Gavi update
• Recent accomplishments
• Updates
• Looking ahead

UNICEF VACCINE INDUSTRY CONSULTATION
Monday, October 26
VACCINE INTRODUCTION GOALS MET IN 2014

Country introductions
(Number of countries)

Pentavalent vaccine
Pneumococcal vaccine
Rotavirus vaccine

* As of 16 July 2015.
Source: Gavi, 2015.
VACCINE INTRODUCTIONS AND CAMPAIGNS IN 2014

Recent accomplishments
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* Refers to annual birth cohort (for vaccine introductions) or target population (for vaccine campaigns)
MORE SECURE VACCINE SUPPLY

2014: 16 manufacturers* from 11 countries of production

* Includes 14 Gavi suppliers and 2 manufacturers of prequalified Gavi vaccines.
** One US manufacturer also produces in the Netherlands.
Note: Country of production represents country of national regulatory agency responsible for vaccine lot release.

Source: UNICEF Supply Division and WHO list of pre-qualified vaccines, 2014
SUCCESSFUL REPLENISHMENT: THE ASK FOR 2016–2020

7.5 billion additional funding needed for immunisation programmes through to 2020

- Total need: 9.5 billion
- IFFIm and other assured resources: 2.0 billion

the ask: 7.5 bn (1.5 bn x 5)
GAVI’S VACCINATION PROGRAMMES: HISTORICAL OVERVIEW & FUTURE INVESTMENT DECISIONS

Refers to the first Gavi-supported introduction of each vaccine.
ELIGIBILITY AND TRANSITION

<table>
<thead>
<tr>
<th></th>
<th>Initial self financing &amp; preparatory transition</th>
<th>Accelerated transition</th>
<th>Fully self-financing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Grace year</td>
<td>4 remaining years</td>
</tr>
<tr>
<td>New vaccine Support (if DT3 coverage &gt;70%)*</td>
<td>Eligible</td>
<td>Eligible</td>
<td>No longer eligible</td>
</tr>
<tr>
<td>Health Strengthening Support</td>
<td>Eligible for HSS support</td>
<td>Eligible for HSS support if DTP3 coverage &lt;90%</td>
<td>No longer eligible</td>
</tr>
</tbody>
</table>

* No minimum coverage needed for JE, MenA and YF. Other specific requirements needed for some vaccines.
COUNTRY GROUPINGS AND ELIGIBILITY IN 2016

### Eligible for new vaccine and HSS support

<table>
<thead>
<tr>
<th>Afghanistan Benin</th>
<th>Burkina Faso</th>
<th>Burundi</th>
<th>Cambodia</th>
<th>CAR</th>
<th>Chad</th>
<th>Comoros</th>
<th>Congo DR</th>
<th>Eritrea</th>
<th>Ethiopia</th>
<th>Gambia</th>
<th>Guinea</th>
<th>Guinea-Bissau</th>
<th>Haiti</th>
<th>Korea D.P.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madagascar</td>
<td>Bangladesh</td>
<td>India</td>
<td>Cameroon</td>
<td>Cote d’Ivoire</td>
<td>Djibouti</td>
<td>Ghana</td>
<td>Kenya</td>
<td>Kyrgyz Republic</td>
<td>Lao PDR</td>
<td>Lesotho</td>
<td>Mauritania</td>
<td>Myanmar</td>
<td>Nigeria</td>
<td>Pakistan</td>
</tr>
</tbody>
</table>

### Eligible to apply for new support in 2016 (grace year)

| Nicaragua | Papua New Guinea (PNG) |

### No longer eligible


### Fully self-financing

| Bhutan | Honduras | Mongolia | Sri Lanka | Ukraine |
The Gavi Board adopted in June 2015 a revised Co-financing policy which brings two important changes:

- Linking co-financing to prices for all countries in transition phases
- Development of payment plans to help countries get out of default
IMPLICATIONS OF THE NEW PRICE-RELATED CO-FINANCING

- Countries will pay more per dose for more expensive vaccines or presentations and less for less expensive ones.
  
  ➢ Thus countries will be responsible for co-procuring a larger percentage of total needs for higher-priced vaccines compared to before the policy change, and a lower percentage of lower-priced vaccines.

- Any change of presentation during this phase can impact the total co-financing amounts. Request for presentation switches should be presented through the Country Portal in May and be approved by the High Level Review Panel (HLRP).

- Gavi Secretariat and partners will support countries in making holistic decisions on presentation choices (based on price, suitability, delivery method, wastage rate, etc.).
BOARD DECISION REGARDING PRICING FOR COUNTRIES THAT TRANSITION TO FULL SELF-FINANCING

**Objective:** Support access to appropriate pricing so that countries can sustain immunisation programmes begun with Gavi support and continue to introduce high-quality, life-saving vaccines

- **Fully self-financing countries can…**
  - …choose to be included in UNICEF tenders on behalf of Gavi countries, and may benefit from manufacturers offering **Gavi or similar prices, for specific vaccines for 5 years.** This applies to both vaccine introduced with Gavi support and new introductions without Gavi support. In cases where fully self-financing countries wish to procure vaccines at Gavi or similar prices immediately, Gavi will engage directly with manufacturers regarding potential supply under current supply agreements.
  - …access UNICEF’s VII (Vaccine Independence Initiative) revolving fund dedicated to **providing timely availability of financing** for countries to meet payment terms.
STRATEGIC GOALS 2016–2020

Four strategic goals guide Gavi’s mission

Vaccine goal
Accelerate equitable uptake and coverage of vaccines

Health systems goal
Increase effectiveness and efficiency of immunisation delivery as an integrated part of strengthened health systems

Financing goal
Improve sustainability of national immunisation programmes

Market shaping goal
Shape markets for vaccines and other immunisation products
INTRODUCTIONS TO PEAK IN 2015 WITH IPV

Gavi73 introductions with Gavi support

- Typhoid
- YF Campaign
- JE
- MenA Campaign
- MR
- MSIA
- HPV demo
- HPV
- MenA Routine
- YF Routine
- IPV
- MSD
- Rota
- Penta
- Penta

Source: SDF v11. Base Unconstrained intro dates were used for all vaccines except Yellow Fever and Rota.
## CLOSING THE IMMUNISATION GAP

### Vaccine coverage in Gavi-supported countries by 2020

<table>
<thead>
<tr>
<th>Vaccine</th>
<th>2000</th>
<th>by 2015</th>
<th>by 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measles-containing vaccine 1st dose</td>
<td>60</td>
<td>68</td>
<td>79</td>
</tr>
<tr>
<td>Pentavalent vaccine</td>
<td>2</td>
<td>52</td>
<td>70</td>
</tr>
<tr>
<td>Measles-containing vaccine 2nd dose</td>
<td>8</td>
<td>44</td>
<td>69</td>
</tr>
<tr>
<td>Yellow fever vaccine a</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pneumococcal vaccine</td>
<td>23</td>
<td>39</td>
<td>53</td>
</tr>
<tr>
<td>Rotavirus vaccine</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rubella vaccine</td>
<td>17</td>
<td>17</td>
<td>61</td>
</tr>
<tr>
<td>HPV vaccine b</td>
<td>4</td>
<td>4</td>
<td>37</td>
</tr>
</tbody>
</table>

### Coverage by vaccine (%)

Coverage refers to the final dose of each vaccine, unless otherwise stated.

- Target population and coverage estimates are based on 32 yellow fever-endemic Gavi-supported countries in Africa.
- Target population for HPV3 is 9-13 year old girls.

Sources: WHO/UNICEF coverage estimates and country official reported figures (MCV2 and rubella), as of July 2013. 2015 and 2020 coverage: Gavi strategic demand forecast version 9.
STRATEGIC GOALS 2016–2020

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Improve sustainability of national immunisation programmes

Market shaping goal
Shape markets for vaccines and other immunisation products
Poor performance is a concern because immunisation programmes are expanding and becoming more expensive and complex.

Supply chain requirements

<table>
<thead>
<tr>
<th>Requirement</th>
<th>2010</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Larger storage volume (cm³) required to fully immunize a child</td>
<td>~4x</td>
<td>~6x</td>
</tr>
<tr>
<td>Costlier and more sophisticated vaccines</td>
<td>~5x</td>
<td>~2x</td>
</tr>
<tr>
<td>Increased number of doses to order, track, and administer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased stock keeping units</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: All figures relate to Gavi-funded vaccines
1. UNICEF Supply 2012 Financial report, WHO data for Pneumo and Rota vaccines, and HPV (only for girls);
2. 2010: Gavi Shipment Data; 2020: Gavi SDF Forecast; Including volume for Gavi future graduated countries;
3. Comparison based on 2013 Price; 2020 Vaccines Include: Rota, Pneumo; HPV; 2010’ vaccines include: YF, Measles, DPT, OPV (UNICEF SD);
4. Gavi Background SDF Information; 2010*: estimates based on 2009 data; 2020: estimates based on 2013 forecast
STRATEGY VISION (2015-2020): COLD CHAIN EQUIPMENT OPTIMISATION PLATFORM

Bringing aligned focus, more resources, and a detailed Implementation Plan through 2020

If countries have the following fundamentals in place:

- System design
- Supply chain leadership
- Continuous improvement plans
- Data for management
- Better cold chain equipment

...then EPI will begin to reach the objectives of vaccine that is:

- **Available**
  - In the right place at the right time
- **Potent**
  - Providing a high level of immunity
- **Efficient**
  - Resources used for best purpose

...helping to achieve the desired results:

- Vaccine coverage & equity
- Under-5 mortality

Recent accomplishments
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THE PLATFORM WILL ADDRESS COLD CHAIN EQUIPMENT CALLENGES IN THREE WAYS

**Strengthen coverage and equity of immunisation**
Equip 90,000 facilities with upgraded CCE and extend CCE to 45,000 unequipped.

Facilities impacted by Platform, ’000

- Currently Equipped: 90
- Country Plans: 105
- Potential Impact: 135

**Promote the right technology for each facility**
Help countries to choose the right technology & reduce closed vial wastage.

**Total cost of ownership USD**

<table>
<thead>
<tr>
<th>Absorption</th>
<th>SDD</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,990</td>
<td>2,850</td>
</tr>
</tbody>
</table>

40% reduction in SDD cost.

**Incentivise reliable equipment performance**
Improve technology design to mitigate common failures.
STRATEGIC GOALS 2016–2020

Four strategic goals guide Gavi’s mission

- **Vaccine goal**: Accelerate equitable uptake and coverage of vaccines
- **Health systems goal**: Increase effectiveness and efficiency of immunisation delivery as an integrated part of strengthened health systems
- **Financing goal**: Improve sustainability of national immunisation programmes
- **Market shaping goal**: Shape markets for vaccines and other immunisation products

Recent accomplishments

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2016–2020: THE PROJECTED PEAK OF INVESTMENTS

(US$ billion)

- 2011-15: US$ 7.3 bn
- 2016-20: US$ 9.5 bn
- 2021-25: US$ 7.0 bn
- 2026-30: US$ 5.7 bn
STRATEGIC GOALS 2016–2020

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- **Vaccine goal**: Accelerate equitable uptake and coverage of vaccines
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Recent accomplishments

Updates

Looking ahead
2011-2015 SUPPLY & PROCUREMENT STRATEGY REVIEW AND DEVELOPMENT OF A REVISED STRATEGY

Recent accomplishments

Updates

Looking ahead

Analytical work

- Review of objectives, scope
- Review of lessons learnt from strategy implementation and progress to date
- Consultations with stakeholders and partners
- Development of 2016-2020 Supply and Procurement Strategy
CONSIDERATIONS FOR A REVISED SUPPLY & PROCUREMENT STRATEGY

Current strategy provides strong foundation for the future

• 2011-2014 progress indicators
• Roadmaps, strategic demand forecasting and other core components to be maintained

Several factors will drive revisions in the strategy

• New directions in Gavi 4.0
  • Board-approved SG4 objectives and indicators:
    • Include other immunisation products, and
    • Innovation and healthy markets indicators
  • Coverage and equity
• Market shifts, e.g. 50% increase in # manufacturers but also some exits
• Lessons learnt, e.g. needing a more explicit way of measuring trade-offs between objectives
• New opportunities to refine and strengthen tools and processes, e.g. expanding market-shaping partners
THE STRATEGY WILL BE MORE EXPLICIT ABOUT MAKING TRADE-OFFS BETWEEN MARKET SHAPING OBJECTIVES

The Healthy Markets Framework (work in progress) informs a more structured, consistent, vaccine-by-vaccine approach to articulating market shaping strategies

1. Consider market needs

2. Prioritise attributes of most relevance for the specific market

3. Identify incremental cost of improving each attribute to inform procurement strategies (i.e. vaccine roadmaps) and tender allocation

- Total System Effectiveness (costs) are considered
- Long Term Competition is supported
- Product innovation is incentivized
- Buffer capacity exists in market
- Individual Supplier risks are mitigated
- NRA Risk is managed
- Country presentation preferences met
- Supply of antigen = demand for antigen
- Inadequate Supply
WHAT WE WILL ACHIEVE TOGETHER

2016–2020

300 million additional children immunised = >50% of total number of children immunised in the world
THANK YOU

#vaccineswork
IMPORTANT SUPPLIER CONTRIBUTIONS

**Gavi-financed vaccines, by value***

- **USD**
  - 2012: 600,000,000
  - 2013: 800,000,000
  - 2014: 1,200,000,000

**Gavi-financed vaccines, by volume***

- **Doses**
  - 2012: 100,000,000
  - 2013: 200,000,000
  - 2014: 300,000,000

*Excludes Gavi financed, country self-procured vaccines

Source: UNICEF Supply Division, 2014
# GAVI PORTFOLIO VACCINES & FUTURE INVESTMENT DECISIONS

<table>
<thead>
<tr>
<th>Vaccine</th>
<th>Years</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pentavalent</td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>Pneumococcal</td>
<td>2013</td>
<td>6 ten year supply agreements with 2 manufacturers under AMC, last of which concludes in 2025</td>
</tr>
<tr>
<td>Rotavirus</td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>HPV</td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>Yellow Fever</td>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>Measles</td>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>Measles Rubella</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>Meningococcal A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IPV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japanese Encephalitis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cholera</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Typhoid (Gavi portfolio vaccine)</td>
<td>2019</td>
<td>VIS (re)assessment</td>
</tr>
<tr>
<td>Malaria (NVS window pending Board decision)</td>
<td>2020</td>
<td>Board decision (May 2016)</td>
</tr>
</tbody>
</table>
CO-FINANCING OBLIGATION PER COUNTRY GROUPING

Initial self-financing
- Low per dose amount (US$ 0.20) that is not to be a bottleneck to introduction

Preparatory transition
- After the grace year, the co-financed share of the vaccine price increases by 15% each year
- The initial co-financed share is calculated by dividing a country’s total co-financing contribution for all co-financed vaccines by the total cost of all co-financed vaccines. The initial share will be calculated in 2016 or in the first year a country spends in the preparatory transition phase.
- New vaccine adoptions start at the same share as for other vaccines in the portfolio in that year

Accelerated transition
- After the grace year, gradual ramp up over five years to reach projected price after Gavi support ends
- Eligible for new vaccine support during grace year. Co-financing starts at the same share as for other vaccines in the portfolio in the year of application.
HOW DOES GAVI CALCULATE CO-FINANCED SHARE OF VACCINES?

2016: Grace year

- Penta: $1.80, Co-financing share: 11%
- PCV: $3.37, Co-financing share: 6%
- Rota: $2.20, Co-financing share: 9%
- Yellow Fever: $0.99, Co-financing share: 20%

Total co-financing: $1,983,500
Total cost: $26,924,500

Country X co-financing in 2016*:

\[
\text{Total co-financing} = \frac{1,983,500}{26,924,500} = 7\%
\]

* Estimates, decision letter has not been finalized yet

2017: New grouping

- Penta: $1.80, Co-financing share: 8%
- PCV: $3.37, Co-financing share: 8%
- Rota: $2.20, Co-financing share: 8%
- Yellow Fever: $0.99, Co-financing share: 8%

Country X co-financing in 2017:

\[
\text{Total co-financing} = 7\% \times 1.15 = 8\%
\]
UPDATE TO THE PROCUREMENT AUTHORISATION PROCESS TO ENABLE MORE TIMELY PROCUREMENT

**UPDATE:**

- UNICEF & Gavi have been working together to improve processes that will facilitate UNICEF’s ability to procure in a more timely manner for on-going programmes.
- UNICEF can now begin procurement for existing programs without waiting for HLRP renewal and the lengthy decision letter process.
- Gavi’s new authorisation system allows UNICEF to release purchase orders sooner based on consolidated country requested doses for the year ahead.
- This will improve demand certainty, timeliness of orders and flexibility for suppliers.
HEALTHY MARKET DYNAMICS INDICATOR

SG4

4. Shape markets for vaccines and other immunisation products

- Ensure adequate and secure supply of quality vaccines
- Reduce prices of vaccines and other immunisation products to an appropriate and sustainable level
- Incentivise development of suitable and quality vaccines and other immunisation products

- Sufficient and uninterrupted supply: % vaccine markets where supply Gavi meets demand
- Reduction in price: Reduction in weighted average price of fully vaccinating a child with pentavalent, pneumococcal and rotavirus vaccines
- Innovation: % vaccines and immunisation products with improved characteristics procured by Gavi
- Healthy market dynamics: % vaccine markets with moderate or high health

- High level definition:
  - # of Gavi vaccine markets with moderate or high healthy market dynamics
- Four levels defined:
  - None
  - Low
  - Medium
  - High
- Criteria:
  - Adequacy of supply
  - Country presentation preference
  - Individual supply risk
  - National Regulatory Authority risk
  - Competition
  - Innovation