Revisiting the Vaccine Policy

Why in news?

Recently Supreme Court in response to the affidavit filed by the centre said that centre should procure vaccine for all states instead of asking states to procure from market.

What does the affidavit says?

- It says that the Centre by its large vaccination programme has placed large purchase orders for vaccines as opposed to the State Governments and/or Private Hospitals.
- This has some effect on the prices negotiated i.e. it can buy vaccines cheaper than States or the private sector.
- The Centre will take 50% of this to give to States for the 45-plus age group, and the States get 25% of the total vaccine production for their use.
- Each State informs the centre about the number of vaccines it would receive and centre ensures that the prices of vaccine is uniform for all the States.
- The balance 25% in each State will go to the private sector based upon the contracts between private sector and vaccine manufacturers,.

What will be the outcome of this?

- Now question arises that how is the private sector in a specific State defined, since contracts are at a corporate level and not by State units.
- Also there is a doubt about the absorption of 25% by the private sector since in all CoWIN sites the private sector share is under 3% and its allocation will be more in urban areas.
- Thus, instead of the full production at zero cost, the States now get one quarter of the production at twice or more the price paid by the Centre.
- The private sector will access the other quarter, at a landed cost that, based on current reports, might be up to 10 times the price it paid earlier.

Why centre must revisit its vaccine policy?

- First, India's vaccine policy is indefensible and not in line with

International practice.

- Second it incoherent as it decontrols both price and quantity for every state.
- Third, it doesn't effectively address the essential problem in the reality.
- Centre is now threatening to penalise States which are not administering sufficient second doses.
- Moreover it allows for just two vaccine manufacturers to produce vaccine in a heavily competitive drug manufacturing market.
- Currently the nation faces extreme shortage of vaccine which is exacerbated by adding 600 million 18 to 44-year-old citizens to 200 million unvaccinated people above the age of 45.
- In every other country, only the national government buys vaccines to vaccinate their citizens at free of cost except in Indonesia and Philippines.
- It is perplexing why Covaxin is not widely licensed, despite much of the core work in developing the vaccine was done at the ICMR-NIV in Pune.

What are the other problems?

- The affidavit says that centre has taken efforts to procure vaccines from other countries.
- But these negotiations are a complex undertaking as it is taking place through diplomatic channels.
- Centre also accepted the challenge of door-to-door vaccination but it wants to make vaccination easier to access, e.g. through pop-up centres in communities.
- Also there is no enough residual trust between the Centre and States for equitable distribution of vaccines.
- Hence such policy will increase the revenue of vaccine manufacturers and making vaccine supplies more expensive and less equitable across geographies.

Source: The Hindu

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