



COVERSHEET

Minister	Hon Dr Megan Woods	Portfolio	Research, Science and Innovation
Title of Cabinet paper	Renewed funding for New Zealand's participation in the Coalition for Epidemic Preparedness Innovations	Date to be published	26 April 2022

List of documents that have been proactively released

Date	Title	Author
February 2022	Renewed funding for New Zealand's participation in the Coalition for Epidemic Preparedness Innovations	Office of the Minister of Research, Science and Innovation
21 February 2022	Coalition for Epidemic Preparedness Innovations: Funding Contribution CBC-22-MIN-0008 Minute	Cabinet Office

Information redacted

YES

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Some information has been withheld for the reasons of International relations, Confidentiality and Constitutional conventions.

Office of the Minister of Research, Science and Innovation

Cabinet Economic Development Committee

Renewed funding for New Zealand's participation in the Coalition for Epidemic Preparedness Innovations

Proposal

- 1 This paper seeks early agreement for a commitment to support New Zealand's continued participation in the Coalition for Epidemic Preparedness Innovations (CEPI) ahead of Budget 2022. This will enable New Zealand's participation to be announced at a major international pledging event on 7 and 8 March 2022, which occurs before final Budget decisions would normally be taken. I recommend funding is set at \$2 Million NZD per annum. When making New Zealand's pledge at the event, I intend that New Zealand makes an initial five-year commitment of \$10 Million NZD.

Relation to government priorities

- 2 There are likely to be significant benefits to New Zealand from reinvesting in CEPI. The proposal in this paper will directly fund the development of vaccines for new COVID-19 variants, pan-coronavirus vaccines, and the establishment of international networks of vaccine research and development and manufacturing capability that can be utilised for COVID-19 and future pandemics, and which New Zealand actors can collaborate with. It will also fund innovations in vaccine technology and manufacturing processes that will enable lower cost access to vaccines over the long term.
- 3 These efforts support the Government's objectives to keep New Zealanders safe from COVID-19 by improving access to vaccines for New Zealand and globally, which will help to mitigate the spread of the virus and slow the emergence of new variants. The technical knowledge produced from CEPI's international scientific networks in relation to transmissibility and severity of any future COVID-19 variants could also support government decisions around border management and the domestic response in line with the Reconnecting New Zealand Strategy.
- 4 Renewed participation will also demonstrate New Zealand's continued support for international organisations that are necessary for a comprehensive global response to current and future pandemics.

Background

- 5 Under the COVID-19 Vaccine Strategy, Cabinet allocated \$15 Million NZD in May 2020 to enable New Zealand to join CEPI (CAB-20-MIN-0229.01 refers). New Zealand's participation in CEPI is currently scheduled to conclude by 1 July 2022.
- 6 In March 2021 CEPI launched a new US\$3.5 Billion five-year plan with a set of initiatives to better equip the world with the tools to deal with pandemics and epidemics. This includes a "moon-shot" objective to help compress vaccine development timelines to 100 days, about a third of the time that it took the world to develop a COVID-19 vaccine. The Chair and Chief Executive of CEPI wrote to the Prime Minister on 21 October 2021 setting out their aims and seeking a renewed contribution from New Zealand to deliver the five-year plan. It was at this stage that they indicated that a replenishment event would be held on 7th and 8th March 2022. This has meant it has become necessary to seek agreement to an earlier resource funding decision so that New Zealand can be active at the event, ahead of the normal Budget 2022 timetable as originally planned.

- 7 During the pandemic, CEPI has become the primary international organisation responsible for international vaccine research and development, and has played a central role in the setup and implementation of the COVAX mechanism for distribution of vaccines to developing countries (including New Zealand’s donations to the Pacific). New Zealand and other donors’ funding have directly contributed to CEPI’s work. This has included the successful development of several current vaccines, and the establishment of scientific networks that have enabled rapid scientific understanding and response to COVID-19, including new variants like Delta and Omicron. Without CEPI support, it is unlikely that we would have had access to vaccines as early as we did.
- 8 The organisation has established a strong track record of success throughout COVID-19. At the outset of the pandemic, it provided early-stage funding to a portfolio of more than nine vaccines that included Oxford/AstraZeneca, Moderna, and Novavax. This funding contributed to the successful development of these vaccines in the lab and through the clinical trial and regulatory approval process. CEPI also made “at risk” investments for the urgent scale up of manufacturing capacity before it was known the vaccines it funded would be effective. This helped to ensure that high global demand, particularly for AstraZeneca doses, could be met as best as possible much earlier than would have been the case without CEPI support.
- 9 By using “equitable access” contract provisions it requires from the vaccine developers it funds, CEPI is able to ensure those developers provide first right of refusal to the COVAX mechanism to purchase vaccine doses. As of 17 January 2022, over 1 billion vaccine doses have been shipped via the mechanism, with 2.3 billion forecasted to be available to COVAX by the end of 2022. Global equitable access is essential to protect lives and reduce the social and economic burden of the pandemic in developing countries, as well as to slow the emergence of new variants.
- 10 New Zealand’s dose donations to COVAX are fully funded, including the cost of safe injection equipment and other ancillary costs. To date, New Zealand has donated a total of 9.7 million COVID-19 vaccine doses to COVAX. This includes:
- 1.668 million COVAX-sourced AstraZeneca doses, of which 211,200 doses were delivered in June last year to Samoa, Tonga, Tuvalu, Fiji, Solomon Islands and Papua New Guinea. The remaining volumes will be available for delivery to COVAX participants this year.
 - 708,400 Advance Purchase Agreement (APA) sourced AstraZeneca doses delivered to Samoa and Indonesia in October 2021.
 - 5.8 million APA-sourced AstraZeneca doses. Doses will be available for delivery from the end of February.
 - 1.5 million APA-sourced Janssen doses. Deliveries will commence from the end of February / start of March International relations
- 11 The more than 30 current CEPI members include the US, Canada, Australia, Germany, Japan, the UK and Norway where CEPI is hosted¹. Officials expect many of these donors will also announce renewed contributions to CEPI at the March 2022 event. On 19 January the Bill and

¹ A full list of members and funders is Australia, Austria, Belgium, the Bill & Melinda Gates Foundation, Canada, Denmark, the European Commission, Ethiopia, Finland, Germany, Hungary, Iceland, Indonesia, Italy, Japan, Kuwait, Lithuania, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Panama, Romania, Saudi Arabia, Serbia, Singapore, Switzerland, The Republic of Korea, United Kingdom, USAID, and the Wellcome Trust.

Melinda Gates Foundation pre-announced it would be committing USD \$300 million. An announcement of continued funding by New Zealand at the March pledging event would signal our continued confidence in CEPI and our willingness to play our part in the global pandemic response.

Analysis

There is a strong case for reinvesting in CEPI as it will support New Zealand's ongoing response to COVID and future pandemic preparedness

- 12 I am proposing renewed funding so that New Zealand can continue to contribute to CEPI over the long term and help fund the delivery of CEPI's next five-year strategy, and that this be announced at the pledging event in March. CEPI will be an important organisation for New Zealand to be part of to support our response to COVID-19 and preparedness for future pandemics. CEPI's next five-year work programme, which our renewed investment will directly fund, includes a target of being able to develop vaccines for any future pandemic within 100 days of the viral sequence being identified. It will also undertake the following work:
 - 12.1 development of further COVID-19 vaccines to deal with emerging variants like Omicron and supporting science for regulatory assessment of those vaccines. CEPI already has several investments in wave 2 vaccines that are proceeding through development and will reduce global supply challenges across 2022 and 2023. Some of these are being modified for the Omicron variant;
 - 12.2 research calls that seek to develop a pan-coronavirus vaccine that will protect against all beta-coronaviruses without needing to be adapted to variants;
 - 12.3 creation of a library of prototype vaccines for currently known virus families to phase 1 level (in the laboratory), such that they can be rapidly modified to any future pandemic pathogen;
 - 12.4 expanding CEPI's global scientific networks and animal models that are required for rapid vaccine development and understanding of variants. This includes supporting improved surveillance within health systems, allowing faster identification of emerging pandemics. A recent CEPI funding call looks to build laboratory capacity for this network in the Asia-Pacific region;
 - 12.5 providing assistance to low and middle income countries with developing the infrastructure and expertise to undertake epidemiological and clinical studies needed to advance vaccine development, to support technology transfer, and to develop manufacturing capacity to enable them to take ownership of their health needs. Some partnerships have already been established in Africa in order to ensure developing country manufacturing capability;
 - 12.6 partnerships between CEPI and manufacturers in order to establish a global network manufacturing capacity that can be rapidly geared up in the event of another pandemic. This will reduce bottlenecks in the supply of raw materials and human resources necessary in situations of high demand – an issue that has been experienced during the current pandemic;
 - 12.7 developing manufacturing innovations that can better enable fast responses to pandemics and the scaling of production of vaccines and therapeutics like monoclonal anti-bodies, particularly to enable them to be used in low and middle income countries.

IN CONFIDENCE

- 13 These and other aspects of CEPI's work have significant benefits for New Zealand and the Government's goals of keeping New Zealand safe from COVID-19 and future pandemics, which by their very nature require a global response. They also support our commitment to assist Pacific Island countries to respond to and recover from COVID-19, including ensuring widespread access to COVID-19 vaccines in the region.
- 14 As well as supporting CEPI's activities outlined above, the renewed funding will allow New Zealand to retain its seat on the CEPI Investor Council. This council provides input on strategy and investment decisions for the organisation, supporting New Zealand's ability to influence international vaccine development and pandemic preparedness processes.
- 15 CEPI also provides a good avenue to connect New Zealand scientists and science policy to global developments and networks. Officials have drawn on CEPI expertise in shaping their advice on New Zealand's ongoing vaccine and wider COVID-19 strategy, and have also facilitated several connections between the New Zealand research community and cutting-edge international science. These connections are more difficult to achieve without retaining membership in CEPI.

Reinvesting in CEPI also supports New Zealand's international position on vaccine equity and pandemic preparedness

- 16 More investment is required by the international community to finance the urgent and comprehensive response needed to end the pandemic and reduce the risk of new variants emerging. The proposal in this paper will ensure that New Zealand continues to participate in the leading international organisation for vaccine research and development. If New Zealand were to withdraw from CEPI at this time, it would be inconsistent with our international position on vaccine equity and pandemic preparedness and would likely be viewed negatively internationally. However, publicly announcing a refreshed funding commitment at the pledging event in March would instead send a strong message internationally about the ongoing need to support vaccine research and development.
- 17 New Zealand participated in a Special Session of the World Health Assembly (WHA) in November 2021, at which governments agreed to establish a new intergovernmental negotiating body (INB) to strengthen pandemic prevention, preparedness and response.
- 18 The INB is formally mandated to negotiate an international legal instrument on pandemic prevention preparedness and response. Alongside the INB, the Working Group on Strengthening WHO Preparedness and Response to Health Emergencies (WGPR) will continue to develop proposals to strengthen the International Health Regulations (IHR) (2005).
- 19 The Ministries of Health, Foreign Affairs and Trade, and Primary Industries are actively engaging in the work of the WGPR and INB, in line with direction given by the Ministers of Health and Foreign Affairs in June 2021. Officials from these agencies are also monitoring work led by the G20 and US to establish a global fund for pandemic preparedness and response, Confidentiality
- 20 Whatever form the global pandemic response takes as a result of these processes, CEPI will likely lead vaccine research, development and manufacturing aspects given its existing position and strong track record throughout the COVID pandemic. This is also reflected in the ambition articulated in CEPI's five-year strategy. Alongside Gavi, CEPI's role in COVAX as a facilitator for production scale-up and purchasing of doses by the mechanism has demonstrated it has a key role to play ensuring global access to pandemic vaccines.

- 21 Continuing our participation will demonstrate our support for the global health system response to COVID-19 and future pandemic preparedness, and encourage other countries to contribute too.
- 22 A resource commitment of \$2 Million NZD per annum is **International relations** amount that New Zealand could provide to CEPI, based on benchmarking against parallel contributions to other COVID-19 support measures and likely international calls for funding contributions. There is, of course, the option to make a larger funding commitment to CEPI. **Constitutional conventions** there is the possibility at least of indicating publicly in supporting material that New Zealand is considering how we build domestic capability to address future pandemic preparedness.

Financial Implications

- 23 This paper seeks an increase in baseline funding of \$2 Million NZD per annum to Vote Business, Science and Innovation, and an associated new appropriation. The Minister of Finance has recommended that the increase should be funded from the Covid Recovery and Response Fund. While the paper seeks agreement now in order to announce it internationally, funding does not need to be provided to CEPI until the second half of 2022 consistent with normal Budget timelines. This will be implemented via legal agreement between MBIE and CEPI.
- 24 In recognition of the contribution CEPI also makes to vaccine access for developing countries (on top of their vital role in pandemic vaccine research and development more broadly), New Zealand may also report a percentage (yet to be finalised by the OECD) of this contribution as Official Development Assistance.

Legislative Implications

- 25 No legislation is required to implement this proposal.

Human Rights

- 26 This paper has no implications for human rights.

Consultation

- 27 The Treasury, The Ministry of Foreign Affairs and Trade, and the Ministry of Health have been consulted on this paper.

Communications

- 28 It is intended that renewed funding will be announced on 8th March 2022 at an international pledging event hosted by CEPI.

Proactive Release

- 29 I intend to release this paper in conjunction with the announcement of New Zealand's renewed support for CEPI.

Recommendations

The Minister of Research, Science and Innovation recommends that the Committee:

IN CONFIDENCE

- 1 **Note** that under the COVID-19 Vaccine Strategy, Cabinet allocated \$15 Million NZD to enable New Zealand to join the Coalition for Epidemic Preparedness Innovations (CEPI) (CAB-20-MIN-0229.01 refers);
- 2 **Note** that without renewed funding, New Zealand’s participation in CEPI will end by 1 July 2022;
- 3 **Note** that there are likely to be significant benefits to New Zealand from reinvesting in CEPI, including access to international research and clinical networks for responding to current and future pandemics, the development of new vaccines to respond to future COVID-19 variants, innovations in vaccine technology and manufacturing processes, and international linkages between the New Zealand and international research community;
- 4 **Note** that reinvesting in CEPI underlines New Zealand’s support for international organisations that are fostering global equitable access to COVID-19 vaccines, and is consistent with New Zealand’s wider international position on improved pandemic preparedness and response;
- 5 **Note** that in order for New Zealand to announce its contribution at CEPI’s international replenishment pledging event scheduled for 8th March 2022, and achieve profile for doing so, agreement to further funding is required before normal Budget 2022 decisions are taken;
- 6 **Agree** that the Government provides renewed funding of NZD \$10 Million to cover New Zealand’s participation in CEPI over the duration of its five-year plan;
- 7 **Approve** the following changes to appropriations to give effect to the decision in the recommendation above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Vote Business, Science and Innovation Minister for Research, Science and Innovation					
Multi-Category Expenses and Capital Expenditure: Research, Science and Innovation: Strategic Science Investment Fund (MCA) Non-Departmental Output Expenses: Strategic Science Investment Fund - Programmes	-	2.000	2.000	2.000	2.000
Total Operating	-	2.000	2.000	2.000	2.000

- 8 **Agree** that the expenses incurred under the recommendations above be charges against the COVID-19 Response and Recovery Fund previously established by Cabinet;

Authorised for lodgement:

Hon Megan Woods

Minister of Research, Science and Innovation