EUROPEAN UNION European Court of Auditors



EUROPEAN COURT OF AUDITORS

Special report 19/2022: "EU COVID-19 vaccine procurement – Sufficient doses secured after initial challenges, but performance of the process not sufficiently assessed"

Performance audit

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FULL REPORT (OFFICIAL EU LANGUAGES)

What we assessed and why

By the end of March 2020, the EU had identified the development of a safe and effective vaccine as a priority for ending the COVID-19 pandemic. In June 2020, the Commission published its strategy for a centralised EU COVID-19 vaccine procurement process. Under this strategy, the Commission and member states would negotiate and conclude advance purchase agreements, sharing the development risk of a vaccine with the manufacturers. By November 2021, the Commission had secured 11 contracts, including eight advance purchase agreements, providing up to 4.6 billion vaccine doses at an expected cost of €71 billion.

We assessed whether the procurement of COVID-19 vaccines up until the end of 2021 had been effective. In particular, we examined whether:

- the EU's framework for the procurement of COVID-19 vaccines was appropriate;
- O the EU negotiation strategy had yielded the expected results; and
- o how the Commission followed up on contract implementation.

What we found

We found that the procurement preparations had been mostly effective. The EU recognised the importance of vaccines early but only started its procurement process in June 2020 – two months later than the UK and one month later than the US. The Commission succeeded in creating an initial portfolio of vaccine candidates. The EU had to act ahead of clear scientific data on vaccine candidates' safety and efficacy, and therefore chose to back a range of candidates to create an initial portfolio with a range of different vaccine technologies and manufacturers.

The terms of the contracts evolved over time and those signed in 2021 have stronger provisions on key issues such as delivery schedules and production location than those signed in 2020. In addition, unlike the agreements negotiated by the UK and US, none of the EU's eight advance purchase agreements included any provisions on priority access to vaccines for the EU. In more recent contracts, clauses were added along with penalties in order to support timely delivery of the contracted number of vaccine doses. The terms negotiated differed for each contract, except where adherence to the EU Product Liability Directive was concerned.

The Commission had not fully analysed the production and supply chain challenges of vaccine production until after signing most of the contracts. In the first half of 2021, the EU faced severe production and supply disruptions and it became clear that most contracts did not include specific provisions to address these. The Commission had limited leverage and few options to overcome supply challenges.

In February 2021, the Commission established the Task Force for Industrial Scale-up of COVID-19 vaccines to support manufacturing and supply chains. The task force facilitated contact between different companies and the relevant member state authorities. However, its impact on ramping up vaccine production was unclear.

As of the time of publication, the Commission had not yet scrutinised the operation and structure of the EU's vaccine procurement process. Nor had it benchmarked this process against other procurement systems (UK, US) to identify weaknesses and areas for improvement for the future.

What we concluded

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We recommended that the Commission:

- O prepare pandemic procurement guidelines based on the lessons learned;
- carry out a risk assessment of the EU's procurement approach and propose appropriate measures; and
- stress-test all parts of its updated pandemic procurement framework, including information and intelligence gathering, to identify any weaknesses and areas for improvement, and publish the results.