

CHALLENGES TO UNIVERSAL VACCINATION IN INDIA

PRITAM DATTA
Fellow, National Institute of Public Finance and Policy, New Delhi



CHETANA CHAUDHURI
Senior Research Associate, PHFI, Gurugram, Haryana

Countries around the globe have rolled out large-scale vaccination programmes to combat the ongoing Covid-19 pandemic. India launched its vaccination programme on 16 January 2021, with two domestically manufactured vaccines: Covishield of the Serum Institute of India and Covaxin of Bharat Biotech. By the end of May, the country was in the third position in terms of the absolute number of vaccine doses administered, after China and the US. The Centre said that by the end of the year, the country would be in a position to vaccinate at least all of its adult population.

By the end of May, India could vaccinate 16.8 crore citizens with at least one dose; 4.3 crore people received both the doses. In other words, considering the projected population (136.3 crore) of the country for 2021, only 12% of the Indian population is vaccinated so far and only 3% of them have received both doses. Even if we do not consider the children and young adults below 18 (i.e., 34% of the Indian population, which amounts to 46.3 crore people), to achieve the goal of vaccinating all adults in the country by end of 2021, India needs to vaccinate not only 9% of its population (12.5 crore) with another dose but also 54% (i.e., 73.1 crore) with both the doses in the next seven months.

India's journey towards univer-

sal vaccination by the end of 2021 will be an uphill battle and the government needs to ensure that the three As are in place, i.e. availability, affordability and accessibility of the vaccine. To vaccinate 12.5 crore people with the second dose and 73.1 crore people with both, India needs at least 159 crore doses of the vaccine in the coming seven months. Assuming a minimum of 3% wastage in transportation and storage, India needs to ensure availability of 164 crore doses during that time. Till May 2021, India had administered on an average five crore doses per month; it needs to accelerate the drive to administer an average of 23 crore doses per month for the next seven months. So, to ensure an uninterrupted supply of vaccines, production needs to be expanded along with their import. The Government of India took several steps to increase the domestic capacity of the production of the vaccines. This includes expansion of the production capacity of the domestic manufacturers as well as involving three PSUs under the Department of Biotechnology for production under the technology transfer arrangement with Bharat Biotech Ltd, Hyderabad. The government also approved the Russian vaccine to increase the availability of jabs to the citizens.

By April 2021, the Centre had pro-

vided 16.37 crore vaccine doses to states and UTs. They could administer 15.5 crore doses of vaccine by the end of April. For May, 7.9 crore vaccine doses were available but only 6.1 crore were administered; there is a sudden drop in the vaccination trend by 32% in this month.

In the third phase of vaccination in May, India initially adopted the "Liberalised Pricing and Accelerated National Covid-19 Vaccination Strategy", which was later termed as an experiment in the prime minister's speech on June 7. Under this mechanism, the Centre was supposed to directly procure only half of the monthly stock from manufacturers and supply it to the states and UTs free of cost. State governments as well as private hospitals were to procure the remaining 50% stock directly from manufacturers. However, manufacturers needed to make an advance declaration for this 50% of the stock available for open market procurement. In this strategy only health workers, front-line workers and the population over the age of 45 were eligible for vaccination at Government of India vaccination centres; the ones between 18 and 45 would have depended on state governments or had to pay out of their own pockets. The Serum Institute of India had announced the price as ₹400 and ₹600 per dose for procurement by state governments and private hospitals respectively. Bharat Biotech declared that the price per dose for sub-national governments and private hospitals would be ₹600 and ₹1,200 respectively. Moreover, the Centre announced that it would purchase both vaccines manufactured at ₹150 per dose directly from

the manufacturers. Under this strategy, if state and UT governments collectively had to procure at least 50% of the total requirement directly from the manufacturer, it would cost ₹32,800 crore (if state governments procured only Covishield) to ₹49,200 crore (if they procured only Covaxin), other than the cost of administration for the programme. The sudden fall in the vaccines administered in the last month might have been caused by this extra financial burden. States needed to allocate funds for vaccination for their people through a supplementary Budget or through re-appropriation from other schemes.

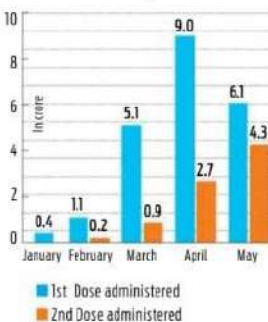
On June 7, the PM announced that state governments need not spend on vaccines; the Centre would directly purchase 75% of the total production and distribute them free of cost to states. Moreover, the entire adult population will be eligible for getting free vaccines from government centres. Private hospitals are now allowed to purchase 25% of

the domestic production to serve the section of people who might not be interested in getting free vaccines and can afford to pay. New guidelines will be prepared to allocate the responsibilities of the Central and state governments.

The new announcement would reduce the financial burden of states. Very few states like Andhra Pradesh and Delhi had allocated funds for vaccination in their Budget. A loss of revenue due to the lockdown coupled with higher expenditure to manage the pandemic already caused a budget crunch in most states. The additional pressure of financing a part of the vaccine drive would have posed a serious challenge for states as well as people between 18 and 45 years, many of whom are either students or in their early-to-mid-careers. Moreover, the total vaccination cost of around ₹35,000 crore was already budgeted in the 2020-21 revised Union Budget and 2021-22 Budget together, which can be efficiently used for universal coverage. However, vaccine wastage is high in a few states. They need to reduce this as much as possible.

The new announcement is expected to put an end to the price differential of the vaccine. However, the Indian health system, which is quite concentrated in urban areas, needs to widen the access of the programme to ensure universal vaccination. The revised policy is addressing affordability and availability issues, but the actual outreach of the programme should touch all areas. Cooperation between the Centre and states is important to ensure access.

(pritam.datta@nipfp.org.in, chetana.chaudhuri2@gmail.com)



Monthly total of the number of vaccine doses administered in India