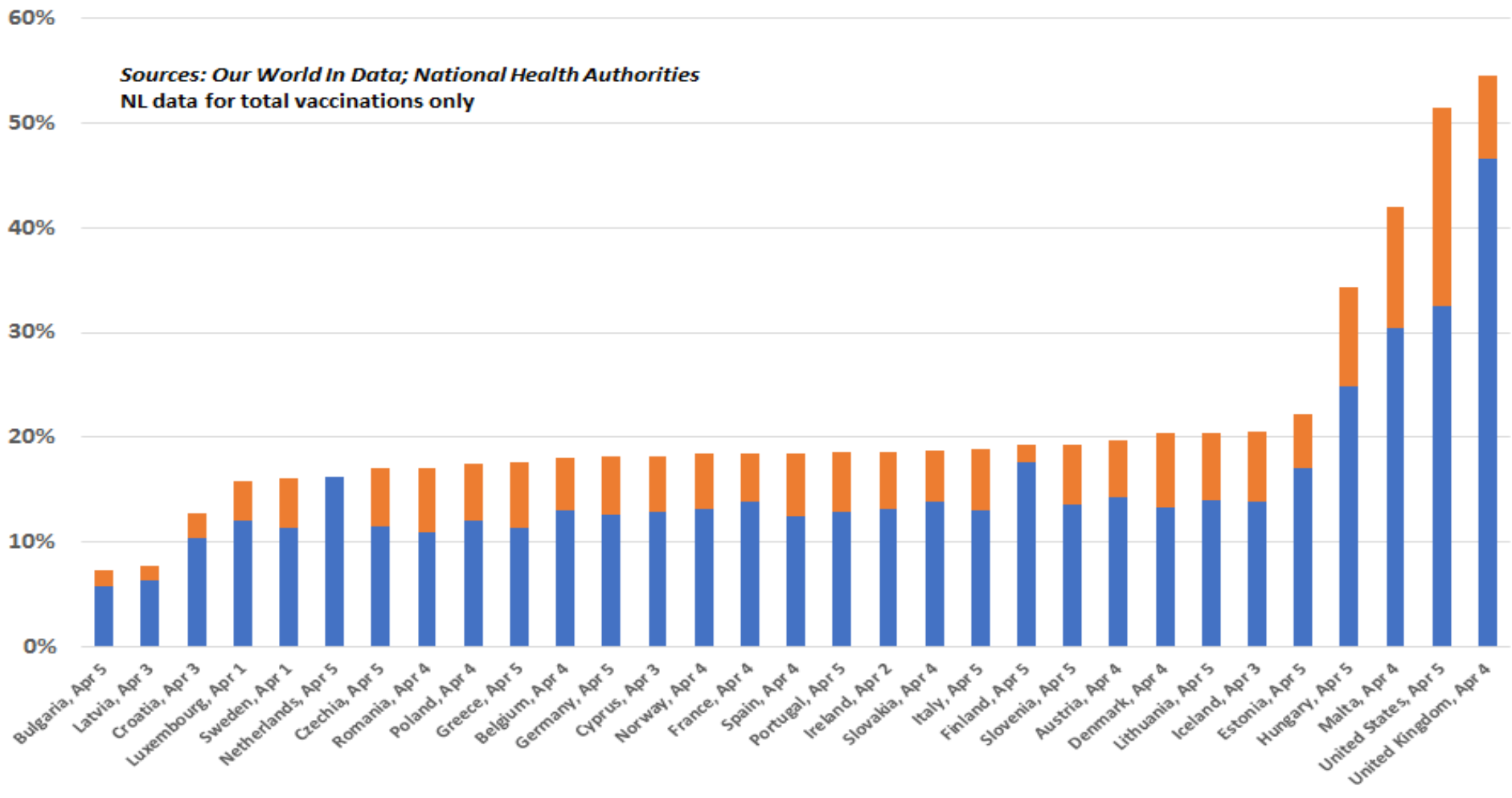
1. Commission signed Advanced Purchase Agreements (i.e. options to buy vaccines offered to member states for them to accept or trade among themselves) with;
  - I. AstraZeneca 400mn (August 14 2020.... Expected ~270mn in 1H; actual ~100mn)
  - II. Sanofi-GSK 300mn (September 18 2020.... Vaccine failed)
  - III. J&J/Janssen 400mn (October 8 2020.... First vaccine expected late April 2021)
  - IV. BionTech/Pfizer 600mn (November 11.... >50% of EU 1H 2021 supply)
  - V. CureVac 405mn (November 17.... First vaccine expected in 2H of 2021)
  - VI. Moderna 460mn (November 25.... <10% of EU 1H 2021 supply)
2. Price + product liabilities did matter, given “EU economies of scale” assumption and the Commission/MS’s fixed budgets
3. AstraZeneca cheaper (and up to January 2021 believed earlier) than mRNA vaccines, so many member states initially preferred it

# II. EU Vaccination Rollout



Covid Vaccinations Apr 4-5, or Latest Available, Share of Total Population

■ First Jab ■ Second Jab

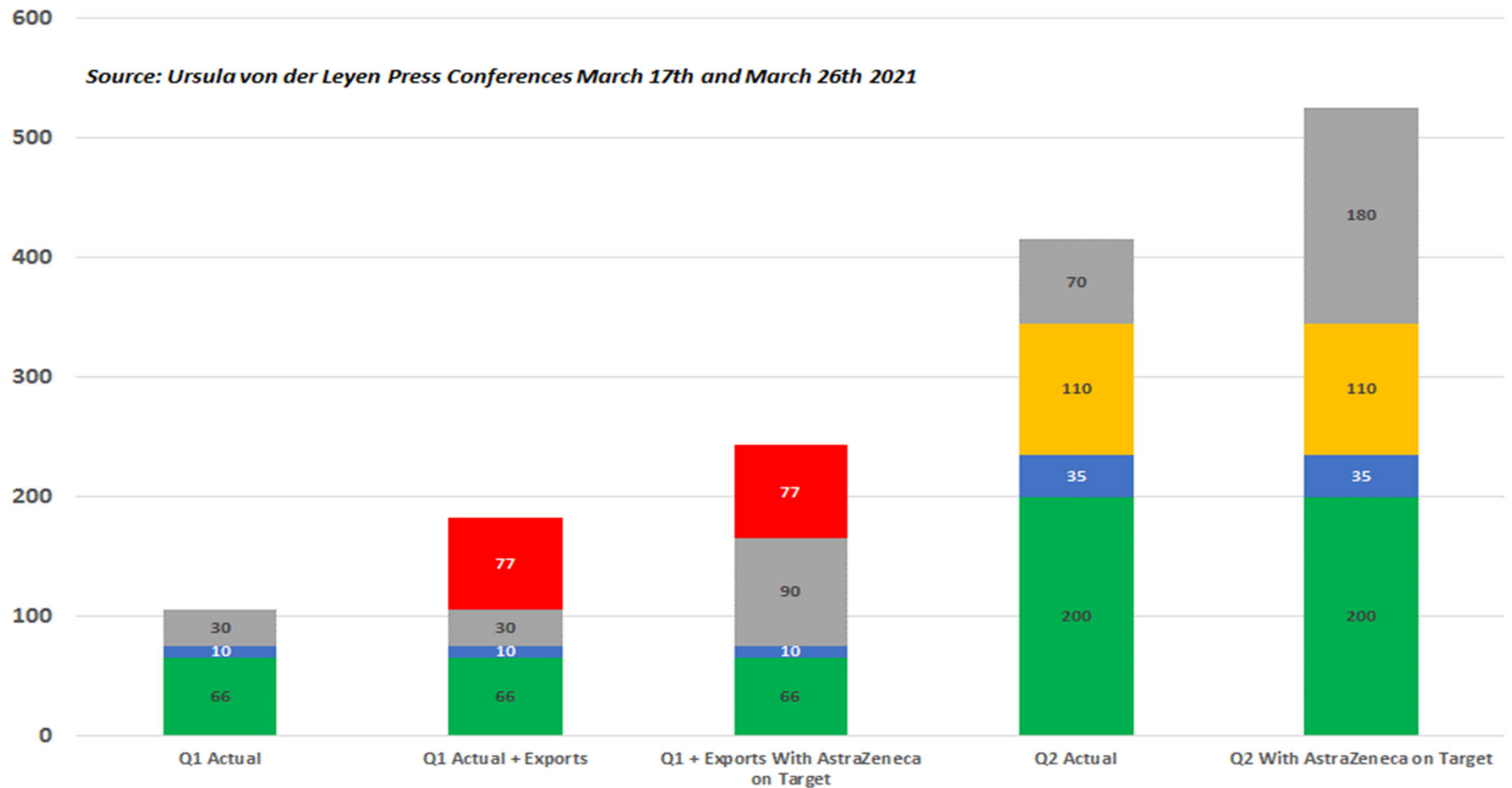


# II. EU Vaccination Rollout



EU27 + NO + IS Vaccine Production/Deliveries Q1 and Q2 2021, Millions of Doses

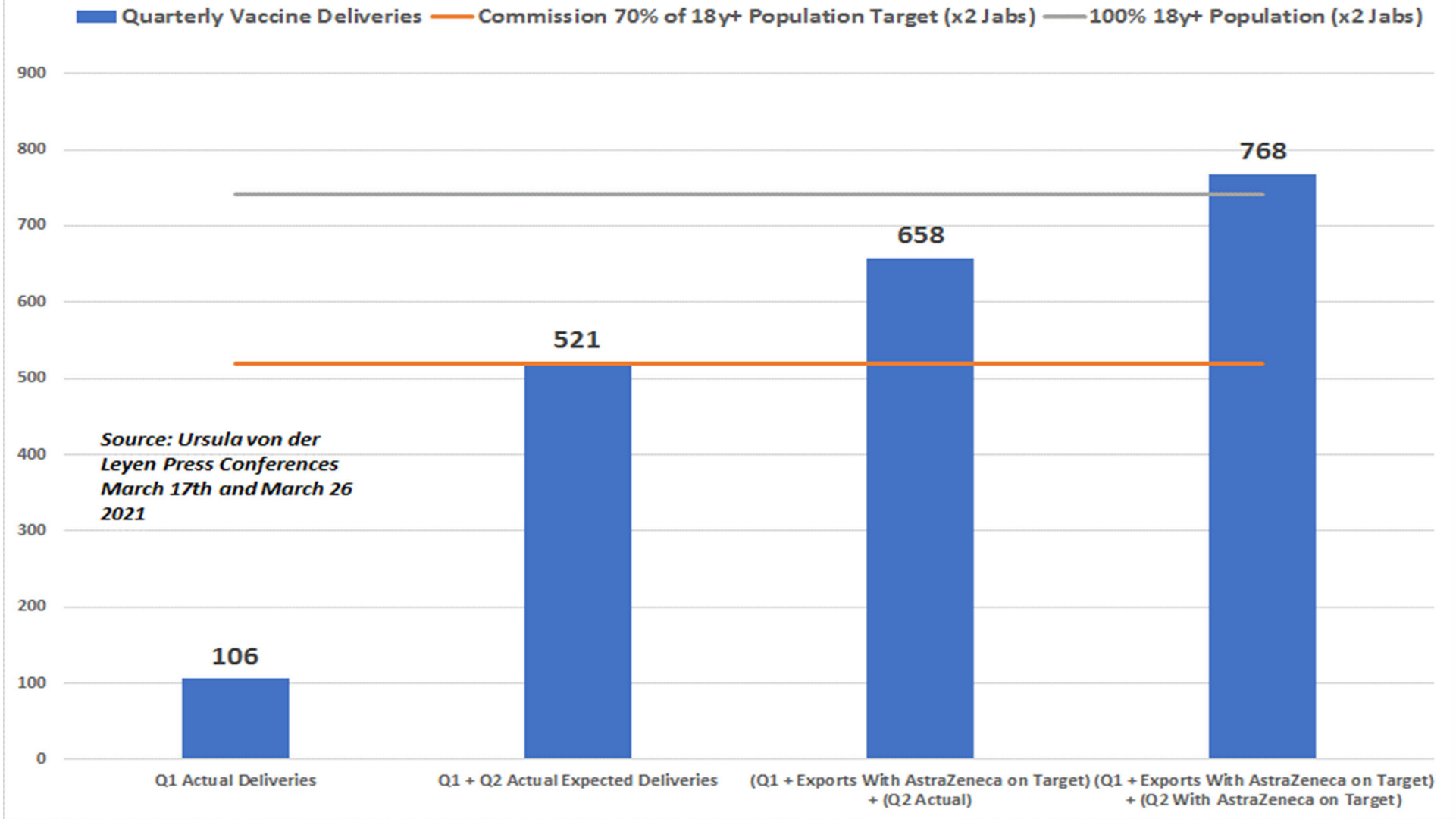
■ Biontec/Pfizer ■ Moderna ■ Janssen/J&J x2 ■ AstraZeneca ■ Exports to Date



# II. EU Vaccination Rollout



### EU27 + NO + IS Quarterly Vaccine Deliveries Under Different Scenarios



# III. Lessons For the Future



1. Healthcare remains a “member state issue” in EU Treaty;
  - I. National health authorities take different decisions
  - II. National political leaders take different decisions
  - III. Limits to “open coordination” in a pandemic
  
2. EU Commission has proposed new Bio-Preparedness Unit - Health Emergency Preparedness and Response Authority (HERA)... Good idea ~ “BARDA without national security issues or PREP Act”
  
3. BUT – HERA needs a preapproved contingent “budget” to succeed in real time in the next pandemic “short-term supply constraint”
  - I. €20bn in earmarked new common debt accessible upon a WHO declaration of a “global pandemic” recognized by EU Council to directly affect the EU population
  
4. “Vaccine free trade” has served EU well – exported in Q1, scaled-up massively in Q2 + future “politically less risky vaccine production location”