CONTEXT

- PCV procured through the Pneumo Advanced Market Commitment (AMC) is projected to prevent more than seven million childhood deaths by 2030. UNICEF has procured 1.43 billion doses of PCV since 2010 through the AMC framework for Gavi 73 countries.

- The AMC was terminated on 31st Dec 2020. The existing supply agreements are valid until expiry, and as of Aug 2023, all AMC doses have been procured and delivered to countries.

- Through the first non-AMC tender in 2022, UNICEF has secured continuous access to PCV for all Gavi 73 countries up to 2030, including fully transitioned countries, providing countries with long term visibility on pricing for planning and budgeting.

- There are three WHO Prequalified PCV products deemed by SAGE to have comparable immunogenicity and impact on overall pneumococcal disease burden (WHO Position Paper, Feb 2019). UNICEF expects further diversification of the supplier base in the medium term (by 2025).

- UNICEF has set up contractual frameworks through which middle income countries (MICs) can access PCV at unprecedented low prices, starting at US$2.90 per dose.

SUPPLY & DEMAND

- There is sufficient supply capacity in PCV market to meet demand. This is sustainable with a fair balance in market shares. Switches towards one product may cause constraints, however.

- Ongoing demand includes vaccines for new introductions and programme coverage expansion to ensure access to PCV for every child.

- UNICEF has contracted sufficient doses for PCV supply in the next decade, leaving unawarded doses to incentivize new market entrants and accommodate product switches.

ISSUES & CHALLENGES

- Termination of AMC in 2020 removes the financial incentive framework that supported current PCV manufacturers, presenting new entrants with an additional hurdle compared to incumbents.

- Maintaining diverse supplier base with sustainable market shares for a healthy market could be a challenge as countries become more price sensitive.

- Due to production lead time, long term reliable forecast and timely financing from countries are vital.

LOOKING AHEAD

- UNICEF and partners will work with countries to support PCV introduction in the remaining Gavi 73 countries.

- A tender will be issued to bridge the gap in unawarded doses, by 2026, subject to market conditions.

- UNICEF continues to seek affordable, sustainable prices for PCV for Gavi and non-Gavi funded countries to achieve Strategic Priority objectives of country introductions.

- UNICEF will continue to work with industry and countries to expand the MIC framework to facilitate new introductions at sustainable prices as well as work with countries to strengthen forecasting and budgeting capacity.