

The PAHO Revolving Fund for vaccine procurement

**Pillar of the regional and
comprehensive approach on
immunization in the Americas**

DCVMN 15th Annual Meeting, 2014

New Delhi, India, 28-29 October



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Outline

- Background of the PAHO Revolving Fund
- Benefits and contributions to the Region
- Challenges of the global context
- Moving forward



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Background



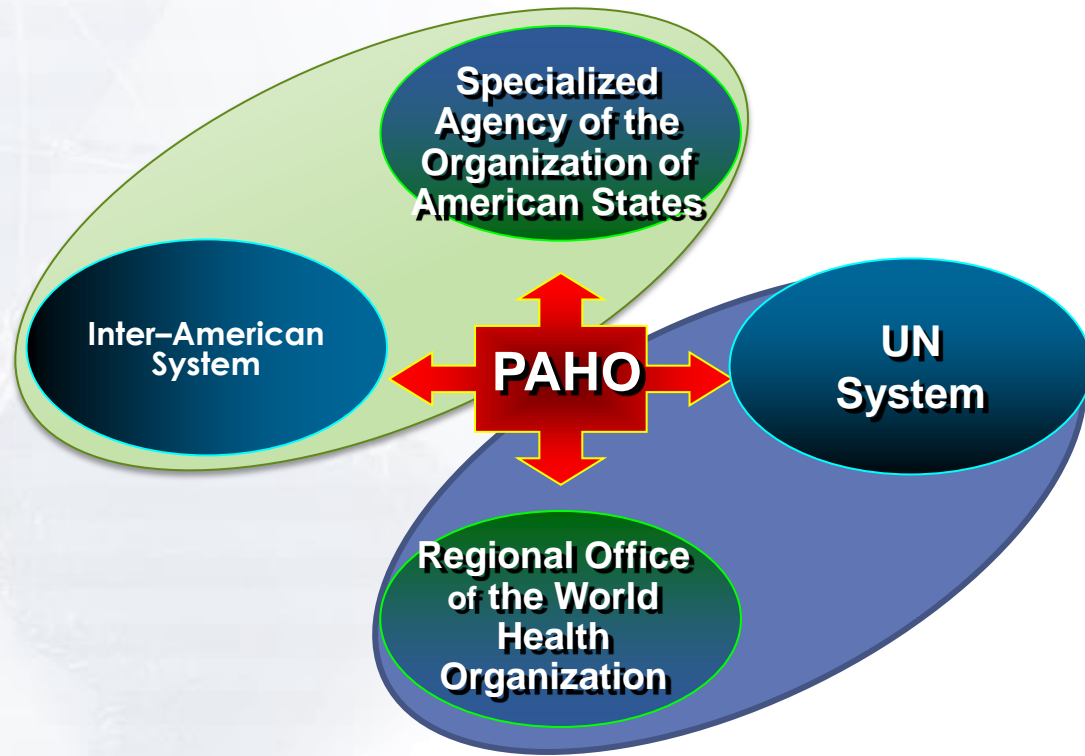
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What is PAHO?

- The Pan American Health Organization (PAHO) is the oldest international public health agency in the world founded in 1902
- It is the specialized, public health, technical cooperation agency of the Inter-American System



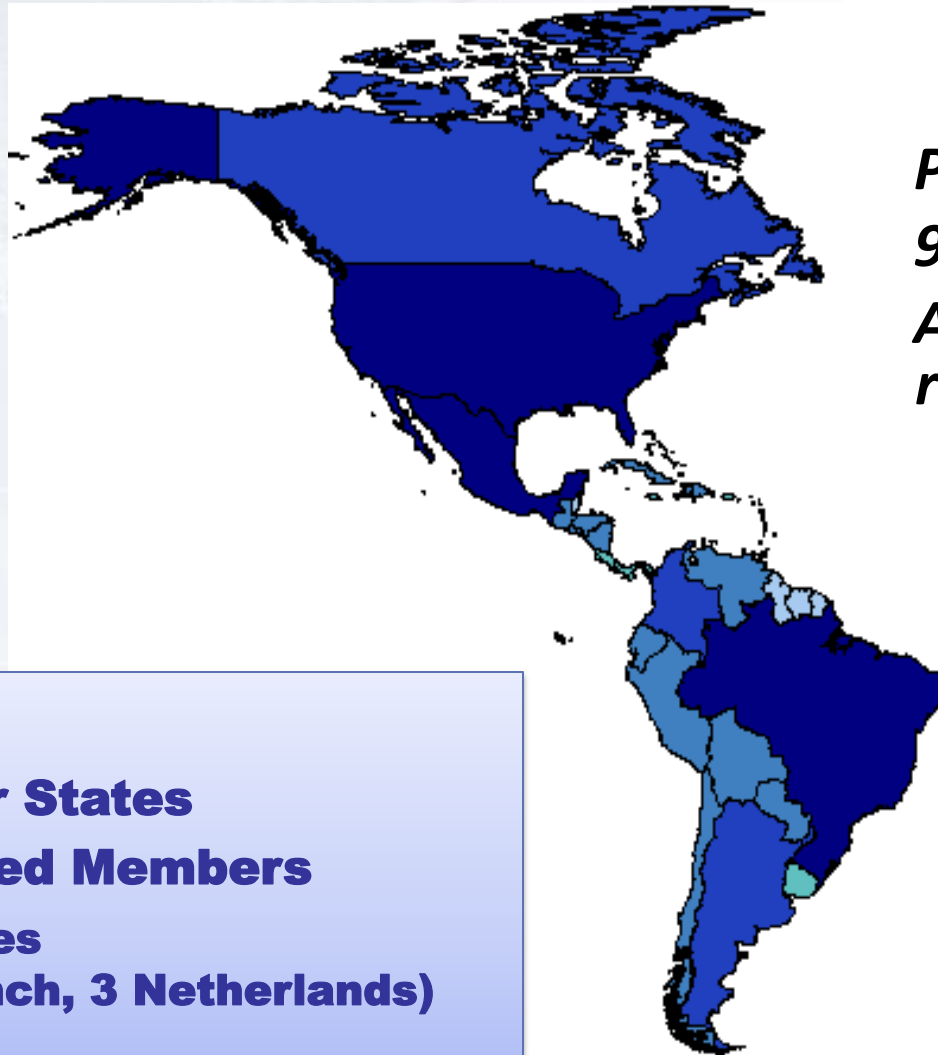
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The Americas



***Population (2012):
953,733,000***

***Average annual birth
rate: 15,547,000***

PAHO

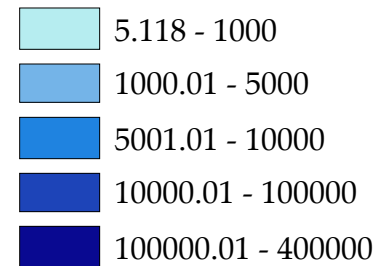
35 Member States

4 Associated Members

12 Territories

(6UK, 3 French, 3 Netherlands)

2012 Population (in thousands)



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Immunization Program in the Americas

- It is a health activity of strong social acceptance
- Strong technical support based on evidence
- Genuine and effective cooperation with partners
- Pan Americanism and solidarity
- Thousands of public health workers are committed and proud of the program

Public good

Fundamental element in the preventive approach to
primary health care services



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Regional Elimination Goals

Table 1: Vaccine preventable diseases (VPDs) goals and milestones by WHO Region

Immunization Goals and Indicators	World Health Organization Regions					
	American (AMR)	African (AFR)	Eastern Mediterranean (EMR)	European (EUR)	South East Asian (SEAR)	Western Pacific (WPR)
DTP3 Coverage (2013) (6)	90%	75%	82%	96%	77%	96%
% Member States with Hib containing vaccine	100%	98%	90%	98%	73%	96%
Certified Polio Free	Certified 1994	Not Free	Not Free	Certified 2002	Certified 2014	Certified 2000
Measles Elimination Goals and Milestones (7)	Measles Eliminated (2002)	GOAL: Measles elimination by 2020	GOAL: Measles elimination by 2015	GOAL: Measles elimination by 2015	GOAL: 95% reduction in measles mortality by 2015	GOAL: Measles elimination by 2012 (3 of 27 Member States certified 2014)
Rubella and CRS Elimination Goals and milestones (8)	Rubella eliminated (2009)	No goal established	No goal established	Elimination goal set for 2015	Accelerated rubella control by 2020	Accelerated rubella control by 2015



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Introduction of New vaccines

Elimination of vaccine preventable diseases (VPDs)

Financial Self Sustainability

**Member States
commitment
at Regional
and country
level**

**Strong social
acceptance**

**Epidemiological
surveillance**

**Strong
technical
support
based on
evidence**

**Access to
affordable
quality
vaccines
and
supplies**

Partnerships

Pan Americanism & Solidarity



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1977 PAHO Directing Council Resolution CD25.R27

- ✓ The Expanded Program on Immunization (EPI) of the Americas is created: Regional Immunization Program
- ✓ As part of the EPI, the Revolving Fund for Vaccine Procurement was launched in 1979 as a procurement mechanism for essential vaccines, syringes and other related supplies without interruption



“Pillar of the comprehensive and regional approach on immunization”

The PAHO
Revolving
Fund

1979:
35 Years

46 vaccines



29

syringes and
cold chain products



31 providers



41 countries and territories
in Latin America and the Caribbean

Vaccination
coverage
in the Americas

93%

for diphtheria-
tetanus-
pertussis

Over

95%

of vaccine costs
covered with
national funds

15

million

people vaccinated
through the fund in 2013

Working capital
of more than

120 million

60-day credit line to countries



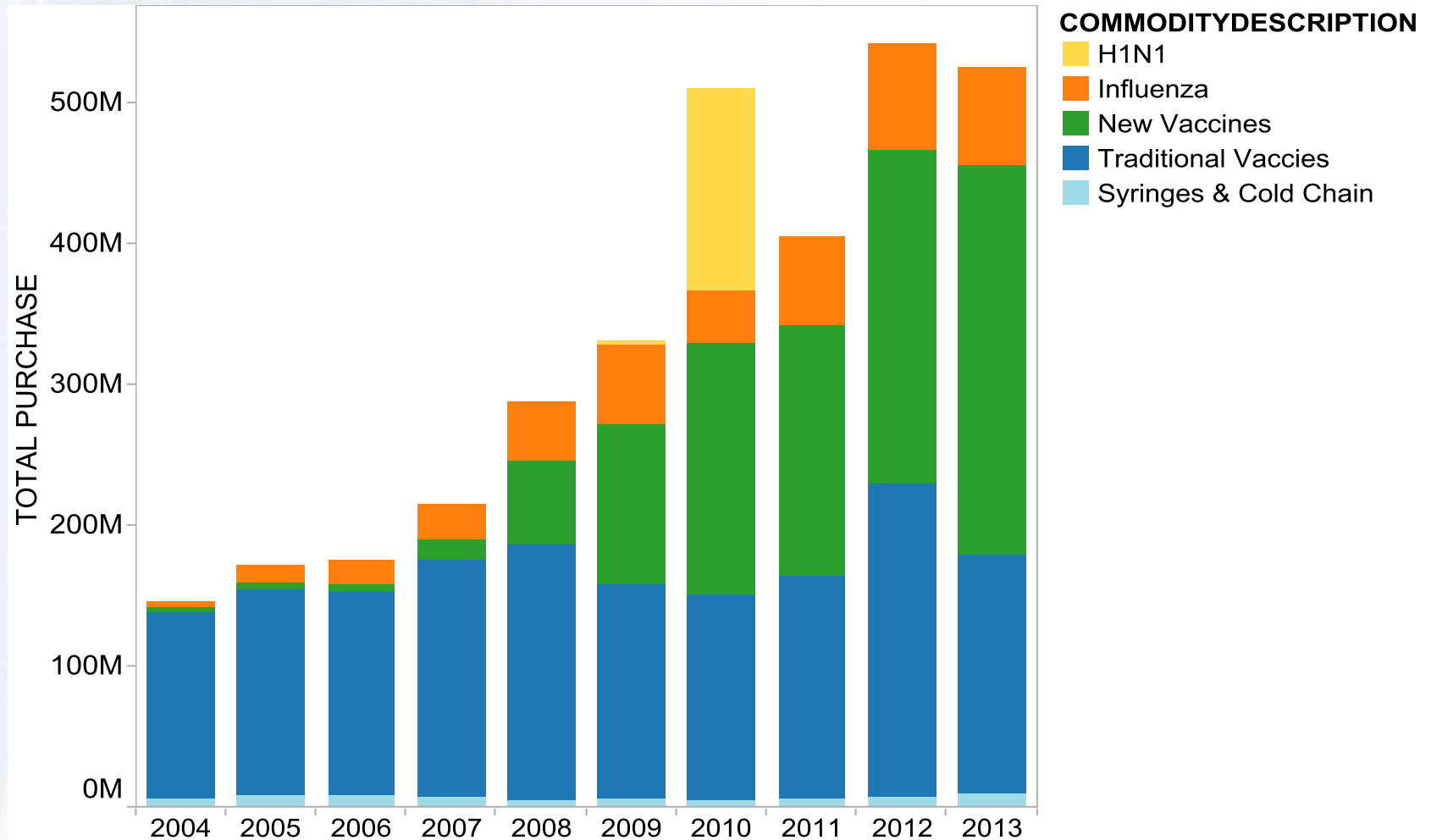
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The PAHO Revolving Fund

2004 - 2013 Annual Purchase



The PAHO Revolving Fund

Key processes and coordination

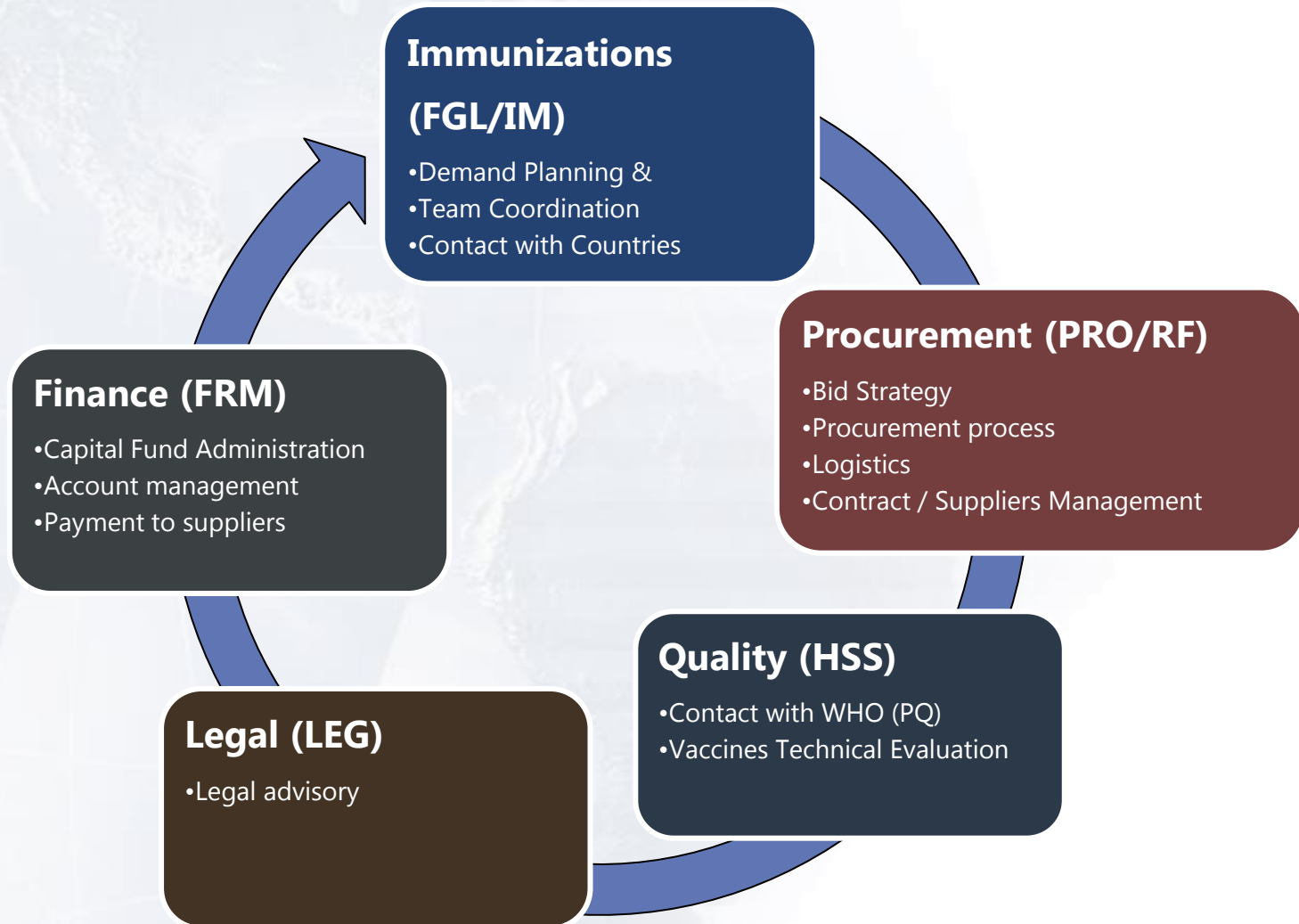


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PAHO REVOLVING FUND TEAM



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Benefits and contributions



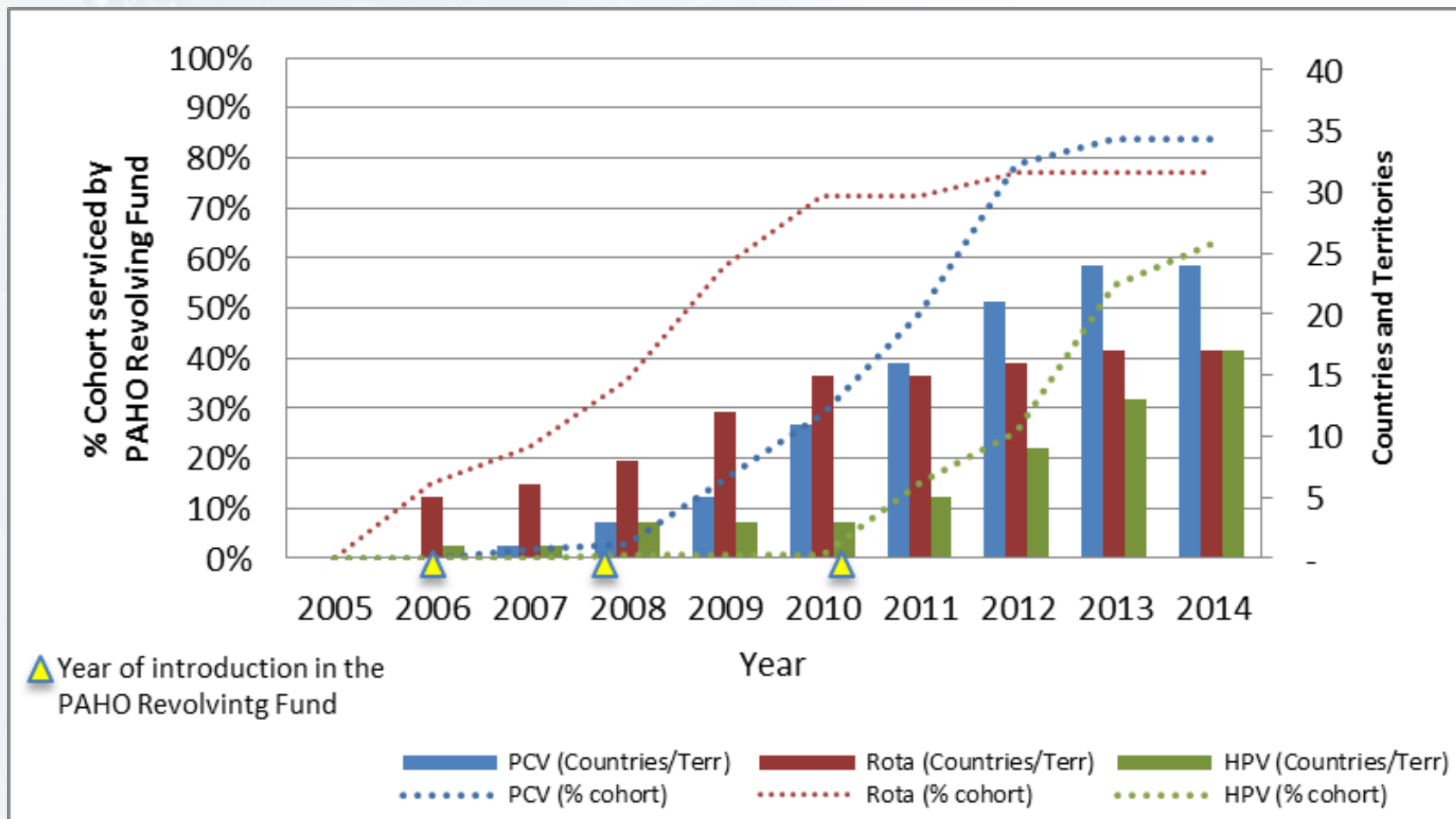
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Introduction of new vaccines

PAHO Revolving Fund participant countries and territories (Sep 2014)

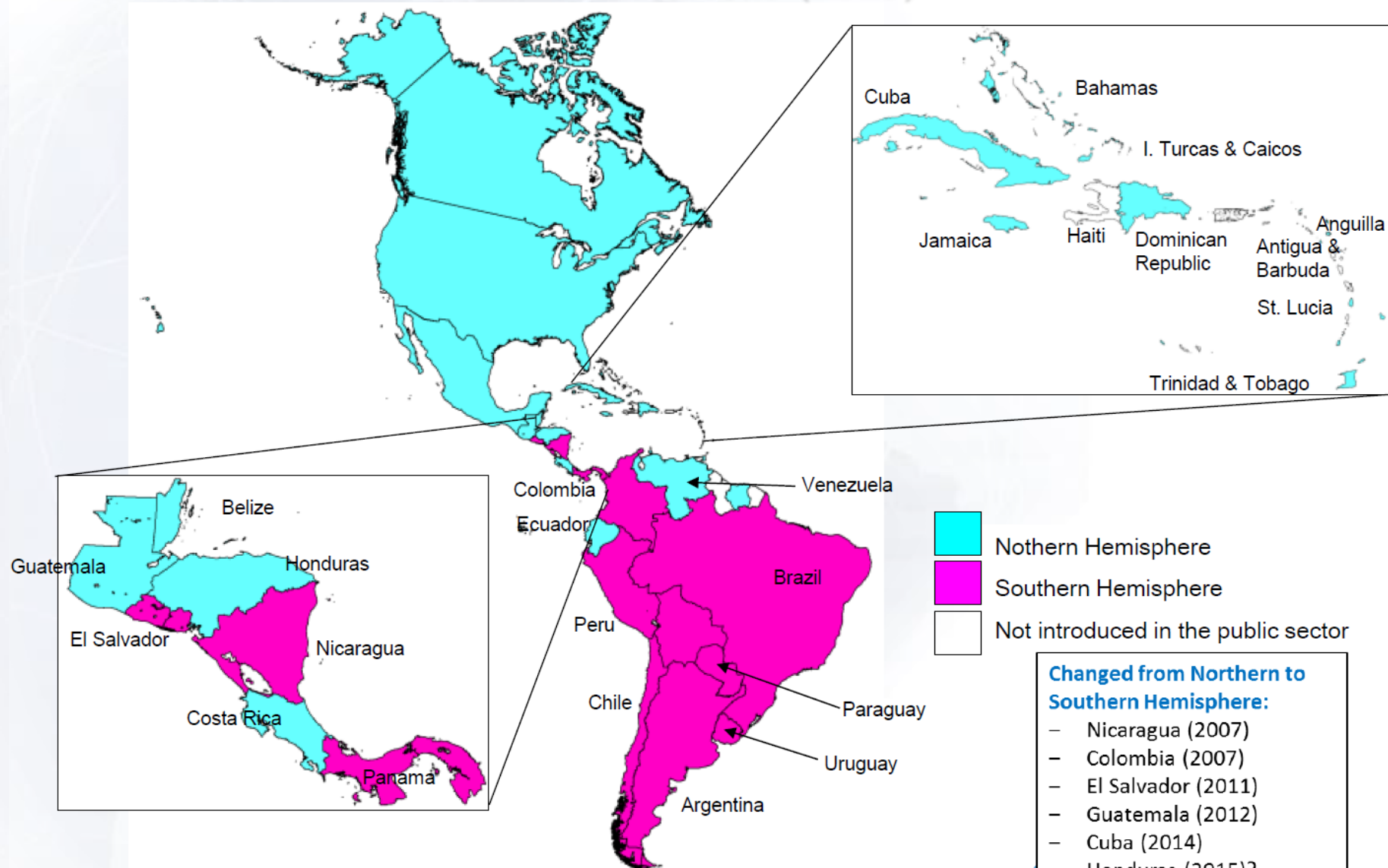


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Use of Seasonal Influenza Vaccine and Formulation in the Americas (2013)



Source: Country reports to PAHO, MOHs Webpage, PAHO/WHO Surveys

PAHO Revolving Fund

Seasonal Influenza Vaccines (2014)

Participating countries/territories

Season	Total
	Pediatric & Adult
Southern Hemisphere 2014	10 countries and territories
Northern Hemisphere 2014 - 2015	21 countries and territories

Note: 2014 Argentina, Brazil and Mexico have tech transfer agreements and do not participate in the RF



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The challenges



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Vaccine Market Dynamics

Source: World Health Organization (WHO) Vaccine market dynamics

http://www.who.int/immunization/programmes_systems/procurement/market/individual_vaccine/en

Vaccine Grouping	Traditional EPI Vaccines			Combination EPI Vaccines		Polio	New Vaccines
	Vulnerable markets	Markets in Transition	(Globally) Competitive Markets		Limited competition markets	Long term uncertainty transition	Parallel Monopoly markets
Current Market Dynamic							
Product example	BCG, Measles, YF	DTwP	HepB, TT, Td	DTwP-HepB/Hib	DTaP-Hib-IPV, MR, MMR	OPV, IPV	PCV, Rotavirus, HPV

Market dynamics with greatest challenges:

Vulnerable markets: vaccines with fragile supply base, prices of few cents per dose.

Parallel Monopoly markets: no more than 2 manufacturers per vaccine. Vaccines available not interchangeable. No new entrants in the short term (3 years). Limited price competition



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Vaccine Market Dynamics

- **Additional challenges**

- Limited buffer stock with manufacturers/economic pressures on working capital (**DTaP**).
- Global demand for vaccines is increasing faster than production capacity (**Varicella**).
- PAHO regional demand competes with other regions supported by strong financial mechanisms (**GAVI/UNICEF**)
- Continuous requests from manufacturers for long term demand visibility, considering long production cycles of vaccines (6-10 months)



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Moving forward



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Moving Forward: Focusing on key elements



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Moving Forward: Focusing on key elements



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Keeping “Solidarity” in the top agenda of Member States

• 2013 Resolutions:

- **CD52R5** “Principles of the PAHO Revolving Fund for Vaccine Procurement”
- **CD52/15** “Review of the Charge Assessed on the Procurement of Public Health Supplies for Member States”

• 2014 Report:

- **CD53/23** “PAHO Revolving for vaccine procurement: Challenges and Opportunities”
 - Pillar of the comprehensive and regional approach to immunization
 - Vaccine market dynamics
 - Solidarity and participation
 - Short and long term approaches



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Procurement Strategy 2015-2017

Key Considerations

Improve forecast /demand planning

Review technical eligibility of vaccines

From 5 to 8 NRAs (Mexico, Cuba and Brazil included)

3 Tender categories: 1 Yr / 2 Yrs / 3 Yrs

1 Year: Vaccines not widely used in the Region. New vaccines

2 years: Robust supply and competition

3 years: vulnerable markets

Earlier release of ITBs and awards

Moving tender process months earlier

Longer-term contracts yield savings on costs, and improves supply security and relationship with vendors.



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Final Thoughts

- The Revolving Fund:
 - “An isolated vaccine procurement mechanism??”
 - Key on the elimination, control of VPDs and catalyst on the sustainable introduction of new vaccines
 - Pillar of the regional and comprehensive approach on immunization
 - In the top agenda of Member States
- “The vaccine market present particular dynamics requiring particular approaches”
 - “Solidarity of Member States + Increase planning capabilities + appropriate procurement approaches + partnerships =

The RF will continue being one of the pillars of success”



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Thank You



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