Presentation overview

• Scope of UNICEF procurement

• Overview of UNICEF procurement

• Vaccine market updates
UNICEF procures vaccines and immunization supplies on behalf of around 100 countries annually.

2012 Vaccines Supplies: US$ 1,053 million
1.89 billion doses
1,946 shipments

Source: UNICEF Supply Division

Immunization Supplies

Vaccines
- BCG, DTP, TT/Td/DT, Measles containing, OPV, HepB, YF, DTP-HepB, DTP-HepB/Hib, DTP/Hib, Hib, MR, Meningitis, MMR, PCV, RV, HPV, IPV, etc.

Safe Injection equipment
Cold Chain Equipment

Countries UNICEF procures on behalf of

- Full schedule
- Partial schedule

Source: 2012 country forecasts received by UNICEF
UNICEF annual vaccine procurement value has increased significantly since 2000, supporting UNICEF Programmes and on behalf of Partners, Global Programmes, Governments and NGOs.

Recent increases in value driven by new vaccine introduction

2010: decrease due to price reductions and India self-procurement (OPV), supply shortfalls

Campaign Activities (Polio, Mea), New vaccine introduction (GAVI) Price increases, Boosting routine activities

The arrows indicate the main programme drivers for the increased procurement value.

Source UNICEF Supply Division
A considerable portion of vaccines procured by UNICEF come from emerging market country manufacturers.

2012: 0.78 billion doses with a value of $338 million (32% of total value)
Vaccine Market Updates and Developments
UNICEF’s procurement is focused on achieving **Vaccine Security** – the sustained, uninterrupted supply of affordable, vaccines of assured quality.

**Vaccine Security**

- Available funding
- Accurate forecasting
- Appropriate contracting

UNICEF Vaccine Procurement Principles, implemented following the supply crisis in the traditional vaccine markets, are considered relevant for all vaccines to ensure a healthy market.
Forecasts are at the foundation

<table>
<thead>
<tr>
<th>Forecast Type</th>
<th>Main purpose</th>
<th>Example</th>
<th>Vaccines</th>
<th>Duration</th>
<th>Methodology</th>
<th>Tendency</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmatic</td>
<td>Projected programme targets / achievements</td>
<td>GAVI SDF</td>
<td>Penta, PCV, Rota, HPV, etc</td>
<td>20 years</td>
<td>Global aggregate; informed guestimates on country decisions and readiness</td>
<td>Tends to be aspirational</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GPEI</td>
<td>Polio</td>
<td>5 - 10 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Measles Partnership</td>
<td>Measles</td>
<td>5 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>Provides targets for fundraising and financial planning</td>
<td>GAVI SDF</td>
<td>Penta, PCV, Rota, HPV, etc</td>
<td>20 years</td>
<td>Aggregate</td>
<td>Tends to be conservative</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GPEI</td>
<td>Polio</td>
<td>5 - 10 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Projects 1-5 year need for UNICEF procurement</td>
<td>Government / UNICEF</td>
<td>Routine and Supplemental</td>
<td>5 years</td>
<td>Country based</td>
<td>Tends to be aspirational</td>
<td>No</td>
</tr>
<tr>
<td>Procurement</td>
<td>Projects what will be procured during the tender period</td>
<td>UNICEF</td>
<td>All Vaccines</td>
<td>1 - 10 years</td>
<td>Provided on aggregate level and by country</td>
<td>Tends to be conservative</td>
<td>Yes</td>
</tr>
<tr>
<td>Production Planning forecasts</td>
<td>Projects monthly deliveries to LTA suppliers</td>
<td>UNICEF</td>
<td>All Vaccines</td>
<td>12 month (rolling)</td>
<td>Provided on aggregate level and by country</td>
<td>Tends to be conservative</td>
<td>No</td>
</tr>
</tbody>
</table>
Multiple roles in ensuring healthy markets
UNICEF’s tender and contracting approach

- Individual product procurement strategies, based on analysis and experience
- Informed by industry and partner consultations and objectives alignment
- RFPs for strategic products – flexibility for manufacturers to shape the offer to highlight how they can bring best value
- Multi-year Tender & award period – providing planning horizon and more certainty to manufacturers
- Wide invitee-list. All manufacturers are able to participate (including pipeline) invited
- Awards; LTA – ‘good faith’ framework agreements.
  - Based on good will from accurate forecasts, but ‘treated’ as contracts
  - To achieve exceptional results exceptional contracts have been awarded; firm or pre-paid – when a funding partner has agreed
- Multiple suppliers awarded per product
- Pipeline assessed in award recommendation, and inform award strategy to incentivize continued market development
Adjusting the tender strategies, scope and associated timelines to meet the **specific market dynamics** and demand profiles, in consultation with industry and partners.
Market Updates: OPV

Current status
- Contracts in place for 2013-2016/2017
- OPV supply is going to be extremely tight through to mid 2014

Demand outlook
- Continued high demand for endemic countries and outbreak response
- Based on current planned SIA we expect to have sufficient OPV on contract from second half of 2014

Programmatic direction – type 2 withdraw
- Part of the Endgame Strategy, expect to stop use of tOPV by mid 2016
Market Updates: IPV

- UNICEF conducting a **multi-year tender (2014-2017/18)** to secure **sufficient supply** to meet the Endgame timelines, to achieve **affordable pricing** and to support development of a **healthy IPV market**
  - Tender issued on 4 October, will be posted on UNICEF website
  - Includes a sub-set of 124 OPV-using countries
  - Up to 404 million doses requested
- **Procurement mechanism and contracting** to allow flexibility for:
  - Demand uncertainties
  - New product developments and/or presentations to be offered during the period of the tender

---

**High (Ideal) scenario**

<table>
<thead>
<tr>
<th>Year</th>
<th>Self-procuring</th>
<th>PAHO</th>
<th>Other IPV introducing country</th>
<th>India</th>
<th>GAVI73 (ex India, Indonesia, PAHO)</th>
<th>China</th>
<th>Endgame timelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>2015</td>
<td>24</td>
<td>24</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>2016</td>
<td>124</td>
<td>125</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>110</td>
</tr>
<tr>
<td>2017</td>
<td>110</td>
<td>110</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>110</td>
<td>110</td>
</tr>
<tr>
<td>2018</td>
<td>110</td>
<td>110</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>110</td>
<td>110</td>
</tr>
</tbody>
</table>

**Base (Endgame Timeline) Scenario**

<table>
<thead>
<tr>
<th>Year</th>
<th>Self-procuring</th>
<th>PAHO</th>
<th>Other IPV introducing country</th>
<th>India</th>
<th>GAVI73 (ex India, Indonesia, PAHO)</th>
<th>China</th>
<th>Endgame timelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>2015</td>
<td>24</td>
<td>24</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>2016</td>
<td>124</td>
<td>125</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>110</td>
</tr>
<tr>
<td>2017</td>
<td>110</td>
<td>110</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>110</td>
<td>110</td>
</tr>
<tr>
<td>2018</td>
<td>110</td>
<td>110</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>110</td>
<td>110</td>
</tr>
</tbody>
</table>

*Source: IPV Strategic Demand Forecast, August 2013*
Market Updates: Pentavalent

- Awards made in January 2013 for GAVI-supported countries, 2014-2016
- Some quantities unawarded in 2014-2016
- Demand preference for liquid, 10 dose vials
- Decline in demand in 1 dose vials in 2014 due to reduction in country target population, stock levels and 1country switch to 10 dose presentation
- Current WAP (2013, all presentations): $2.04
- Other demand for Middle Income Countries (annual tender) and expected expansion in India

<table>
<thead>
<tr>
<th>Awarded Quantity (doses)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awarded Quantity (doses)</td>
<td>186,900,000</td>
<td>170,500,000</td>
<td>145,500,000</td>
<td>114,500,000</td>
<td>617,400,000</td>
</tr>
<tr>
<td>Unawarded quantities (doses)</td>
<td>-</td>
<td>17,500,000</td>
<td>45,500,000</td>
<td>60,500,000</td>
<td>123,500,000</td>
</tr>
<tr>
<td>Unawarded quantities as percentage of forecasted demand</td>
<td>0.0%</td>
<td>9.3%</td>
<td>23.8%</td>
<td>34.6%</td>
<td>16.7%</td>
</tr>
</tbody>
</table>
Market Updates: Pneumococcal Vaccine

- 3rd call for offer concluded July 2013, securing 50 million doses annually from 2016, increasing **total supply to 146 million doses from 2016**
- Additional short term supply was secured, however, **two large countries** required to **postpone introduction** to 2H 2014 to ensure sustainable supply
- New long term prices (Tail Prices) reduced to $3.40-$3.30 per dose from 2014
- $405 million out of $1.5 billion of Advance Market Commitment donor funds available for future awards to contribute to the AMC objective to create a **healthy vaccine market including multiple manufacturers**
- Manufacturers with pneumococcal vaccines in development should **register to the AMC** to have supply offers assessed, if supply within 5 years
- **Timing of next tender** to be discussed between GAVI and UNICEF based on supply and new requirements from 6 new AMC eligible countries

![57 countries projected to introduce](image)
Market Updates: Rotavirus Vaccine

- UNICEF tendered for 88 million courses of Rotavirus Vaccines for 2012-2016
- 71 million courses have been awarded to two suppliers with prequalified vaccines
- Additional awards to be made based on available supply and new country demand
- Demand higher than supply (29 countries approved with GAVI support with 10 country introductions, procuring through UNICEF)
- 90% of demand for one vaccine using a two dose schedule; scaling up of supply requiring countries to delay introductions
- Prices per course reduced to $10.50-$5.00
- A need to rapidly expand the supply base of prequalified vaccines to continue accelerated introductions and to meet projected future demand
Market Updates: HPV

- Tender for 2013-2017
- First awards in 2013 covering 10 demonstration programmes and 1 national introduction
- Incremental awards expected as more countries apply to GAVI
- Demand expected to increase in 2015-2016 (18M doses / year in 2016)
- Current prices: $4.60-4.50 per dose

HPV demand from GAVI56 countries to reach ~39m doses in 2020

Source: Strategic Demand Forecast (SDF) v.7.1
GAVI Alliance
Spring 2013
Market Updates: Measles / MR

- Current high demand due to wide-age range MR catch-up and Measles follow-up campaigns taking place at regular intervals

- Peak demand for MR is forecasted to occur in 2017-2018 (but will depend on actual country plans, if delayed Measles demand will increase)

- Programmatic and supply interdependence

- High reliance on single supplier for both vaccines
Supporting Middle Income Countries to Access New Vaccines

Working with governments, donors, and suppliers to support MICs’ purchase of **affordable vaccines**

Tender issued in December 2012 for HPV, Rotavirus and Pneumococcal vaccines, based on indicative country interest from 24 MICs

- Negotiations on-going
- Initial pricing from some manufacturers being communicated to countries
- Soliciting additional country interest in procuring these vaccines

In addition,

- Separate annual tender for Pentavalent vaccines for MICs
- MIC demand included in IPV tender

For additional information on UNICEF’s MIC New Vaccine Procurement Initiative see [http://www.unicef.org/supply/index_67101.html](http://www.unicef.org/supply/index_67101.html)
UNICEF is experiencing an increase in countries requiring national licensure

• By using WHO prequalified vaccines, countries are ensured that vaccines meet international standards of quality, safety and efficacy

• The NRA of importing country need to undertake – as a minimum - an oversight role:
  • Marketing Authorisation and licensing activities
  • Post Marketing Surveillance, including monitoring of adverse events

• To ensure supply security, avoid delays in introductions or rejection at port of entry, UNICEF is working towards establishing an overview of countries requiring licensure to share with manufacturers

Information available on the UNICEF website

http://www.unicef.org/supply/index_immunization.html

Presentation materials from previous pre-tender meetings

UNICEF engagement in MIC country procurement

Historical annual procurement values and volumes:
http://www.unicef.org/supply/index_38554.html

Current Weighted Average Prices:
http://www.unicef.org/supply/index_7991.html

Historical and Awarded Vaccine Price Data by suppliers:
http://www.unicef.org/supply/index_57476.html

Market Information Updates:
http://www.unicef.org/supply/index_vaccines.html
In addition to Industry and Governments, UNICEF partners for children
THANK YOU