

Investors issue urgent call for “fair and equitable” global response to COVID-19

Amsterdam, the Netherlands, 23 February 2021 – Today, almost 150 institutional investors have issued a joint call for a fair and equitable global response to the pandemic, including through fully financing the ACT Accelerator partnership dedicated to developing, producing and ensuring equitable access to COVID-19 tools. The signatories, which together manage or advise on assets worth more than US\$ 14 trillion, have also committed to engage with healthcare companies to promote bolder industry actions and therefore contribute to ending the pandemic.

Of the 128 million COVID-19 vaccine doses administered so far, more than three quarters have been administered in just 10 countries that account for 60% of global GDP. A further 130 countries, home to 2.5 billion people, are yet to administer a single dose. If COVID-19 tools are not distributed fairly and the virus continues to spread in low- and middle-income countries, the additional impacts could be considerable: nearly twice as many deaths and US\$ 9.2 trillion in global economic losses.

Financing equitable access to COVID-19 tools globally offers good value for money. One study puts the economic benefit of global access to COVID-19 vaccines at US\$ 466 billion by 2025 for 10 major economies alone. This is more than 12 times the estimated total cost of the Access to COVID-19 Tools Accelerator (ACT Accelerator), the multi-stakeholder partnership tasked with accelerating the development and production of COVID-19 tools – such as vaccines, therapeutics, diagnostics, medical oxygen, and personal protective equipment (PPE) – and ensuring they reach people in all countries in the world.

In the joint statement issued today, institutional investors pledge the strongest support for the ACT Accelerator from the global financial community to date. The signatories also commit to playing their own part through working with the Access to Medicine Foundation to engage with healthcare companies, and recommend that governments and international organisations explore the feasibility of innovative finance mechanisms for national and global COVID-19 responses.

“We have coordinated this initiative because institutional investors can contribute unique capabilities to the global efforts to end the current pandemic,” says Damiano de Felice, Director of Strategy of the Access to Medicine Foundation. *“On the equity side, they can speak directly to the senior management of their investee healthcare companies and ensure that essential COVID-19 tools are developed as rapidly and distributed as widely as possible. On the credit side, they can deploy billions of dollars to support the global economic recovery through innovative finance mechanisms that fund public and private programmes dedicated to pandemic response and preparedness.”*

The statement has been co-signed by 148 asset managers and asset owners across the world, with over US\$ 14 trillion in assets under management or advice. The ten largest signatories are AllianceBernstein, Aviva Investors, AXA Investment Managers, Columbia Threadneedle, EOS at Federated Hermes, Fidelity International, Insight Investment, Nomura Asset Management, Schroders and Sumitomo Mitsui Trust Asset Management.

In the statement, the signatories set out three actions to mitigate risks posed by new virus strains and by the funding shortfalls and production gaps that prevent billions of people from receiving COVID-19 tools:

- a) Finance the ACT Accelerator in full: The signatories encourage world leaders in the G7, G20 and ACT Accelerator Facilitation Council to finance the ACT Accelerator in full and deploy adequate funding to ensure fair and equitable access to COVID-19 tools globally;
- b) Stimulate investee companies to do more: The signatories also pledge to work with the Access to Medicine Foundation and engage with investee healthcare companies to support

- the ACT Accelerator, for example through cross-industry partnerships to accelerate R&D and expand production, equitable pricing strategies, and voluntary licensing agreements; and
- c) Explore innovative finance mechanisms: The third action is for governments and international organisations. They are called on to explore the feasibility of innovative finance mechanisms for national and global COVID-19 responses, similar to new vaccine bonds or social bonds being issued for COVID-19 programmes.

The initiative builds on the outcomes of the first virtual meeting of G7 leaders last week, where G7 members announced over US\$ 4.3 billion of new investments into the ACT Accelerator, and paves the way for a series of G7 and G20 meetings in the coming months, following the creation of the G20 High-Level Independent Panel on financing the Global Commons for Pandemic Preparedness and Response.

“For long-term investors with a globally diversified portfolio and credible responsible investment policies, a fair and equitable global response to the current pandemic is a no-brainer,” adds Damiano de Felice. “It saves lives, it offers a huge return on investment and it mitigates the systemic risks associated with new virus variants.”

The initiative has been coordinated by the Access to Medicine Foundation, as part of its ongoing [engagement work with investors](#). Following the launch of this year’s Access to Medicine Index, the Access to Medicine Foundation is also bringing together global health leaders, investors and companies for three events (co-hosted with Goldman Sachs) taking place virtually in New York, London and Tokyo time zones on 24 February, 4 March and 10 March respectively. The virtual events will provide institutional investors with the opportunity to dive into the findings of the 2021 Access to Medicine Index and participate in 1-1 meetings with pharmaceutical companies to discuss past performance and future plans, including their responses to COVID-19.

Quotes

Dr Tedros Adhanom Ghebreyesus, Director-General, World Health Organisation (WHO), said:

“I welcome this show of support for the ACT Accelerator from the investor community, which sends a strong message that vaccine equity is not only a moral but also an economic imperative. We will not end the pandemic anywhere until we end it everywhere. The longer the virus circulates, the longer trade and business will be disrupted and the longer the global recovery will take. Ending the pandemic, restoring confidence and rebooting the global economy requires all of us, in the public and private sectors, pulling in the same direction. I thank the Access to Medicine Foundation for adding its voice to the chorus demanding vaccine equity.”

Dag-Inge Ulstein, Minister of International Development, Norway (co-chair of the ACT Accelerator Facilitation Council), said:

“Investing in the ACT-Accelerator is the best opportunity we have in the global fight against COVID-19. The Access to Medicine Foundation’s investor statement shows that institutional investors from all over the world recognise this and agree that cooperation on development, supply and distribution of COVID-19 tools is crucial – not only for people’s health – but also for mitigating the risk of exacerbating the ongoing global economic crisis. The global investment community has a unique position to engage with the pharmaceutical sector to fulfil their role in ramping up supply and making sure their products are available and affordable worldwide.”

Richard Hatchett, CEO, Coalition for Epidemic Preparedness Innovations (co-lead of COVAX, the ACT Accelerator's Vaccine pillar), said:

"The initiative coordinated by the Access to Medicine Foundation is a promising step from the investment community. CEPI's approach relies on proactive partners from the pharmaceutical industry to fulfil its mission and create a world in which epidemics are no longer a threat to humanity. With this statement, nearly 150 institutional investors from all over the world recognise the value of our work and commit to encourage their investee pharmaceutical companies to participate in R&D partnerships that accelerate the development and expand the availability of vaccines urgently needed to end COVID-19 and stop future epidemics. We must bring the pandemic under control as quickly as possible, so as to reduce the risk of further viral mutation, which could jeopardize all the gains of the last year."

Philippe Duneton, Executive Director, UNITAID (co-lead of the ACT Accelerator's Therapeutics pillar), said:

"It is very positive to see that the investment community acknowledges the importance of expanding access to the full set of tools to fight the current pandemic, including treatments, diagnostics and medical oxygen. Given the challenges posed by the emergence of new virus variants, it has never been more important to ensure that these tools are available for everyone, everywhere. This is crucial to enhance disease control and hopefully decrease severe illness in the coming year."

Peter Sands, Executive Director, The Global Fund to Fight AIDS, Tuberculosis and Malaria (co-lead of the ACT Accelerator's Diagnostics pillar and co-convenor of ACT Accelerator's Health Systems connector pillar), said:

"We must urgently support low- and middle-income countries in reducing the impact from COVID-19 and mitigating the knock-on impact on other diseases, other health issues, education and poverty. Doing so is the right thing to do and the economic case for a bigger, faster response is compelling. Bringing forward the resumption of normal global economic activity by a week would pay for the US\$ 27 billion requested by the ACT Accelerator several times over. Capital markets need to play a bigger role in the fight against COVID-19, and the investor statement coordinated by the Access to Medicine Foundation is a promising step to mobilize institutional investors with billions of assets under management as a force for the good. Global investors can support their investee companies to work with ACT Accelerator's partners, accelerating research and development and, for example, reducing the risks associated with new strains. Investment managers can also develop finance mechanisms that mobilize funds which are desperately needed to deliver these new tools in all countries, as well as build security from future pandemics."

Fiona Reynolds, CEO, Principles for Responsible Investment, said:

"COVID-19 has presented the world with one of the most significant socio-economic shocks in decades. Though the roll-out of vaccines is bringing us hope of a brighter future, there is still a long way to go and significant risks - both financial and physical - associated with new virus strains and uneven access to vaccines and other critical COVID-19 tools. Global institutional investors have a key role to play in protecting vulnerable populations and setting the stage for just and sustainable recovery. As the UN Office of the High Commissioner for Human Rights has made clear: 'affordable, non-discriminatory access to the vaccine is a human right.' This is why, today, I welcome the statement signed by nearly 150 institutional investors and coordinated by the Access to Medicine Foundation, calling for an effective, fair and equitable global response to COVID-19, including support for the Access to COVID-19 Tools (ACT) Accelerator."

Notes to editors

For more information, please contact:

Damiano de Felice, Director of Strategy, ddefelice@accesstomedicinefoundation.org, +31646372432

About the Access to Medicine Foundation:

The Access to Medicine Foundation is an independent, non-profit organisation based in the Netherlands. It aims to advance access to medicine in low- and middle-income countries by stimulating and guiding the pharmaceutical industry to play a greater role in improving access to medicine. It publishes the Access to Medicine Index and the Antimicrobial Resistance Benchmark. The Foundation is funded by the UK Foreign, Commonwealth and Development Office, the Dutch Ministry of Foreign Affairs, Dutch Ministry of Health, Welfare and Sport, the Bill & Melinda Gates Foundation, Wellcome Trust and AXA Investment Managers.