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.

2014 Vaccines Supplies: US$ 1,48 million
2.79 billion doses
2,555 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 annual vaccine procurement value has increased significantly since 2000 supporting UNICEF Programmes and procurement on behalf of Partners, Global Programmes,

Source: UNICEF Supply Division

- Campaign Activities (Polio, Measles), New vaccine introduction (GAVI)
- Price increases, Boosting routine activities
- Recent increases in value driven by new vaccine introduction
- 2010: decrease due to price reductions and India self-procurement (OPV), supply shortfalls
The main volume driver (in doses) has been OPV

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

2014: 1.5 billion doses with a value of $544 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 markets through the Vaccine Security approach (forecasting, funding and appropriate contracting) and specific vaccine procurement principles

- Vaccines as biological products – requiring a specific approach for vaccine procurement

Quality of vaccines through prequalification by WHO – ensuring acceptability, in principle, as well as quality, safety and efficacy in target population of procured vaccines
UNICEF Vaccine Procurement Principles, implemented following the supply crisis in the traditional vaccine markets, are considered relevant for all vaccines to ensure 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.
1.- UNICEF’s Policy Prohibiting and Combatting Fraud and Corruption –
(a) “Fraudulent conduct” is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain financial or other benefit or to avoid an obligation;

(b) “Corrupt conduct” is the offering, giving, receiving, or soliciting (in each case directly or indirectly) anything of value in order to influence improperly the actions of another party;

2.- Article 18 “Corruption” of the UN Supplier Code of Conduct: 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;

3.- UNICEF’s Contractual Provisions on Ethical Behaviour
Vaccine Procurement: Priorities
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 price for Low Income Countries (DTP, HepB, Hib, Measles/MR, BCG, Rota, PCV) is reduced
- Countries are able to sustain their own vaccine procurement processes
- Country immunization supply chains are stronger

![Projected decreasing cost of vaccines: DTP, Hib, HepB, Rotavirus, Pneumococcal per fully immunised child](image)
<table>
<thead>
<tr>
<th>Drug/Procedure</th>
<th>2015</th>
<th>2016</th>
<th>Current Award period</th>
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<tr>
<td>BCG</td>
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<td>2013-2015</td>
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<td>Meningococcal emergency stockpile</td>
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<td>Open (2015-2016)</td>
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<td>OCV</td>
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<td>2015-2018</td>
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<td>DTwP, Hep B, DT</td>
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<td>DTP-HepB-Hib</td>
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<td>2013-2016</td>
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<td>DTP-HepB-Hib (non-Gavi/MICs)</td>
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<td>Annual tender</td>
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<td>Ebola</td>
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<td>JE</td>
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<td>2015-2016</td>
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<td>MCV</td>
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<td>Rotavirus</td>
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<td>PCV</td>
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<td>HepA</td>
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<td>Rabies</td>
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<td>Seasonal Flu</td>
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<td>Annual tender</td>
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<td>Hep B adult</td>
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<td>2013-2016</td>
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<td>bOPV</td>
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<td>IPV</td>
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<td>2014-2018</td>
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<td>HPV</td>
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<td>2013-2017</td>
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<tr>
<td>Rotavirus, PCV, HPV for MICs</td>
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<td>2014-2015</td>
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<td>Td/TT</td>
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<td>Meningococcal A conj (campaigns and routine)</td>
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<td>2015-2017</td>
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<tr>
<td>Yellow fever (campaigns and routine)</td>
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<td>2014-2017</td>
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</tbody>
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**Tender closed**

**Tentative timing for issuance of tender**
Healthy Market Framework – why is it needed?

- Alliance partners (e.g. UNICEF SD, the BMGF and GAVI) are collectively engaged in market shaping in vaccine markets.
- A more robust and consistent way of defining “healthy markets” is desired.
- Overarching Framework – Vaccine specific application.
Healthy Markets Framework

HMF represents a set of attributes that should be used to measure the health of a market and a process to value them that is vaccine specific.

**Process**

1. Common building blocks to consider in every procurement

2. Selection and prioritization of which building blocks apply to a specific market usually via product roadmaps

3. Selection of what market needs could or should be resolved with non-procurement intervention

4. Quantification of the trade-offs implied by various scenarios and decisions associated with each healthy market building block
Vaccine Procurement: Challenges
Recent supply-constrained markets

• Supply constraints or global shortages with a number of products
  – Traditional vaccines: BCG, Yellow Fever
  – Supply to support program introductions: IPV, PCV, Rota
  – Country product preference: MMR, DTaP
  – Emergency/Outbreak response: Meningococcal C and W containing vaccines

• Types of supply constraints
  – Acute shortage
  – Short and medium term supply constraints
  – Chronic

• Mitigation options vary by product, depending on:
  – Health of existing market, options for alternative supply,
  – Causes for the supply shortage
  – Tools available for mitigating
Lessons learned to manage constrained supply and ways forward

• Early and transparent communication from manufacturers on any potential supply constraint and causes critical to ensure mitigations can be implemented on time
  – Contractual obligation to notify UNICEF and WHO if there are any issues that may impact availability of awarded supply

• Early consultations with program partners on considerations for future vaccine demand and strategies being considered (outbreak/emergency response demand, market exits, production changes, etc)

• Reviewing stock levels from country have been essential for managing supply constraints with countries to minimize risk of stock outs

• Close coordination and communication with partners, countries and regions required to delay or prioritize program implementation

• Closer coordination with WHO and Program partners on programmatic directions essential for providing long- and medium term forecasts to industry
Vaccine Procurement: Way Forward
Evolving Supply and Demand Trends

- Early introduction of new vaccines due to funded demand, e.g. Gavi
- Increasing number of new vaccines being developed for or introduced with short delay in developing countries including from new suppliers to the global market
  - ‘Easy’ access for suppliers to global markets through UNICEF based on WHO prequalification
  - Current: wP containing pentavalent vaccine; rotavirus vaccine, pneumococcal vaccine, meningococcal A conjugate
  - Future: Malaria; dengue, xxx
- Increasing requirements for national licensure due to strengthening of NRAs and documentation to be provided with each vaccine delivery

Implications

- Operating in constrained supply markets, often competing for capacity with developed countries
- Increasing resources – HR and financial - for manufacturers to undertake country-by-country licensure and updates in addition to prequalification; requests for audits and GMP visits related to prequalified vaccines

Risk mitigation

- Information sharing with suppliers on where products are registered for use
- Expanded use of collaborative procedure to ensure sparse in-country resources are applied to aspects which are not covered by other regulatory bodies – post marketing surveillance
UNICEF MIC Strategy – supporting equitable access to new vaccines

**Procurement**
- Improved vaccine demand forecasts to provide better visibility to industry.
- Conduct vaccine procurement on behalf of interested MICs to improve predictability, reduce transaction costs and improve pricing (either through pooling, single-country tenders...)
- Broad coverage of MICs' vaccine needs (i.e., traditional, new vaccines, other vaccines)

**Information Transparency**
- 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 prices to serve as a benchmark for bilateral negotiations.

**Strategic Partnerships**
- Coordination of MIC support activities with partners:
  - WHO-coordinated Shared MIC strategy
  - V3P project: information sharing platform on vaccine prices and procurement methodologies to promote increased transparency
  - GAVI support to graduating countries including ATAP
  - Advocacy (MSF, Oxfam)

**Capacity Building/Technical Assistance**
- GAVI graduating country transition planning
- Vaccine Procurement System Assessments
- Regional Vaccine Procurement Workshops
- Procurement Practitioners Exchange Forums
- Supporting countries with coordinated procurement
- Availability of VII (revolving fund) to facilitate timely payment (for MICs and LICs)
MICs Procurement value trends have increased in the last years

- Procurement services (PS) includes co-financed quantities for Gavi-supported vaccines but does NOT include Gavi financing (i.e. PS transactions only)
- 2015 figures cover Q1-Q3; expect full year procurement to be similar levels to 2014

Source: UNICEF Supply Division
An financial mechanism for immunization: The Vaccine Independence Initiative


- Ensures a systematic, sustainable vaccine supply for countries which can afford to finance their own vaccine needs but may require certain support services through a revolving fund and targeted programmatic support / technical assistance for country financing.

- Flexible credit terms which enable the country to pay after the vaccine is received, and may accept local or hard currency payment → more predictable order cycle and planning for Countries, UNICEF, and Suppliers.

- In February 2015, UNICEF Executive Board has given permission to:
  - Expand current capital base from $10m to $100m (fundraising in-motion)
  - Expand types of commodities and types of contracting supported via VII (vaccines still will be the primary focus)

- Countries have used VII to purchase:
  - Traditional vaccines, Newly introduced and underutilized vaccines, Syringes, needles and cold chain equipment
  - And have recently been used for ARVs, Medicines and Nutrition commodities
The Markets Dashboard

Taking inspiration from UNITAID’s Market Dynamics Dashboard, UNICEF developed and began publishing its own Markets Dashboard during 2013. The Dashboard monitors the market dynamics of more than 50 essential commodities for women and children. It provides a qualitative assessment of the determinants of a healthy market, including:

- Availability
- Affordability
- Competition
- Quality
- Acceptability
- Delivery
- Funding security

This qualitative assessment helps to identify elements that contribute to gaps between supply and demand of particular products and suggests opportunities to catalyse frameworks and interventions that will achieve a more balanced market.

For example, some market shortcomings may call for engagement on a traditional procurement strategy basis where UNICEF may pool demand to achieve improved scale purchasing and better visibility for manufacturers.

Other contexts may suggest that UNICEF should support Country Offices in developing a quality local supplier base from which it can source the commodity. Where there are gaps in quality standard-setting UNICEF may be well positioned to positively influence market dynamics by collaborating with partners and publishing the normative guidelines that it follows.

The Markets Dashboard is updated and published twice a year. Placing the analysis in the public domain informs debates amongst stakeholders who include governments, international procurement agencies and manufacturers. The outcome of these discussions and ideas can underpin UNICEF’s policies, and approaches to make products more available and affordable for children. Additionally, these new insights provide UNICEF with an opportunity to challenge the assumptions underlying its own procurement decisions and strategies.

UNICEF is increasingly disclosing high-level strategies within this Dashboard context to continue to spur debate and build on transparency initiatives. Feedback is welcome and can be provided via the links at the UNICEF Supply website.

See the latest UNICEF Markets Dashboard at: http://www.unicef.org/supply/index_70578.html
Publications on Products & Markets for key vaccine supplies for children

- **Market notes** available at: [http://www.unicef.org/supply/index_vaccines.html](http://www.unicef.org/supply/index_vaccines.html)

- **Format**
  - Market & Supply Updates
  - Product Specifications
  - Availability and Guidance

- **Aims**
  - Primary: To inform demand (e.g. from COs and Governments)
  - Secondary: To provide market signals

- **Content**
  - Analysis of UNICEF procurement data to illustrate market trends.
  - Narrative to articulate critical issues and improve situation

- Updated ~6 months or as needed
Information available on the UNICEF website

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

Supplies and Logistics

Immunization

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 $1.266 billion. For more information please click here.

© UNICEF Lao DPR/2007/Holmes

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

Latest

- Vaccine Industry Consultation 9th 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 Date
- 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

UNICEF Supply Division is responsible for buying all vaccines for UNICEF-supported immunization programmes.