UNICEF Vaccine Procurement Overview: priorities, status and way forward
UNICEF has a key role in vaccine procurement and procuring immunization supplies on behalf of around 100 countries annually.

2013 Vaccines Supplies: US$ 1,285 million

2.79 billion doses

2,185 shipments

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 IPV, HPV, etc.

Safe Injection equipment

Cold Chain Equipment

Countries UNICEF procures on behalf of

- Full schedule
- Partial schedule

Source: UNICEF Supply Division
UNICEF works with a large range of products, suppliers, partners and countries for the supply management of vaccines

The continuous changes in both supply and demand creates a dynamic market that requires continuous monitoring and management.

Systems are in place to monitor demand against supply and to report regularly both to manufacturers, countries and regional offices.

Internal coordination within Supply Division in the planning and procurement of vaccines, devices and cold chain for campaigns.

Strict guidelines are applied to ensure the safe delivery of vaccines and the reporting of condition on arrival through the Vaccine Arrival Report.

UNICEF has the capacity to reallocate demand and supply between Countries and Suppliers, to avert crisis and level out demand fluctuations

Source: UNICEF Supply Division
UNICEF tailors the composition and length of its contracts according to the complexity of the products

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Source: UNICEF Supply Division
UNICEF annual vaccine procurement value has increased significantly since 2000, supporting UNICEF Programmes and procurement on behalf of Partners.

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, measles), new vaccine introduction (GAVI), price increases, boosting routine activities.

Source: UNICEF Supply Division
The main volume driver (in doses) remains OPV

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

2013: 1.55 billion doses with a value of $507 million

Source: UNICEF Supply Division
UNICEF’s procurement is focused on achieving Vaccine Security – the sustained, uninterrupted supply of affordable vaccines of assured quality

- To achieve value for money and access to vaccines for children in need

- Achieving healthy, competitive markets through the Vaccine Security approach and specific vaccine procurement principles

- Vaccines as biological products – requiring a specific approach for vaccine procurement
Vaccine Security is based on 3 pillars:

- Appropriate contracting
- Accurate forecasting
- Available funding
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

1. A healthy industry is vital to ensure uninterrupted and sustainable supply of vaccines

2. Procurement from multiple suppliers for each vaccine presentation

3. Procurement from manufacturers in developing countries and industrialized countries

4. Paying a price that is affordable to Governments and Donors and a price that reasonably covers manufacturers minimum requirements

5. UNICEF should provide manufacturers with accurate and long-term forecasts; Manufactures should provide UNICEF with accurate and long-term production plans

6. As a public buyer, providing grants to manufacturers is not the most effective method of obtaining capacity increases

7. The option to quote tiered pricing should be given to manufacturers.
UNICEF strategy for Middle Income Countries, supporting equitable access to new vaccines

- Aggregate multi-year demand forecasts for new vaccines to provide better visibility to industry.
- Pool new vaccine procurement on behalf of interested MICs to improve predictability, reduce transaction costs and improve pricing.

Coordination of MIC support activities with partners:
- WHO global policy and coordination framework
- V3P project: information sharing platform on vaccine prices and procurement methodologies to provide increased transparency
- GAVI support to graduating countries
- Advocacy (MSF, Save the Children)

- Share knowledge of (i) the global vaccine market, (ii) Vaccine Security and underlying elements of forecasting, funding and appropriate contracting, (iii) vaccine procurement.
  - Issue market analyses to inform governments on the availability of new vaccines.
  - Publish Reference Prices to serve as a benchmark for bilateral negotiations.

- GAVI graduating country transition planning
- Vaccine Procurement System Assessments
- Regional Vaccine Procurement Workshops
- Procurement Practitioners Exchange Forum (Q4 2014)

Pooled Procurement

Information

Capacity Building/Technical Assistance

Strategic Partnerships
MICs Procurement via UNICEF, values have increased during past years, also due to countries changing status

UNICEF procurement for MICs is mainly to increase and sustain access
Approx. 20 countries ‘graduate’ from GAVI support through 2020

- Procurement via UNICEF will continue to be an option. Expectation is that pricing will be the same as GAVI pricing
- UNICEF hosting series of Procurement Practitioner exchanges with Gov’t buyers
- Expanding VII to help with financing terms
An innovative financial mechanism for immunization: the Vaccine Independence Initiative

- UNICEF launched the Vaccine Independence Initiative (VII) in 1991

- A financial mechanism to ensure a systematic, sustainable vaccine supply for countries which can afford to finance their own vaccine needs but may require certain support services

- Flexible credit terms which enable the country to pay after the vaccine is received, and UNICEF can accept local or hard currency payment

- Countries can currently use VII to purchase:
  - Traditional vaccines
  - Newly introduced and underutilized vaccines
  - Syringes, needles and cold chain equipment
VII is being reviewed to right-size the current tool:
- Capital base
- Countries’ access
- Potential product scope covered to reflect countries’ current health and other commodity needs

UNICEF is currently conducting a consultation process across Country and Regional Offices, Governments and Partners to discuss needs.

Revision will be submit to the Executive Board in 2015.
What does success look like for children in 2017?

- Polio eradication is on-track, countries introduce new vaccines and sustain coverage with new and traditional vaccines in order to reduce mortality and morbidity from vaccine preventable diseases
- Vaccine prices are lower:
  - New vaccine (PCV, Rotavirus, HPV, IPV) for Middle Income Countries
  - Full schedule of childhood vaccines for Low Income Countries (DTP, HepB, Hib, Measles/MR, BCG, Rota, PCV)
- Countries are able to sustain their own vaccine procurement processes
- Country immunization supply chains are better performing

Source: UNICEF Supply Division
In 2011-12, the UN agreed to a Model Framework for Vendor Eligibility established as a common approach for the UN to monitor and treat fraud or corruption.

**UN Supplier Code of Conduct, article 18 on “Corruption”**: The UN expects its suppliers to adhere to the highest standards of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud or bribery. Those policies are applied via UNICEF’s Contractual Provisions on Ethical Behaviour.

Each UN agency is rolling out the Framework during 2012 – 2015. UNICEF piloted a new Sanctions Board since 2013.

- If a UNICEF supplier is accused or found guilty of fraud or corruption, the case will be reviewed by the UNICEF Sanctions Board;
- Information may be requested and we appreciate your support including on the case and correction action being taken by the supplier;
- UNICEF will consider the terms of any potential sanction (duration, rehabilitation criteria, etc.);
- We will keep an open dialogue with companies.
More information is available on the UNICEF website

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

Supplies and Logistics

Immunization

Lao DPR: A girl winces as she receives a measles injection at Don Na Souk Primary School in a suburb of Vientiane.

Vaccines and micronutrient supplementation save millions of lives each year. Almost every child can be reached with vaccines and supplements, even under the most difficult circumstances. UNICEF is the leading agency for vaccine procurement. In 2013, UNICEF procured vaccines worth $1.286 billion. For more information please click here.

Latest

- Vaccine Industry Consultation 8th and 9th October 2014
- Measles-containing vaccines market update
- UNICEF presentation to India Vaccine Summit March 2014
- Current IPV Supply and Recent Tender Results
- Vaccine Price Data
- Oral polio vaccine supply update
- Market update: Pneumococcal conjugate vaccine supply
- Developing Countries Vaccine Manufacturers Network (DCVMN)
- Cold Chain – Solar Direct Drive Refrigeration Systems Industry Consultation Meeting 1-2 Oct 2013
- BCG supply and demand update
- Rotavirus supply and demand update