

While the incoming Biden administration faces remarkable challenges globally, the ONE Campaign is optimistic that between a renewed commitment to American global leadership and the advent of effective COVID-19 vaccines, we can make measurable and impactful progress in ending end extreme poverty and preventable disease.

The COVID-19 pandemic is the starkest example of how a global health crisis can have catastrophic and far-reaching consequences – in 25 weeks, our fight to eliminate extreme poverty and preventable disease was <u>set back</u> <u>by about 25 years</u>. Over 150 million people are expected to slip into extreme poverty next year, marking the first global increase in extreme poverty in two decades.

ONE and its highly engaged supporters across the country are excited and ready to support the Biden-Harris administration's efforts to strengthen policies and support vital programs and funding that will respond to the current pandemic and its aftershocks, prevent future pandemics, and combat extreme poverty around the world. We have built relationships with a diverse and bipartisan group of champions in Congress that has enabled us to defeat three efforts by the current White House to cut foreign aid spending by over 30%, largely by mobilizing our activists across key constituencies in the United States.

The ONE Campaign understands that an incoming Biden administration will want to increase funding for international affairs to address acute humanitarian crises, respond to the global dimensions of the pandemic, establish the US as a leader on climate change, and invest in development. We also understand that increased 150 Account funding may prove challenging given political challenges and massive need within the US. We are prepared to work with the new administration and our partners to secure the bipartisan support that will be necessary.

The ONE Campaign has six proposals for the incoming administration, three of which can be acted upon immediately and three of which will require additional time and commitment. In the short term, we would like to work with the Biden administration to:

- 1. Demonstrate renewed American global leadership by supporting the global pandemic response and urge Congress to invest at least \$20 billion in fighting COVID-19 globally; join the COVAX facility; and co-host an Access to COVID-19 Accelerator (ACT-A) pledging conference.
- 2. Lead in stabilizing the entire global economy and prevent a cascade of defaults and support an extension of debt service suspension and a new issuance of SDRs by the IMF; and propose and secure agreement on a re-allocation mechanism to enable wealthy countries to "donate" SDRs to low-income countries to urgently address a burgeoning liquidity and insolvency crisis.
- 3. Signal a commitment to recalibrating the balance between military and civilian responses to the major crises and opportunities before us and commit in the President's first budget request to Congress to double annual bilateral and multilateral foreign economic, health, and humanitarian assistance by 2025 to invest in global health, climate change, and development.

Over time, we would like to work with the Biden administration to:

- Launch an initiative on pandemic preparedness, including a \$10-12 billion multilateral Pandemic Preparedness Fund;
- Make a commitment to and build a strategy for renewed US leadership in the fight to end HIV/AIDS everywhere by 2030; and,
- Continue to support and fund programs that foster sustained economic growth and resilience in poor countries, including through Power Africa, the Development Finance Corporation, and MCC.

The following outlines several ideas to reach those important goals.

## **Quick Wins: What Needs**

# to Be Done Now

### 1. Ending the COVID-19 Pandemic

The pandemic won't end with a vaccine, it will end when everyone, everywhere has access to vaccines. The US must help ensure that the most vulnerable people - from frontline workers to the immune-compromised - have priority access to the vaccine regardless of whether they live in New York City or Nairobi. Ensuring Americans have access to the vaccine is vital, but fair access to a vaccine will make all of us safer, shorten the lifespan of the pandemic, and is key to reopening and stabilizing the global economy. This will require unprecedented effort to deliver. On average, it takes seven years for lower income countries to access vaccines after they are first licensed. When it comes to viral health threats, and as we saw in the case of H1N1, the limited supply of vaccines and therapeutics is swiftly procured by the world's wealthy countries. We are seeing this now with COVID-19 vaccines - a small group of wealthy countries, including the US, has already purchased more than half of the anticipated supply of leading vaccine candidates.

Unequal access to a vaccine will have serious consequences. If rich countries buy up the first two billion vaccine doses instead of making sure they are distributed in proportion to the global population, then almost twice as many people could die from COVID-19. Recent research from RAND suggests that unequal vaccine distribution would prolong the pandemic and cost the world economy \$1.2 trillion per year. If the lowest-income countries are initially excluded from accessing a COVID-19 vaccine, it has been estimated that the global economy would still lose approximately \$153 billion a year, or \$13 billion a month. In short, ensuring we get this vaccine to those who need it most, globally, will save lives and money.

The American people support the US leading the way for global access to a COVID-19 vaccine. A **poll** from Morning Consult on behalf of the ONE Campaign found that 83 percent of Americans believe that healthcare workers, the elderly and at-risk groups anywhere in the world should be the first to get a COVID-19 vaccine, before healthy people in their own country.

Supporting global access to COVID-19 vaccines will require joining multilateral initiatives to scale up manufacturing and distribution of effective vaccines. Launched at the end of April 2020, the Access to COVID-19 Tools Accelerator (ACT-A) brings together leading multilateral and philanthropic organizations, including Gavi, the Global Fund to Fight AIDS, TB, and Malaria (Global Fund), the Coalition for Epidemic Preparedness Innovations (CEPI), the Gates Foundation and others. The ACT-A has created a market mechanism, COVAX, and set a target of \$38 billion to develop essential vaccines and therapeutics, ensure they are distributed equitably, and enable health systems to deliver these tools. The US has not seriously engaged ACT-A or joined COVAX.

COVID-19 supplemental - Since April 2020, ONE and a coalition of partners have been advocating for a \$20 billion funding in the COVID-19 supplementals. Part of this package would provide \$8.2 billion in support for ACT-A through investments in Gavi, the Global Fund, and CEPI - \$4 billion for Gavi, \$4 billion for the Global Fund, and \$200 million for CEPI. If this package does not pass during the lame duck session, the Biden administration should press Congress for \$20 billion in international funding to fight COVID-19 in a future supplemental, including \$8.2 billion for Gavi, Global Fund and CEPI. Additionally, CEPI should be authorized and recognized as an international organization that the United States can legally fund. If these actions are taken, two billion doses can be distributed fairly in the places of greatest need, worldwide, by the end of 2021. Note that there has been bipartisan support for international funding.

Join COVAX — We also urge that the Biden administration promptly join COVAX. COVAX will function like an advance purchase mechanism to invest in and amp up manufacturing capacity for promising vaccines in the ACT-A portfolio. The Trump administration declined to join COVAX, making the US and Russia the only high-income countries not participating. If Congress passes a COVID-19 supplemental with support for Gavi, this funding would be directed to the COVAX advance market mechanism for poor countries. This means, in practice, that the US would join COVAX through its financial contribution to Gavi. Even before the money is delivered, the administration could, and we believe should, signal its intention to join as a matter of global solidarity.

**Multilateral Donor Conference** — In addition to direct support of \$8.2 billion to the ACT Accelerator, we propose the Biden administration join other donors to co-host a donor conference in the spring of 2021 to raise the remaining funds needed to reach the \$38 billion goal. Our aim is to have a European G7 leader launch this effort as soon as possible and then have the Biden administration join to assist in pushing this effort over the line. This would be an early and straightforward opportunity to drive a multilateral approach to ending a global pandemic.

We applaud the President-elect for his clear pledge to maintain the US participation at the <u>World Health Organization</u>, rejecting the Trump administration's intent to withdraw. We believe the US can use its influence to strengthen and reform the WHO to be better prepared for the next global health crisis.

#### 2. Addressing the Economic Crisis - Debt Relief and SDRs

COVID-19 has created both a global health crisis and a global economic crisis, and we must fight both. There are two immediate steps that the US can take to help stave off the economic impacts in the worlds' poorest countries — <u>debt</u> <u>relief</u> and approving Special Drawing Rights (SDRs) at the IMF.

**Debt Relief** — In many of the worlds' poorest countries, governments desperately need money to fund an emergency COVID-19 response but are currently forced to spend significant portions of their budgets on debt repayments (16.8% of government revenues, on average). In some countries the debt burden is overwhelming; for instance, debt service in Nigeria equaled 99% of government revenues in the first quarter of 2020, and Zambia recently announced its inability to meet its debt service obligations. No country should be faced with the impossible choice of saving lives and its economy or making debt repayments during this pandemic. Just as we allowed home mortgage relief to give US households some relief, poor countries need a temporary suspension of debt payments.

Earlier in 2020, the G20 created and extended the Debt Service Suspension Initiative (DSSI) through June 2021, providing the temporary suspension of bilateral debt service payments to allow the world's poorest countries to cope with the economic fallout of the crisis. More is still needed on this front, as debt service to multilateral institutions including the World Bank and IMF, and to private creditors, comprises almost half of all debt service for these countries. Neither the IFIs nor private creditors have yet acted on debt service suspension. ONE has been working to pressure the G20 to provide further relief and push the World Bank and IMF to suspend debt payments through 2021. We ask that the Biden administration use the United States' voice and vote at the World Bank and IMF to suspend multilateral debt service payments in line with the DSSI.

**Special Drawing Rights** — Given the crisis, many of these countries need liquidity to address the economic impacts of the pandemic. The IMF's current lending capacity of \$1.3 trillion is unlikely to allow it to provide the relief needed.

One way to immediately give countries access to liquidity is through <u>SDRs</u>. SDRs are an international reserve asset that supplements IMF member countries' official reserves. Their value is based on a basket of five currencies — USD, EUR, CNY, JPY and GBP— and can be exchanged for those currencies. The IMF allocates SDRs to members in proportion to their quotas. As many wealthier countries do not need SDRs for their own purposes and low-income countries get a relatively small share of the allocation, we propose creating a mechanism for wealthier countries to donate their SDRs to those that need them. Approval of a new issuance of SDRs requires an 85% vote of support at the IMF Board. Since the Trump administration (holding a blocking share of 16.5%) opposed this proposal, the IMF and global partners have been blocked.

The incoming Biden administration can unilaterally, and without congressional authorization, vote at the IMF in favor of a general SDR allocation of less than \$675 billion in SDRs (as of mid-November 2020) if congressional notification requirements are met. We recommend the Biden administration signal its support for a new issuance of between \$500-600 billion, so long as it falls under the congressional authorization threshold, and a mechanism to donate SDRs to needy countries. Treasury Secretary-designate Yellen could indicate this support in her confirmation hearing, or through other means.

### 3. A Big, Bold Presidential Budget

COVID-19 is reversing progress in ending extreme poverty, across multiple development indicators and sectors, and in the fight against HIV/AIDS, TB and malaria. It has set in motion a food and hunger crisis more extensive than in 2007-08, triggered massive job losses in countries where unemployment poses a threat to development and to stability, brought about an \$40 billion reduction in remittances and the collapse or systemic disruption of almost all revenue-generating sectors of economies. The US will need to take bold steps to stem the tragic aftershocks of COVID-19. The World Food Programme reported that as many as 270 million people are on the brink of starvation. It has been estimated that 420 million more people will slip into poverty this year, and 207 million more people could be pushed into extreme poverty by 2030.

The President-elect wants to reassert American global leadership, rebuild our diplomacy, re-engage with our global partners, fight climate change, and build back better as we emerge from the pandemic. This ambition is necessary and welcomed, but it will require both leadership and fuel in the engine.

That's why, starting with the President's Budget for FY2022, the Biden administration should commit to doubling annual bilateral and multilateral foreign economic, health, and humanitarian assistance by 2025. This amount of investment is necessary to effectively address global challenges and to demonstrate the United States' commitment to global leadership. The pandemic has shown how interlinked the United States is with the world and the importance of global health and development.

Not only is this the right thing to do, it is also the strategic thing to do. These programs have bipartisan support and have delivered clear results: More than one billion people have been lifted out of extreme poverty, global health programs have saved millions of lives from preventable disease and delivered inexpensive medicines to millions more, and recipient countries have been put on a path to economic independence -- eleven of America's top 15 trading partners were once recipients of international aid.

Working with many partners in the development and humanitarian community, we are supporting investments in the following areas:

→ Global health programs: Up to \$30.6 billion by 2025 in global health programs at the Department of State, USAID, and the Centers for Disease Control and Prevention, among others, to fight the effects of COVID-19, prepare for the next pandemic, protect existing US global health investments, and expand our legacy of global health leadership;

- → Bilateral development assistance and economic growth: Up to \$13.6 billion by 2025 towards bilateral development assistance and economic growth to fight extreme poverty, educate children, and invest in water, sanitation, and hygiene, among others;
- Humanitarian assistance: Up to \$17.8 billion for humanitarian assistance including but not limited to international disaster assistance, migration and refugee assistance, and Food for Peace to increase capacity and respond to needs;
- → Multilateral institutions: Up to \$7.37 billion for multilateral institutions like the IMF, IDA, the UN, and the African Development Bank to restore US global leadership in multilateral fora, provide capital at institutions that have been ignored for the last four years, and pay down arrears;
- Climate change: Up to \$4.3 billion to fight climate change globally and support communities most impacted by it; and,
- Democracy and human rights: Up to \$723.7 million to promote democracy and human rights.

As part of this increased investment, the US humanitarian response needs to be scaled up to protect vulnerable populations and provide food, nutrition, access to local markets, and community-based livelihood programs to displaced populations. The Biden administration can start by increasing poverty-focused humanitarian and development assistance in the FY22 President's Budget Request. The US should provide at least \$5 billion in emergency assistance in the areas of food assistance, shelter, health, water and sanitation, and protection services. The US should also provide \$2 billion to the World Food Programme to support its response to respond to COVID-19.

# Medium-Term — Health and Economic Growth

### 4. Pandemic Preparedness

Historically, pandemic threats spark a cycle of panic and neglect around the world. Policymakers approve emergency funding to respond to the crisis and make commitments to fix the problems in the immediate aftermath, but then support wanes as attention shifts elsewhere. The current crisis should serve as a wake-up call for the US government to break this cycle and ensure the devastation seen in 2020 never happens again. This will require a large-scale and long-term pandemic preparedness effort, including:

Preparedness financing. In the wake of Ebola, over a hundred countries undertook assessments of their global health preparedness to identify existing gaps. For lower income countries, the challenge of financing to close those gaps is enormous. The creation of a challenge fund would allow for long-term investment in health systems strengthening, while incentivizing countries to invest in their own preparedness by providing matching funds for progress in addressing identified gaps. We recommend the Biden administration launch a \$10-12 billion multilateral pandemic preparedness fund. This fund would pool resources from the donor community and fund technically sound proposals from poor countries to improve their pandemic preparedness as measured by the Global Health Security Index or other measures. A US share would be \$2-3 billion. This fund could be part of a reformed WHO or World Bank trust fund. This proposal mirrors proposals from CSIS as well as the Global Health Security and Diplomacy Act introduced this year.

#### Reform and Strengthen the World Health Organization and International Preparedness

Framework: Pandemics are a global threat; preparedness and response must be approached as a global collective which requires a strong and empowered WHO. The return of the US to the WHO in 2021 is an opportunity to pursue reforms that give it a stronger mandate, sharpened tools for accountability, and reliable funding. In wake of the Trump administration's threatened withdrawal, the US can build goodwill by working with leading allies (e.g., Germany, France, UK) and WHO leadership on reform proposals already tabled. Specifically, the administration can support a preliminary package of reforms at the World Health Assembly in 2021 and elevate the issues at UNSC to forge support among major powers.

Elevate USG Leadership to Advance the Global Health Security Agenda: Breaking the cycle of panic and neglect will require a permanent high-level leadership role that can convene a whole-of-government effort to elevate and sustain preparedness as a national security and diplomatic priority. This new post will be accountable for oversight of implementation of Executive Orders on GHSA and to align a broader global health security strategy across the USG interagency. In addition, the Administration should move from Executive Orders to legislation to enshrine the global health security agenda in law and build Congressional support and oversight of these efforts. This will also encourage lasting support and greater annual funding from Congress and enable agency prioritization and planning.

## 5. End AIDS Globally by 2030

The US – with Joe Biden's leadership -- has led the fight against HIV/AIDS around the world. Strong bilateral and multilateral investments by Congress have continued that legacy and translated into real impact. PEPFAR supports 15.7 million people with life-saving HIV treatment – including 700,000 children – and has ensured over 2.6 million babies born to HIV-positive mothers were HIV-free. The Global Fund to Fight AIDS, TB, and Malaria supported HIV treatment for over 20 million people in 2019 and has helped save <u>38 million</u> lives since it was created.

This is incredible progress. But the fact remains that AIDS is still a crisis and is also worsening because of the COVID-19 pandemic. The world could face over 534,000 additional AIDS-related deaths in 2020-2021, and over 80 percent of HIV programs have already been disrupted by the pandemic.

Now with the introduction of PrEP, we have the full suite of tools necessary to end AIDS. The epidemiology is clear. But it will require resources and dedication from the United States and our partners, as well as complete buy-in and trust from countries still dealing with HIV/AIDS. The Biden administration, working with international partners, should build on the strong bipartisan legacy of PEPFAR and Global Fund, and set a new bold objective of ending AIDS in 10 years. Once the immediate crisis of the pandemic abates, we believe there will be an opportunity to redirect pandemic funding to building other global health infrastructure, including pandemic preparedness (noted above), basic health infrastructure, and disease elimination. It would be a fitting and enduring legacy for President Biden, who was instrumental in building our global AIDS response, to lead the end of the disease.

#### 6. Boost Economic Growth in Low–Income Countries

US development assistance has helped save millions of lives and contributed to major reductions in poverty. It has enabled people all over the world to build brighter futures by providing access to education, agricultural assistance, better economic opportunities, and better governance. At ONE, we believe US leadership in responding to humanitarian and health disasters, like the current pandemic, is critical and irreplaceable. We also know that the only long-term route out of poverty comes through economic development. The US supports many programs and institutions promoting economic growth and development -- we are highlighting a few below.

**Power Africa** — Power Africa is one of the strongest economic resilience building programs in the United States' arsenal and a significant achievement of the Obama administration, earning substantial bipartisan support and praise from African leaders. Two out of three people living in sub-Saharan Africa lack access to electricity. Lack of electricity inhibits education and good health and hinders economic development. Nearly half of all African businesses cite the lack of reliable energy access as their biggest obstacle to growth. When electricity provided from the grid is not reliable, businesses must run diesel generators to keep their operations functioning, which can cost between three and six times more than electricity from the grid. Thanks to the success of Power Africa and the 14.8 million new energy connections, more than 68 million people in sub-Saharan Africa now have first-time access to electricity. Power Africa should be maintained and expanded. Currently, the program is constrained because it lacks its own budget line item within USAID, and we recommend the President include a specific \$200 million line item for Power Africa in his budget request to Congress.

**Improve the Development Finance Corporation** — The launch of the Development Finance Corporation (DFC) allowed for billions of private-sector investments to flow into Africa by making it easier for American entrepreneurs to do business there. This support is needed to build infrastructure, increase first-time access to electricity, and create jobs. As it finishes up its first year in existence, there have been successes, but there remains room for growth and influence. One main area to highlight is ensuring the **DFC prioritizes its development mandate**. It can do this by increasing investments in low and lower-income countries and promoting projects that align with their newly released Global Development Strategy. Also, for the DFC to reach its full potential, **a new administration should work with Congress to allow the DFC to assume fair-market value scoring for equity**. This will maximize the value of DFC's investments. Finally, we believe DFC needs the budget space to hire more staff in the field. More deal teams are needed to identify and work with developing-countries private sector partners.

Millennium Challenge Corporation - DATA (ONE's predecessor organization) and our co-founder Bono were involved in the launch of MCC and have remained very supportive since. We are committed to its model of long-term compacts, consultative negotiations with developing country partners, and focus on poverty reduction through economic growth. We also believe MCC's focus on data, evaluation, and innovation should be the standard across our development infrastructure. The "MCC effect" that inspires countries to reform and improve their policies is an important and very constructive phenomenon. We do, however, believe that the Biden administration should take time to evaluate MCC's future. We are concerned about broadening access to MCC funds for wealthier countries simply to expand the pool - our precious grant resources should be focused on those countries that have limited access to international financial markets. MCC must focus on the lowest-income countries and projects that will attract private-sector investment, while preserving its incentives for consultation and policy reforms. We also believe MCC should work closely with the DFC and USTR to support those projects that can leverage greater private sector investment. We do not have a comprehensive plan for MCC but are keenly

interested in discussing ways to preserve what is great about MCC, while reforming it for the years ahead.

# The ONE Campaign: Who We Are

At ONE, we use our voices to advocate for the poorest and most vulnerable people in the world - to get governments to do better, and BE better, in the fight against extreme poverty and preventable disease. Co-founded by Bono, we are a strictly non-partisan organization. We harness the power of grassroots activists - on the ground and online - as well as pop culture influencers. We mix practical policy solutions with savvy political relationships in the halls of power. We reach millions in the media and find partners to expand our reach even further. And we do all this in the key capitals in Europe and North America and increasingly, and importantly, across Africa. We are driven by a mission to end extreme poverty and preventable disease so that everyone, everywhere can live a life of dignity and opportunity. This is the world we want, and this is the world we fight for.

## Resources

- <u>ONE's Vaccine Access Test</u> is a first-of-its-kind tool that measures how the actions of leaders in government and business are advancing or hindering vaccine access globally. To date, the US scores below most G7 countries as well as several pharmaceutical companies. The <u>US Score</u> <u>Card</u> lays out concrete actions the Biden administration could take to move up in the ranking and improve access to COVID-19 vaccines globally.
- <u>ONE Campaign/Morning Consult polling</u> on voters' perceptions on a global and leading pharmaceutical companies' response to COVID-19, global health issues and access to vaccines
- Senators Cardin and Rubio <u>letter</u> on a global response to COVID-19 with 13 Republican signers
- ONE Campaign background brief on SDRs
- ONE Campaign background brief on TRIPS waiver
- Pandemic Action Network "<u>Now or Never: An Agenda for Global Action to Make America and</u> <u>the World Safer from Pandemic Threats</u>"
- Interaction bold budget transition <u>letter</u>
- Talking Points on Joining COVAX and ACT-A Efforts for Vaccine Access
- Messaging on <u>development policy</u> and ONE policy briefs on <u>Agriculture and Nutrition</u>, <u>Economic Growth</u>, <u>Education</u>, <u>Gender Inequality</u>, <u>Global Health</u>, and <u>Transparency</u>