Gavi Vaccine Supply and Procurement Strategy 2016-20

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2011-15 strategy: overview of progress
Mission indicators: all targets exceeded

Under-five mortality rate
In Gavi-eligible countries (per 1,000 live births)

Sources: The United Nations Inter-agency Group for Child Mortality Estimation, United Nations Population Division; World Population Prospects

Number of future deaths averted
(millions)

Sources: Joint impact modelling by Gavi, the Vaccine Alliance and the Bill & Melinda Gates Foundation

Number of children immunised
(millions)

Vaccine coverage targets: shortfall

Pentavalent vaccine, 3rd dose Coverage (%)

Pneumococcal vaccine, 3rd dose Coverage (%)

Rotavirus vaccine, 3rd dose Coverage (%)

Focus on Coverage and equity

India

Pakistan

Madagascar

Democratic Republic of the Congo

Kenya

Nigeria
# Gavi, the Vaccine Alliance strategy, 2016-2020

<table>
<thead>
<tr>
<th>Mission</th>
<th>Aspiration 2020</th>
<th>Disease dashboard</th>
</tr>
</thead>
<tbody>
<tr>
<td>To save children’s lives and protect people’s health by increasing equitable use of vaccines in lower-income countries</td>
<td>Under-five mortality rate: 10% reduction</td>
<td>Actual decrease in disease burden:</td>
</tr>
<tr>
<td></td>
<td>Future deaths averted: 5-6 million</td>
<td>• Hepatitis B</td>
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<tr>
<td></td>
<td>Future DALYs* averted: &gt;300 million</td>
<td>• Rotavirus &amp; diarrhoea</td>
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<tr>
<td></td>
<td>Number of children vaccinated with Gavi support: 100%</td>
<td>• Measles</td>
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<td></td>
<td>Vaccines sustained after transition</td>
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</tbody>
</table>

## Principles
- Country-led
- Community-owned
- Globally engaged
- Catalytic & sustainable
- Integrated
- Innovative
- Collaborative
- Accountable

## Goals
1. Accelerate equitable uptake and coverage of vaccines
   - A. Increase coverage and equity of immunisation
   - B. Support countries to introduce and scale up new vaccines
   - C. Respond flexibly to the special needs of children in fragile countries

2. Increase effectiveness and efficiency of immunisation delivery as an integrated part of strengthened health systems
   - A. Contribute to improving integrated and comprehensive immunisation programmes, including fixed, outreach and supplementary components
   - B. Support improvements in supply chains, health information systems, demand generation and gender-sensitive approaches
   - C. Strengthen engagement of civil society, private sector and other partners in immunisation

3. Improve sustainability of national immunisation programmes
   - A. Enhance national and sub-national political commitment to immunisation
   - B. Ensure appropriate allocation and management of national human and financial resources to immunisation through legislative and budgetary means
   - C. Prepare countries to sustain performance in immunisation after graduation

4. Shape markets for vaccines and other immunisation products
   - A. Ensure adequate and secure supply of quality vaccines
   - B. Reduce prices of vaccines and other immunisation products to an appropriate and sustainable level
   - C. Incentivise development of suitable and quality vaccines and other immunisation products

## Objective
- **Reach of routine coverage:** pentavalent 3rd dose, measles 1st dose
- **Breadth of protection:** average coverage across supported vaccines
- **Equity of coverage and barriers based on:**
  - Geography
  - Wealth quintiles
  - Education of mothers/female caretakers
  - Fragile state status
- **Supply chain:** % countries meeting effective vaccine management benchmarks
- **Data quality:** difference between administrative coverage and surveys
- **Access, demand and service delivery:** pentavalent 1st dose coverage and drop-out rate
- **Integration:** % countries meeting benchmark for integrated service delivery
- **Civil society:** % countries meeting benchmark for civil society engagement for improved coverage and equity
- **Co-financing:** % countries fulfilling co-financing commitments
- **Country investments:** % countries with increasing investments in routine immunisation per child
- **Programmatic sustainability:** % countries on track for successful transition
- **Institutional capacity:** % countries meeting institutional capacity benchmarks for national decision making, management and monitoring
- **Sufficient and uninterrupted supply:** % vaccine markets where Gavi supply meets demand
- **Reduction in price:** reduction in weighted average price of fully vaccinating a child with pentavalent, pneumococcal and rotavirus vaccines
- **Innovation:** number of vaccines and immunisation products with improved characteristics procured by Gavi
- **Healthy market dynamics:** % vaccine markets with moderate or high health

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* Disability-adjusted life years (DALYs) is a measure of overall disease burden, expressed as the number of years lost due to ill health, disability or early death.
Supply and procurement strategy

- **Gavi’s Supply and Procurement Strategy** describes the Alliance’s activities towards Strategic Goal 4 (SG4), to ‘shape’ markets to the benefit of the countries that Gavi supports. It highlights:

  - **Accomplishments and lessons learned** in the past strategic period;
  - **External and strategic developments** affecting market-shaping going forward;
  - **Desired outcomes** and new strategic priorities for 2016-20;
  - **Strategic enablers** to deliver on these aspirations; and the approach to monitoring and evaluation.
Lessons learned from Supply & Procurement Strategy 2016-20

**Strategic objectives**
- Clearer definition of ‘healthy markets’
- Broader consideration of costs beyond price
- Greater focus on innovative products to overcome barriers to coverage and equity

**Collaboration with partners and industry**
- Better leverage of strengths of market-shaping partners
- Enhanced industry engagement and clear sense of priorities.

**Supply and procurement tools**
- Clear principles for inclusion of vaccine products on the product menu
- Improvements in country-level forecasts
- Better adaptation of tactics to markets
In 2016-20, three strategic priorities drive a more ambitious agenda:

- **Taking a long-term view of markets**
- **Driving innovation to better meet country needs**
- **Delivering on healthy markets**
Expansion of view of market time horizons taking into account country transition

Taking a long-term view of markets

- Long term view

Identify point at which markets no longer require market-shaping interventions beyond active procurement

Enable informed, country-owned decisions and share market-shaping best practices with country transition stakeholders

Monitor positive and negative externalities of Gavi market shaping actions
Emphasis on promoting suitable and quality products to enhance equitable uptake

Driving product innovation to better meet country needs

**Align product innovation priorities and definitions** across market-shaping partners

Convene partners to develop common principles for weighing the benefits of **long-term product innovations** to provide greater clarity for manufacturers or partners to make investment decisions

Shape **cold chain equipment markets** to increase coverage and equity
Commitment to improving the overall health of vaccine markets

Delivering on healthy markets

Healthy markets

Account for markets being at different stages of health and further challenge assumptions about market evolution

Adopt a higher risk tolerance if required in markets with new challenges for potentially higher gain

Increase rigor of decision-making to tailor approaches and tools
Each vaccine market has specific attributes and needs – strategies are aligned to individual markets.
Supply and procurement strategies are developed for each vaccine market to set targets & ensure coordination.

Roadmaps:
Short to long term view of how the market should evolve for particular vaccines and identification of mechanisms to influence the supply and price environment and achieve set targets.

1. Prioritisation of objectives
2. Definition of Target Outcomes
3. Development of a stakeholder Action Plan

Target Outcomes

Objective 1
- Target outcome TO 1
- Target outcome TO 2

Objective 2
- Target outcome TO 3
- ....

Interventions

By Target Outcome 1,2,3, etc:
- Priority level
- Accountable, Responsive, Supporting Stakeholders
- Start/End dates & Status

Healthy Markets Framework

Note: Roadmap documents exist in three versions: Restricted and Highly Restricted ‘full’ versions (highly confidential) and a ‘Public Summary’ version available via http://www.gavi.org/
Delivering on healthy vaccine markets

The **Healthy Markets Framework** is a **holistic approach** to viewing and measuring markets

- **6. Total System Effectiveness**
- **7. Long Term Competition**
- **8. Product Innovation**
- **3. Buffer Capacity**
- **4. Individual Supplier Risk**
- **5. NRA Risk**
- **2. Meet Country Preferences**
- **1. Supply Meets Demand**

• The highest level achieves positive system features such as the effect of the market on immunisation system effectiveness, long term competition and product innovation

• A more healthy market has additional supply security attributes

• A healthy market meets country preferences for specific vaccine characteristics

• The minimum of a healthy market is supply meets demand

• Markets without adequate supply are not healthy
Applying the framework to supply and procurement strategy development

Analyses from the framework calculates the cost of achieving a healthy state in each additional attribute and to the extent possible, calculates the expected long-term cost/cost-avoidance/saving of attaining the healthy market state of the same attribute.

- Long Term Competition
- NRA Risk
- Individual Supplier Risk
- Buffer Capacity
- Accommodate Country Presentation Preference
- Supply of Antigen = Demand for Antigen

- Incremental cost (if any) to allow for diverse NRA base
- Incremental cost (if any) to have enough suppliers to manage individual supplier risks
- Incremental cost (if any) to ensure buffer capacity
- Incremental cost (if any) to meet country product preferences
- Price at which demand could be met irrespective of presentation preferences

Developed jointly by BMGF, Gavi and UNICEF
### Example: competitive market (pentavalent vaccine 2013 - 2016)

<table>
<thead>
<tr>
<th>Counterfactual scenario: lowest possible price</th>
<th>Healthy Markets Framework</th>
<th>Actual outcomes from tender</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Supply from 3 manufacturers in 2013, 2 in 2014 and 1 in 2015-16 to achieve lowest possible price in each year</td>
<td>Long Term Competition</td>
<td>• Supply from 3 manufacturers in 2013, 4 in 2014 and 5 in 2015-16</td>
</tr>
<tr>
<td>• 98% of awarded supply released by single NRA (India)</td>
<td>National Regulatory Authority (NRA) Risk</td>
<td>• 80% of awarded supply released by single NRA (India)</td>
</tr>
<tr>
<td>• 29% of awarded supply to low or medium risk manufacturers</td>
<td>Individual Supplier Risk</td>
<td>2013-16 WAP = $1.83 (&lt;3% higher)</td>
</tr>
<tr>
<td>• Highly concentrated supply</td>
<td></td>
<td>• 62% of awarded supply to low or medium risk manufacturers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Moderately concentrated supply</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Buffer capacity mostly achieved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Buffer capacity achieved</td>
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<tr>
<td></td>
<td></td>
<td>Sufficient supply to meet demand, including meeting country presentation preference</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sufficient supply to meet demand, including meeting country presentation preference</td>
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</tbody>
</table>

NOTES: Analysis only considers 1- and 10-dose presentations as 2-dose presentation comprises less than 0.5% of demand; buffer capacity based on doses offered in tender by manufacturers that were awarded supply; buffer capacity or capacity shortage presented as a percent of total awards/demand.
The Vaccine Investment Strategy (VIS) sets new vaccine priorities, aligned with Gavi’s strategic cycle and replenishment.

**VIS #1**
- MenA,
- JE, HPV
- Rubella,
- Typhoid conjugate

**VIS #2**
- YF mass campaigns,
- Cholera stockpile,
- Rabies/Cholera studies,
- Malaria – deferred

**VIS #3**
- RTS,S pilot funding decision

- Mid 2017: Vaccine ‘long list’
- Oct 2017: Methodology
- Jun 2018: Vaccine shortlist
- Dec 2018: Investment decisions
A preliminary look at candidate vaccines in scope for consideration in VIS 2018

Returning candidates / incremental investments

- RTS,S
- Dengue
- Maternal influenza
- Rabies PEP
- Hepatitis E
- Meningococcal multivalent (conjugate)
- Cholera (routine and/or extended stockpile)
- DTP booster
- Hepatitis B birth dose
- Typhoid conjugate
- PCV catch-up
- Ebola
- Hexavalent (Penta/IPV)

New candidates

- RSV
- Group B Streptococcus
- Norovirus?
- ETEC?
- Diseases with outbreak potential?

Data gathering to begin in 2017

Gavi The Vaccine Alliance
Industry engagement moving forward

Gavi will engage with industry in a deliberate and partnership-minded way with sensitivity to the different business needs of individual manufacturers and mutual transparency.

- **Give visibility over longer time horizons** for product development and adapting product strategies where needed to recognise the varying constraints of individual manufacturers

- **Communicate priorities and opportunities** for vaccines and other immunisation products as early as is feasible through the VIS and the product roadmaps

- **Coordinate and align their communications** to ensure that market-shaping goals are clearly articulated (‘one voice’)

- **Engage in regular dialogue**, both formal and informal

- **Convene informal bilateral meetings** (mirrored at CEO level when possible) to review individual and joint business priorities
Supply and Procurement Strategy 2016-2020

Scope
- Gavi countries (including transitioning) • Vaccines for Board-approved antigens • Other immunisation products (focus on cold chain equipment)

Objectives
Create healthy vaccine markets in support of Gavi countries' immunisation needs
- Sufficient and secure supply
- Appropriate and sustainable prices
- Suitable and quality products

Enablers
- Actors: Countries as Customers, Market shaping intermediaries, Industry
- Approaches and tools:
  - Roadmaps and product market strategies
  - Data collection and analytics
  - Forecasting (strategic and operational)
  - Healthy Markets Framework
  - Tailored procurement
  - Coordination and accountability
  - Manufacturer engagement
- Monitoring and Evaluation:
  - Outcome indicators
  - Process indicators
  - Market Shaping externalities
  - Evaluations

Outcomes
- 11 vaccine markets have sufficient and uninterrupted supply
- Decrease in Weighted Average Price (per child) to fully immunise with pentavalent, pneumococcal, and rotavirus vaccines
- 10 new products procured by Gavi with improved characteristics
- 6 vaccine markets have moderate or high 'healthy market dynamics'

http://www.gavi.org/library/gavi-documents/supply-procurement/supply-and-procurement-strategy-2016-20/
THANK YOU

Reach every child
www.gavi.org