

# A Proposal to End the COVID-19 Pandemic

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Many countries have stepped up in the global fight against the pandemic, as have institutions such as the World Health Organization, the World Bank, Gavi (the Global Alliance for Vaccines and Immunization), the African Union, and others.

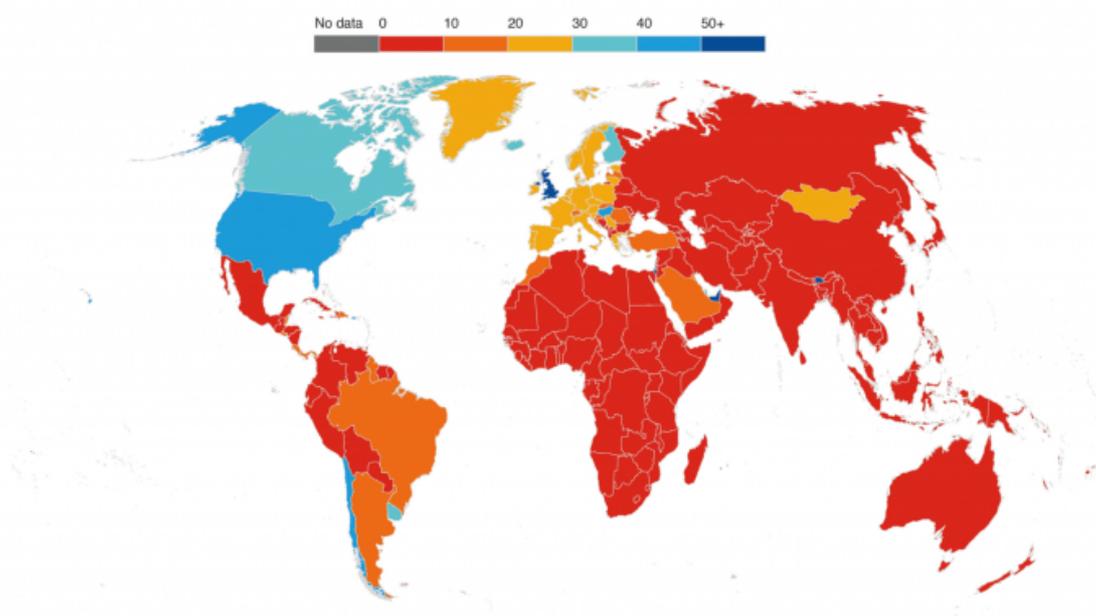
Yet, more than a year into the COVID-19 crisis, new cases worldwide are higher than ever. Urgent action is needed to arrest the rising human toll and economic strain.

**Ending the pandemic is a solvable problem but requires further coordinated global action.**

As the IMF has warned, economic recoveries are diverging dangerously. The disparities will widen further between wealthy countries that have widespread access to vaccines, diagnostics, and therapeutics, and poorer countries still struggling to inoculate frontline healthcare workers. As of the end of April 2021, less than two percent of Africa's population had been vaccinated. By contrast, over 40 percent of the population in the United States and over 20 percent in Europe had received at least one dose of the vaccine.

## The vaccination gap

(share vaccinated as of end-April 2021, % of total population, at least one dose)



Source: Authors' calculations. See IMF Staff Discussion Note 21/4, May 2021.

Note: Country borders or names do not necessarily reflect the IMF's official position.

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It is well understood that there can be no lasting end to the economic crisis without an end to the health crisis. Pandemic policy is thus economic policy. It is critical for global macroeconomic and financial stability, which makes it of fundamental importance to the IMF and other economic institutions. Ending the pandemic is a solvable problem but requires further coordinated global action.

The [latest research by IMF staff](#) analyzes multiple dimensions of the fight against the pandemic and proposes realistic targets to bring the pandemic substantially under control everywhere—and the means to achieve them. Building on the work of other agencies, the proposal aims to:

- vaccinate at least 40 percent of the population in all countries by the end of 2021 and at least 60 percent by the first half of 2022,
- track and insure against downside risks, and
- ensure widespread testing and tracing, maintain adequate stocks of therapeutics, and enforce public health measures in places where vaccine coverage is low.

Importantly, the strategy requires not just commitments but **upfront** financing, **upfront** vaccine donations, and “**at-risk**” investment for the world to insure against downside scenarios.

The proposal’s total cost of around **\$50 billion** would include grants, national government resources, and concessional financing.

There is a strong case for grant financing of at least **\$35 billion**. The good news is G20 governments have already identified as important to address the \$22 billion grant funding gap noted by the Access to COVID-19 Tools (ACT) Accelerator. This leaves an estimated \$13 billion in additional grant contributions needed.

The remainder of the overall financing plan—around **\$15 billion**—could come from national governments, potentially supported by COVID-19 financing facilities created by multilateral development banks.

Saving lives and livelihoods should need no justification, but a faster end to the pandemic could also inject the equivalent of \$9 trillion into the global economy by 2025 due to a faster resumption of economic activity. Advanced economies, likely to spend the most in this effort, would see the highest return on public investment in modern history—capturing 40 percent of the cumulative \$9 trillion in global GDP gains and roughly \$1 trillion in additional tax revenues.

## **Recommendations for action**

The key proposed steps include:

### ***Achieving the vaccination targets***

1. *Provide additional upfront grants to COVAX of at least \$4 billion.* This financing will help finalize orders and activate unused vaccine capacity.

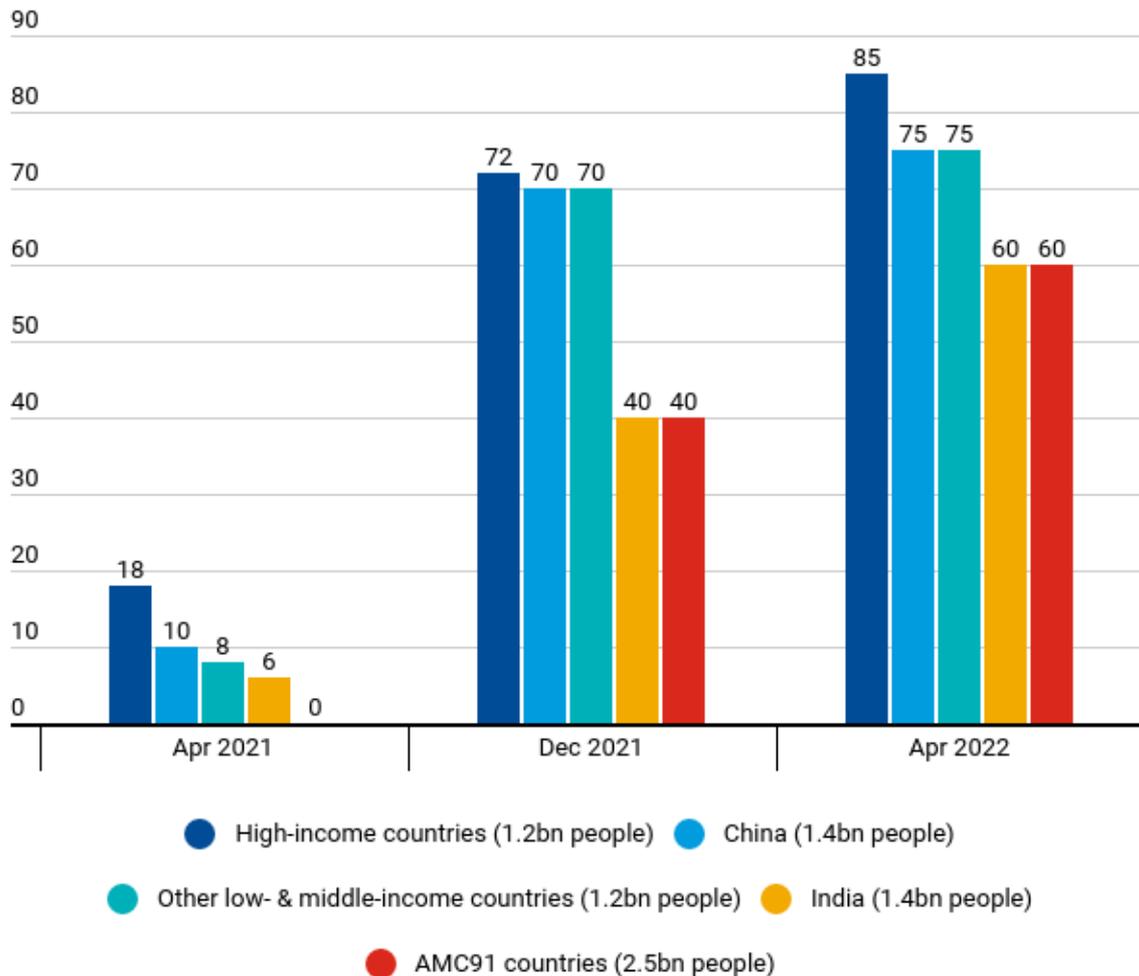
2. *Ensure free cross-border flows of raw materials and finished vaccines:* Such restrictions are jeopardizing access to vaccines for billions of people in the developing world.

3. *Immediately donate surplus vaccines:* We project at least 500 million vaccines courses (equivalent to around 1 billion doses) can be donated in 2021, even if countries give preference to their own populations. Donations, including for delivery costs, should be done through COVAX so vaccines are shared on equitable and public health principles.

## Closing the gap

Grants and donations could ensure that at least 40 percent of people in all countries are vaccinated by year's end, and 60 percent in the first half of 2022.

(scenario with pre-purchases by COVAX + India and donations by HICs, effective vaccine coverage, percent)



Source: Authors' calculations. See IMF Staff Discussion Note 21/4, May 2021.

Note: AMC91 stands for the group of 91 low- and middle-income countries (excl. India) that are eligible to access the COVAX AMC facility. Other LMIC refers to the group of low- and middle-income countries excluding India, China, and AMC91 countries. HIC refers to high-income countries as per World Bank income classifications. The bars report the fraction of population fully vaccinated within the country group, under different scenarios. The effective rate of vaccination coverage is depicted for April 2021, equivalent to total doses per 100 divided by 2.

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We project the measures identified in steps 1–3 may be sufficient to achieve the 40 percent vaccination target by the end of 2021 and the 60 percent target by the first half of 2022, if no downside risks materialize.

## ***Insuring against downside risks***

4. *Make at-risk investments to diversify and increase vaccine production capacity by 1 billion doses in early 2022 to handle downside risks in 91 low- and middle-income countries, including from new variants that may require booster shots.* [\$8 billion]

5. *Scale up genomic surveillance and systemic supply chain surveillance with concrete contingency plans in place to handle possible mutations or shocks to the supply chain. These plans should be prepared with the participation of multilateral agencies, vaccine developers and manufacturers, and key national governments.* [\$3 billion]

## ***Managing the interim period when vaccine supply is limited***

6. *Ensure widespread testing, sufficient therapeutics, public health measures, and prepare for vaccine deployment .* [\$30 billion]

7. *Urgently evaluate and implement (where approved) dose stretching strategies to expand effective supply.* [\$2 billion]

Additional needed measures account for \$3 billion. Steps 4–7 are needed to insure against downside risks, and to mitigate the health consequences of the pandemic in the interim period.

The proposal complements the work of the G20 High Level Independent Panel, the G7 Pandemic Preparedness Partnership group, and the Report of the Independent Panel for Pandemic Preparedness and Response, which primarily focus on addressing future pandemics. This proposal focuses on what is needed to bring the *current* pandemic under control. To make it effective, countries need to work together.

The world does not have to live through the pain of another record surge of COVID-19 cases. With strong global action now and with very little in terms of financing relative to the outsized benefits, we can durably exit this health crisis.

Core Elements of the COVID-19 Pandemic Proposal

Actor	Measures	2021			2022				Financing Gap for LMICs and Global Public Goods (Billions \$)		
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Total (A + B)	Of which Grants (A)	of which Concessional Financing (B)
National Authorities	Maintain social distancing, masking, and other public health measure; Encourage rapid uptake of tests, therapeutics, and PPE								4	2	2
	Procure adequate supply of tests, treatments, and PPE; Expand hospital capacity for COVID-19 patients								20	15	5
	Prepare to scale up vaccine deliveries and uptake (incl. storage, and transportation issues, prepare systems for prioritized vaccines, fight disinformation on social media, and fast track emergency use authorization)								6	2	4
	Invest in and maintain genomic surveillance for Sars-COV-2 variants								3	2	1
Governments with Manufacturing Capacity	Facilitate cross-border voluntary licensing and technology transfers with the aim of creating regional manufacturing capacity around the world								1	–	1
	Undertake surveillance of systemic supply chain risks to ensure availability of critical raw materials and supplies (in collaboration with multilateral agencies, other countries, and vaccine manufacturers)								< 1	–	< 1
	Prepare and regularly update contingency plans to shift production capacity between vaccine candidates if downside risks materialize										
Vaccine Developers / Regulatory Authorities	Conduct trials to evaluate efficacy against new strains, potentially financed by donor grants										
	Develop booster or multivalent shots to protect against possible new variants (if needed)								2	1	1
	Urgently evaluate and where approved implement dose stretching strategies, potentially financed by donor grants										
Multilateral Agencies	Scale up utilization of existing pandemic lending facilities; convert grant pledges to up front cash contribution										
	Conduct global surveillance of systemic supply chain risks in vaccine production; prepare contingency plans based on scenario planning								< 1	< 1	–
	Ensure LMIC vaccination will not be crowded out due to new HIC needs (e.g. booster doses, youth vaccination, etc.)										
G20 / Donor Countries	Provide upfront cash grant of \$4 billion to COVAX; Plus additional grant and concessional financing for vaccine procurement as needed								6	5	1
	Make at-risk investment to expand vaccine manufacturing capacity to address downside risks and/or long-term needs of LMICs								8	8	–
	Donate at least 500 million courses (or, equivalent to 1 billion doses) of surplus vaccines in 2021 *								–	–	–
	Commit to maintaining free export of vaccine supplies and final products								–	–	–
<b>Total Needs</b>								<b>≈ 50</b>	<b>≈ 35</b>	<b>≈ 15</b>	
<b>Unutilized Lending Facilities and Donor Pledges Under Consideration *</b>									<b>22</b>	<b>15</b>	
<b>Additional Needs</b>									<b>13</b>	<b>–</b>	

Notes: Darker cells correspond to greater importance of the measure in the given quarter. While our budgeting exercise attributes a zero additional cost for in-kind donations of surplus vaccinations since much of the procurement is sunk cost, there is a strong case to count donations to the COVAX-AMC facility as official development assistance (ODA). The unutilized financing from lending facilities is based on the World Bank and Asian Development Bank pandemic lending facilities. The grant funding gap identified by the Access to COVID-19 Tools (ACT) Accelerator amounts to about \$22 billion, which the G20 recognizes as important to address. See Annex VI for details.