



Supply Chains for Children



UNICEF Procurement Advancements

DCVMN Annual Meeting

Hanoi, Vietnam

October 2013

Presentation overview

- Scope of UNICEF procurement
- Overview of UNICEF procurement
- Vaccine market updates

UNICEF procures vaccines and immunization supplies on behalf of around 100 countries annually



2012 Vaccines Supplies: US\$ 1, 053 million

1.89
billion doses

1,946
shipments

Source UNICEF Supply Division

Immunization Supplies

Vaccines

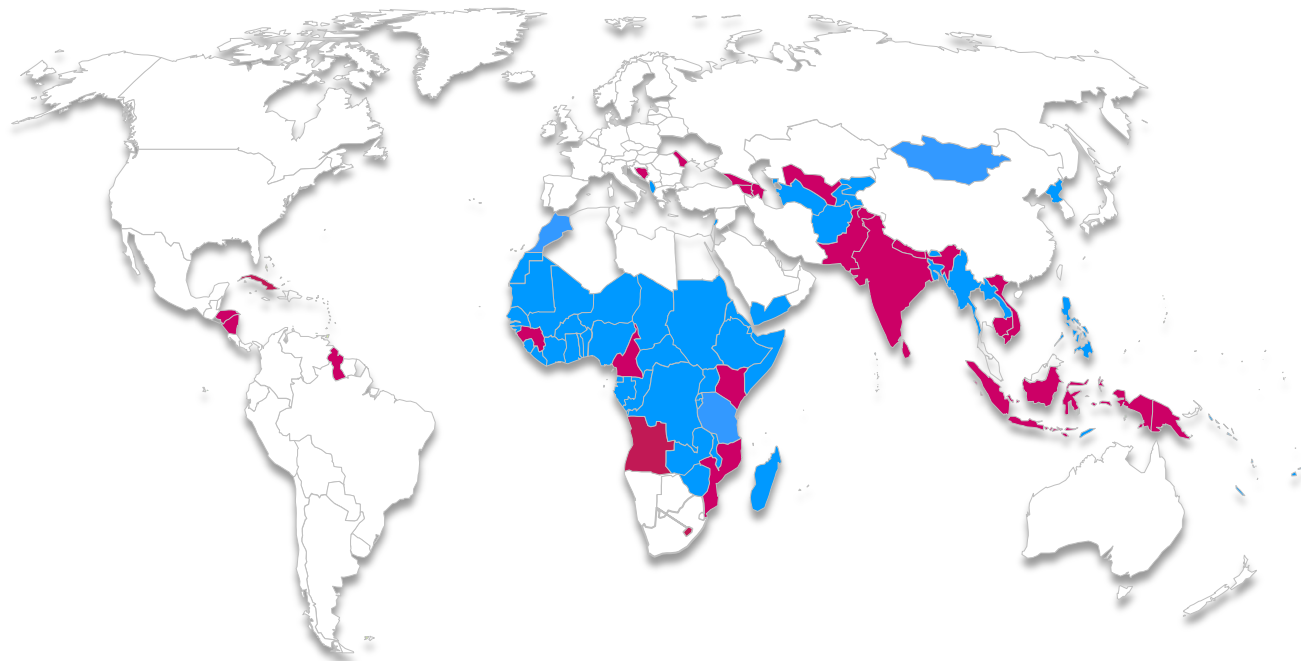
BCG , DTP, TT/Td/DT, Measles containing, OPV, HepB, YF, DTP-HepB, DTP-HepB/Hib, DTP/Hib, Hib, MR, Meningitis, MMR, PCV, RV, HPV, IPV, etc.

Safe Injection equipment

Cold Chain Equipment

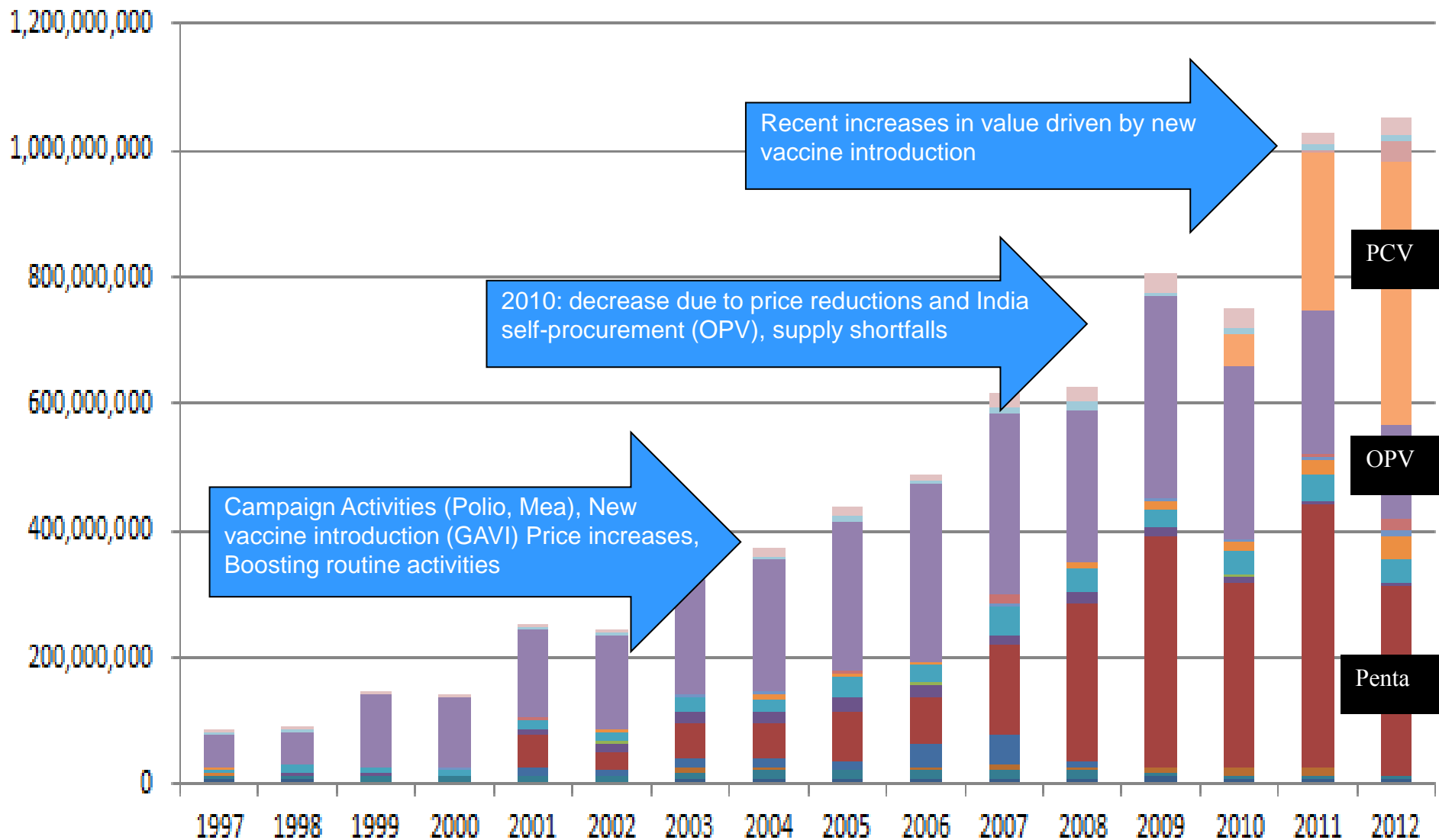
Countries UNICEF
procures on behalf of

- Full schedule
- Partial schedule



Source: 2012 country forecasts received by UNICEF

UNICEF annual vaccine procurement value has increased significantly since 2000, supporting UNICEF Programmes and on behalf of Partners, Global Programmes, Governments and NGOs



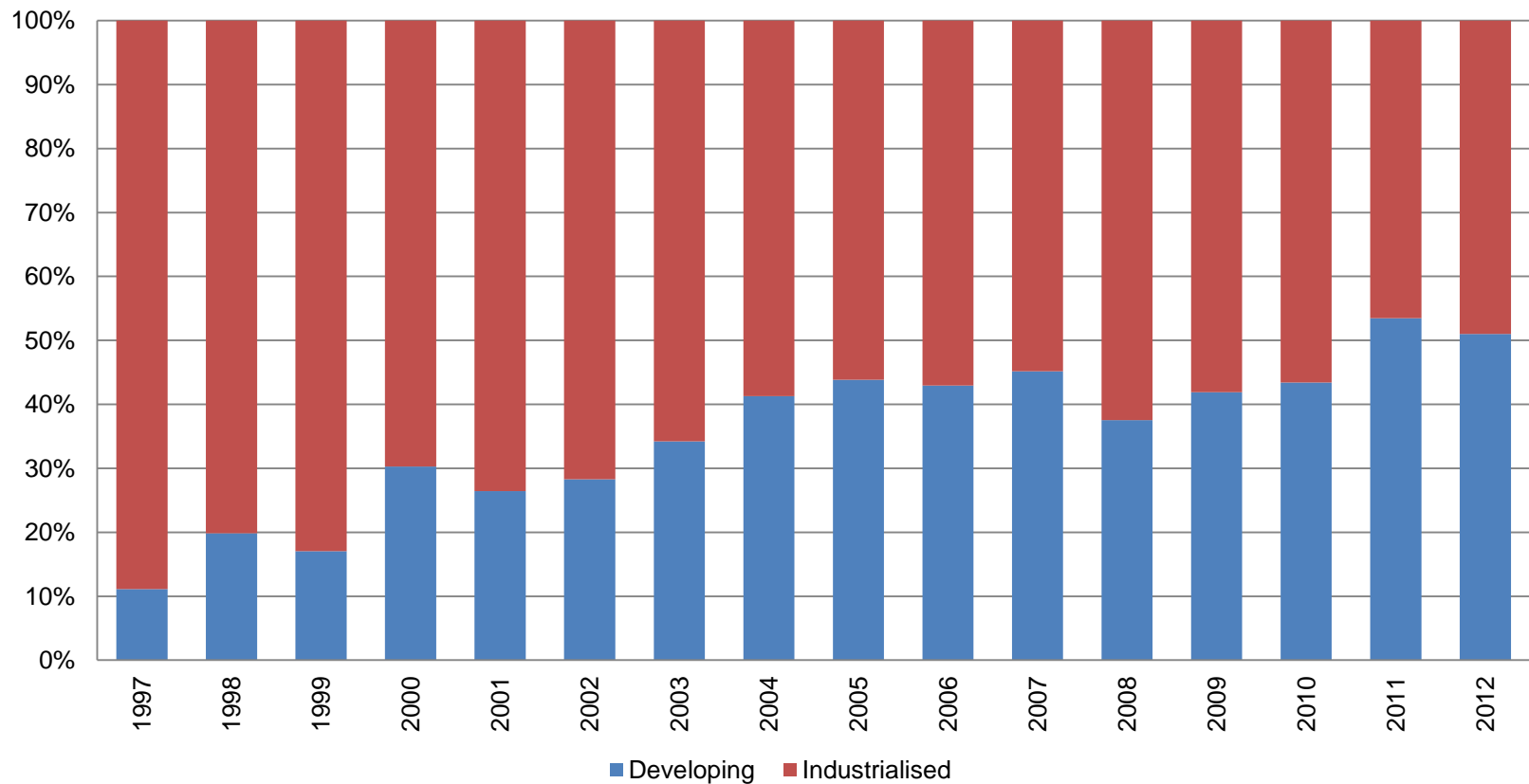
The arrows indicate the main programme drivers for the increased procurement value.

Source UNICEF Supply Division

A considerable portion of vaccines procured by UNICEF come from emerging market country manufacturers

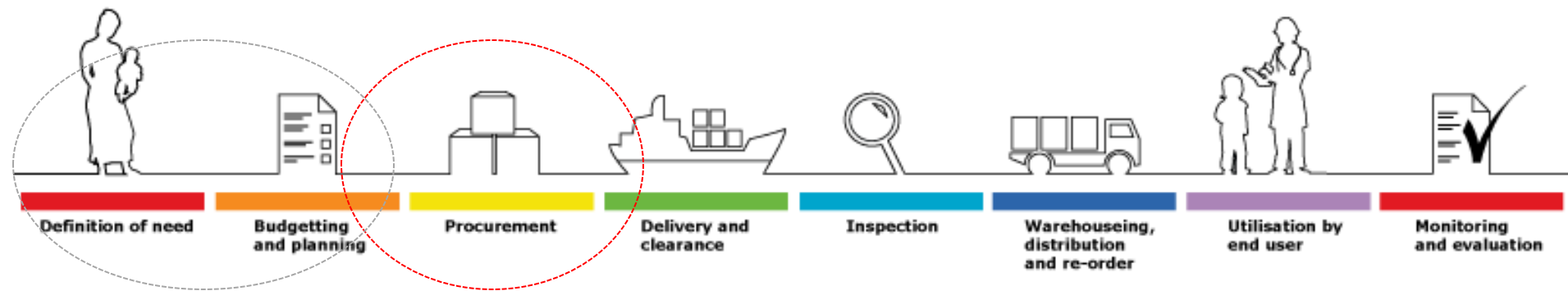
2012: 0.78 billion doses with a value of \$338 million (32% of total value)

Share by volume



Source UNICEF Supply Division

Vaccine Market Updates and Developments



UNICEF's procurement is focused on achieving **Vaccine Security** – the sustained, uninterrupted supply of affordable, vaccines of assured quality.

Vaccine Security

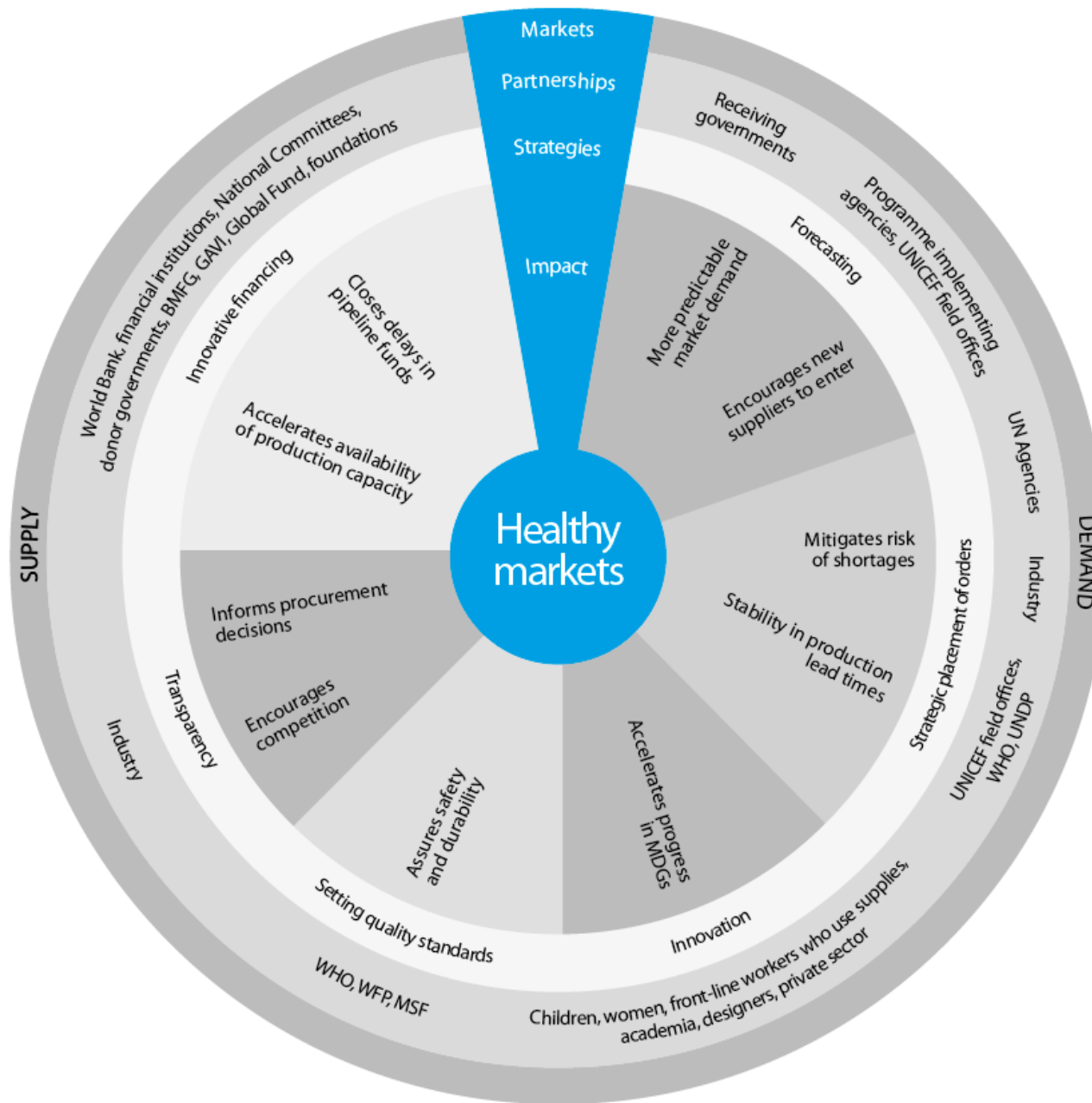


UNICEF **Vaccine Procurement Principles**, implemented following the supply crisis in the traditional vaccine markets, are considered relevant for all vaccines to ensure a healthy market

Forecasts are at the foundation

| Forecast Type | Main purpose | Example | Vaccines | Duration | Methodology | Tendency | Public |
|-------------------------------|---|---------------------|----------------------------|--------------------|---|--------------------------|--------|
| Programmatic | Projected programme targets / achievements | GAVI SDF | Penta, PCV, Rota, HPV, etc | 20 years | Global aggregate; informed guestimates on country decisions and readiness | Tends to be aspirational | Yes |
| | | GPEI | Polio | 5 - 10 years | | | |
| | | Measles Partnership | Measles | 5 years | | | |
| Financial | Provides targets for fundraising and financial planning | GAVI SDF | Penta, PCV, Rota, HPV, etc | 20 years | Aggregate | Tends to be conservative | Yes |
| | | GPEI | Polio | 5 - 10 years | | | |
| Country | Projects 1-5 year need for UNICEF procurement | Government / UNICEF | Routine and Supplemental | 5 years | Country based | Tends to be aspirational | No |
| Procurement | Projects what will be procured during the tender period | UNICEF | All Vaccines | 1 - 10 year | Provided on aggregate level and by country | Tends to be conservative | Yes |
| Production Planning forecasts | Projects monthly deliveries to LTA suppliers | UNICEF | All Vaccines | 12 month (rolling) | Provided on aggregate level and by country | Tends to be conservative | No |

Multiple roles in ensuring healthy markets



UNICEF's tender and contracting approach

- Individual product procurement strategies, based on analysis and experience
- Informed by industry and partner consultations and objectives alignment
- RFPs for strategic products – flexibility for manufacturers to shape the offer to highlight how they can bring best value
- Multi-year Tender & award period – providing planning horizon and more certainty to manufacturers
- Wide invitee-list. All manufacturers are able to participate (including pipeline) invited
- Awards; LTA – ‘good faith’ framework agreements.
 - Based on good will from accurate forecasts, but ‘treated’ as contracts
 - To achieve exceptional results exceptional contracts have been awarded; firm or pre-paid – when a funding partner has agreed
- Multiple suppliers awarded per product
- Pipeline assessed in award recommendation, and inform award strategy to incentivize continued market development

Adjusting the tender strategies, scope and associated timelines to meet the **specific market dynamics** and demand profiles, in consultation with industry and partners

| Product / Timeline | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---------|------|-------------|-------------|-------------|-------------|-------------|-------------|---------|---------|------|----------|---|------------|------|------|------------|--|---------|--|--|--|--|--|--|--|--|---------|---------|--|--|--|--|--|--|--|--|---------|-------------|--|---------|
| GAVI HepB/Hib containing | 3 years | | | 3 years | | | 3 years | | | 3 years | | | 4 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Traditional routine (BCG, DTP, HepB, DT/Td, TT) | | | | 3 years | | | 3 years | | | 3 years | | | 3 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Measles, MR, MMR | | | | | | | | | | 3 years | | | 3 years(with a possibility of 1 year extension) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| YF routine | | | | | | | | | | 3 years | | | 1 year | | | | 3- 4 years | | | | | | | | | | | | | | | | | | | | | | | | |
| YF stockfile | | | 1 yr | 1 yr | 1 yr | 1 yr | 3 years | | | 3 years | | | 1 year | 3- 4 years | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Polio tOPV | 5 years | | | | | 3 years | | | 2 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Nov03-May04 | | Apr05-Feb07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Jul04-May05 | | May07-May08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | Jul07-Sep07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Polio mOPV1 | | | | | Apr05-Nov05 | Jul06-Jul07 | | | | | | | | | | | | | 2 years | | | | | | | | | 4 years | | | | | | | | | | | | | |
| | | | | | Jul05-May06 | | May07-May08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | Dec05-Dec06 | | | Jun08-Dec08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Polio mOPV3 | | | | | Sep05-Dec05 | | Oct07-Dec08 | | | | | | | | | | | | | | | | | | | | | | 2 years | | | | | | | | | 4 years | | | |
| | | | | | | Jul06-Jul07 | | Jun08-Dec08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Polio bOPV | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Nov09-Dec10 | | 2 years |
| IPV | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HPV | | | | | | | | | | | | 5 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PCV | | | | | | | | | | | | 15 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rota | | | | | | | | | | | | 5 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| MIC | | | | | | | | | | | | | 2.5 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Market Updates: OPV

Current status

- Contracts in place for 2013-2016/2017
- OPV supply is going to be extremely tight through to mid 2014

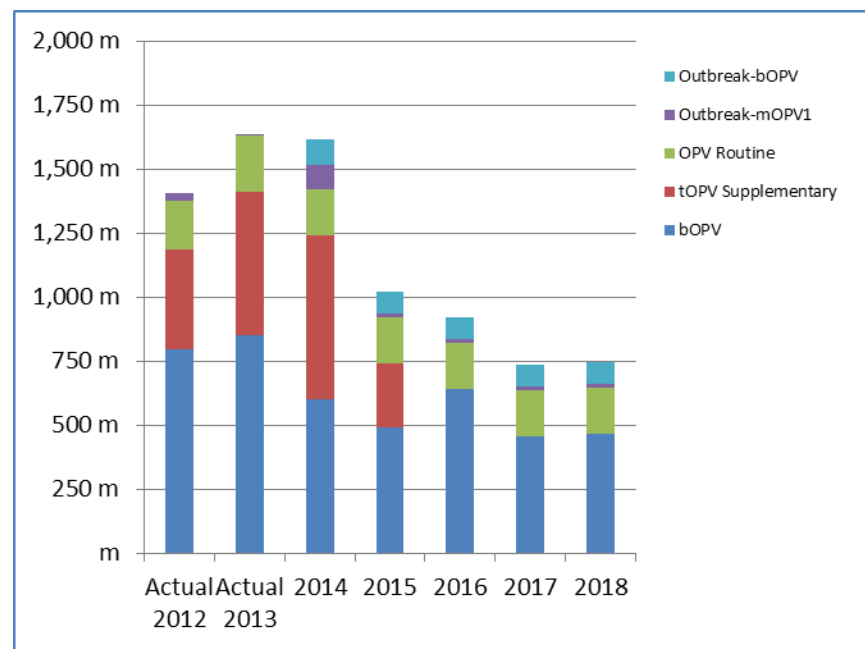
Demand outlook

- Continued high demand for endemic countries and outbreak response
- Based on current planned SIA we expect to have sufficient OPV on contract from second half of 2014

Programmatic direction – type 2 withdraw

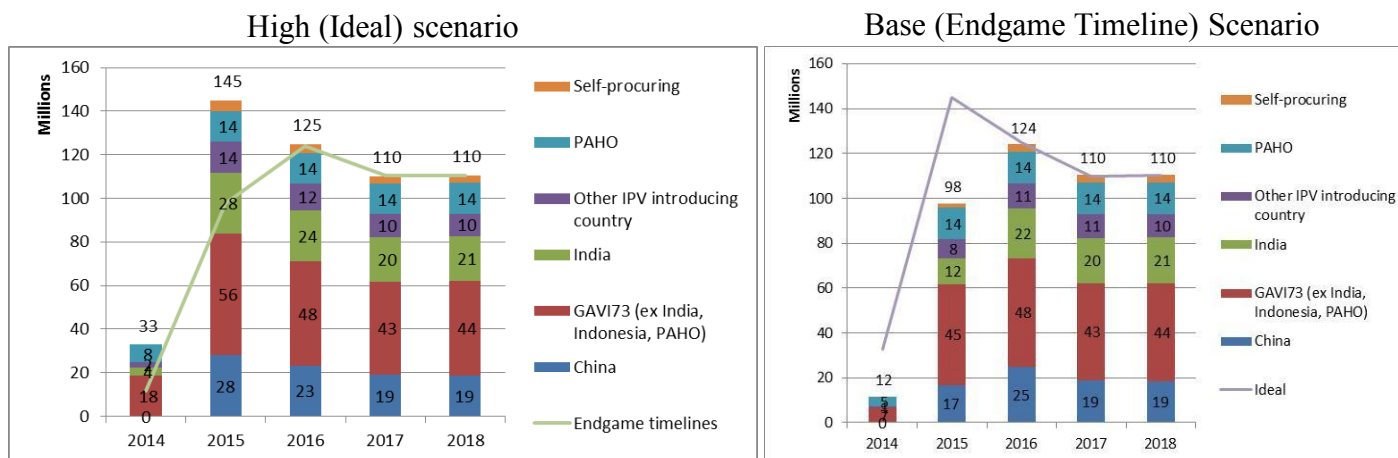
- Part of the Endgame Strategy, expect to stop use of tOPV by mid 2016

OPV demand through UNICEF



Market Updates: IPV

- UNICEF conducting a **multi-year tender (2014-2017/18)** to secure **sufficient supply** to meet the Endgame timelines, to achieve **affordable pricing** and to support development of a **healthy IPV market**
 - Tender issued on 4 October, will be posted on UNICEF website
 - Includes a sub-set of 124 OPV-using countries
 - Up to 404 million doses requested
- **Procurement mechanism and contracting** to allow flexibility for:
 - Demand uncertainties
 - New product developments and/or presentations to be offered during the period of the tender



Source: IPV Strategic Demand Forecast, August 2013

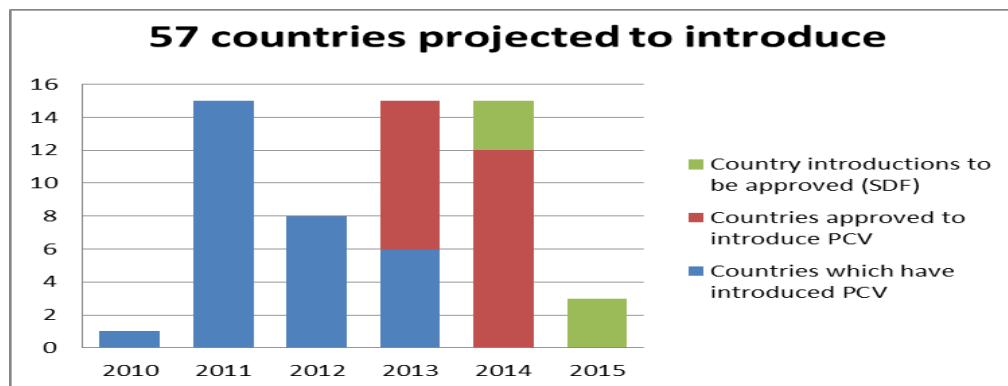
Market Updates: Pentavalent

- Awards made in January 2013 for GAVI-supported countries, 2014-2016
- Some quantities unawarded in 2014-2016
- Demand preference for liquid, 10 dose vials
- Decline in demand in 1 dose vials in 2014 due to reduction in country target population, stock levels and 1 country switch to 10 dose presentation
- Current WAP (2013, all presentations): \$2.04
- Other demand for Middle Income Countries (annual tender) and expected expansion in India

| | 2013 | 2014 | 2015 | 2016 | Total |
|---|-------------|-------------|-------------|-------------|-------------|
| Awarded Quantity (doses) | 186,900,000 | 170,500,000 | 145,500,000 | 114,500,000 | 617,400,000 |
| Unawarded quantities (doses) | - | 17,500,000 | 45,500,000 | 60,500,000 | 123,500,000 |
| Unawarded quantities as percentage of forecasted demand | 0.0% | 9.3% | 23.8% | 34.6% | 16.7% |

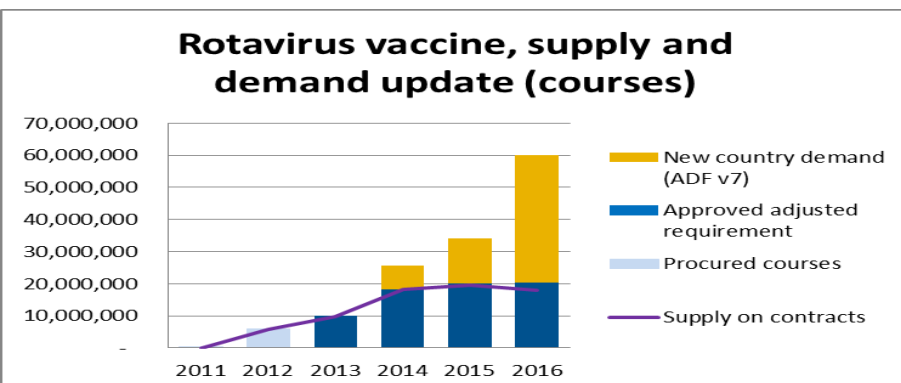
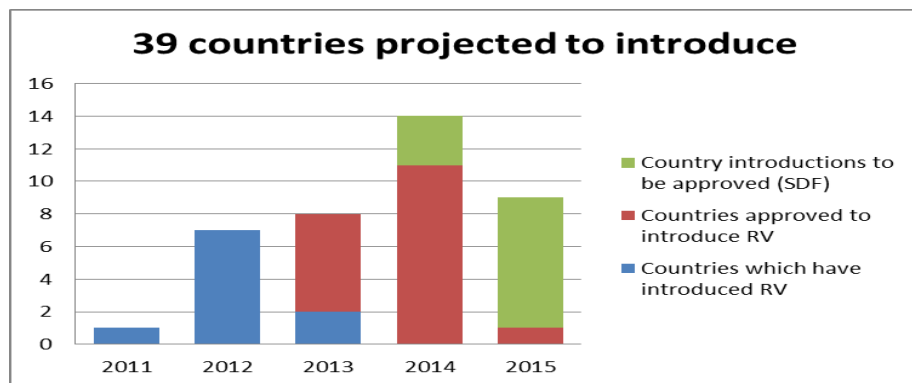
Market Updates: Pneumococcal Vaccine

- 3rd call for offer concluded July 2013, securing 50 million doses annually from 2016, increasing **total supply to 146 million doses from 2016**
- Additional short term supply was secured, however, **two large countries** required to **postpone introduction** to 2H 2014 to ensure sustainable supply
- New long term prices (Tail Prices) reduced to \$3.40-\$3.30 per dose from 2014
- \$405 million out of \$1.5 billion of Advance Market Commitment donor funds available for future awards to contribute to the AMC objective to create a **healthy vaccine market including multiple manufacturers**
- Manufacturers with pneumococcal vaccines in development should **register to the AMC** to have supply offers assessed, if supply within 5 years
- **Timing of next tender** to be discussed between GAVI and UNICEF based on supply and new requirements from 6 new AMC eligible countries



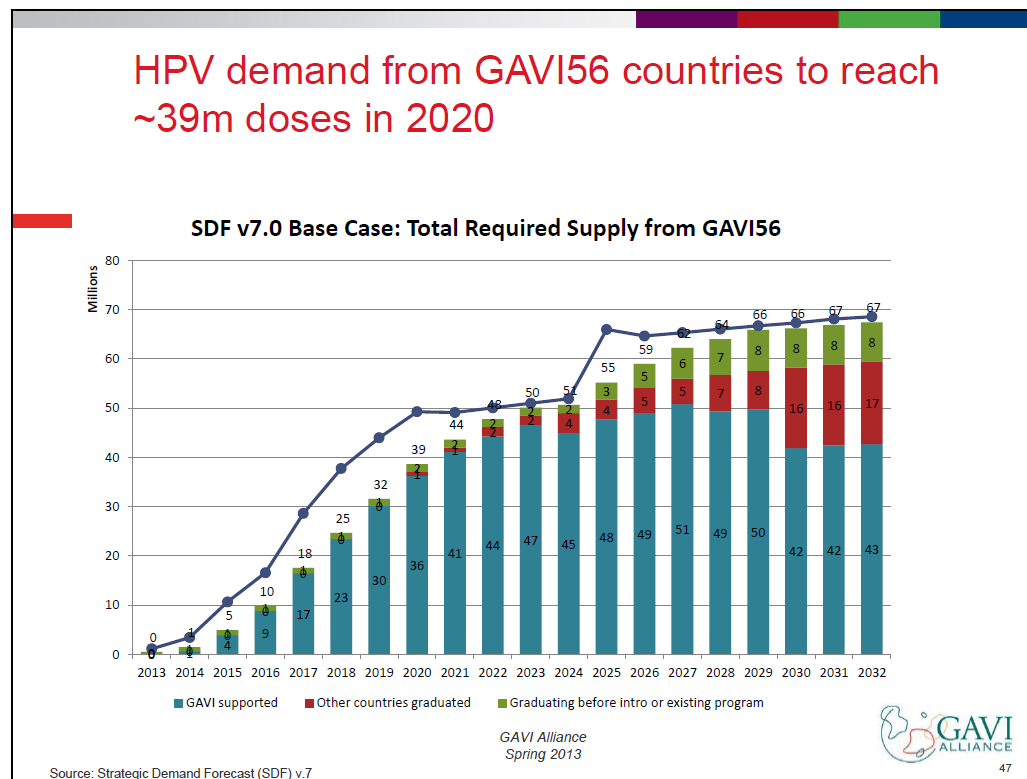
Market Updates: Rotavirus Vaccine

- UNICEF tendered for 88 million courses of Rotavirus Vaccines for 2012-2016
- 71 million courses have been awarded to two suppliers with prequalified vaccines
- Additional awards to be made based on available supply and new country demand
- Demand higher than supply (29 countries approved with GAVI support with 10 country introductions, procuring through UNICEF)
- 90% of demand for one vaccine using a two dose schedule; scaling up of supply requiring countries to delay introductions
- Prices per course reduced to \$10.50-\$5.00
- A need to rapidly expand the supply base of prequalified vaccines to continue accelerated introductions and to meet projected future demand



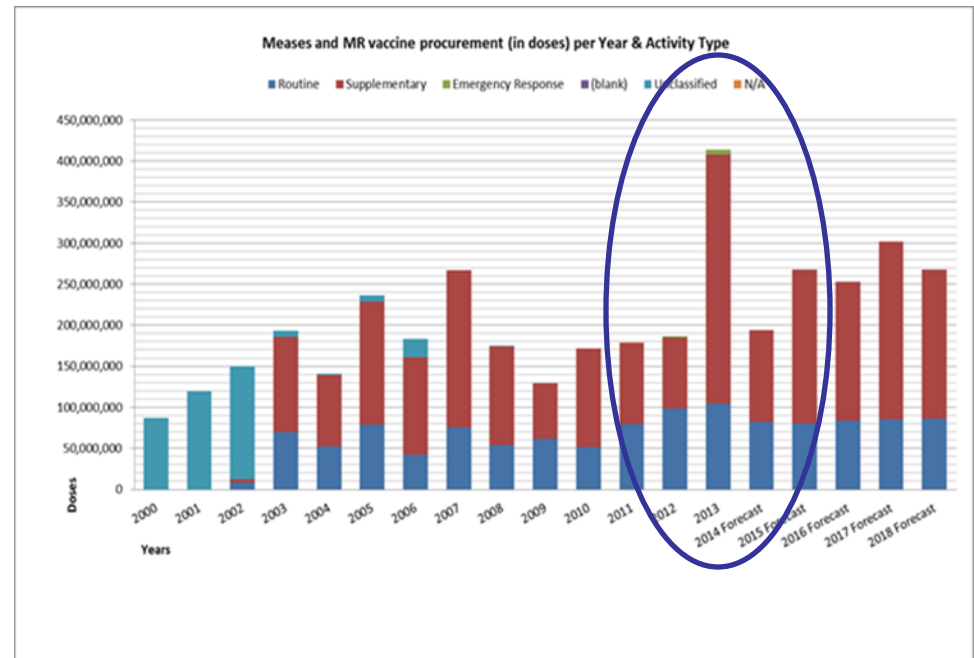
Market Updates: HPV

- Tender for 2013-2017
- First awards in 2013 covering 10 demonstration programmes and 1 national introduction
- Incremental awards expected as more countries apply to GAVI
- Demand expected to increase in 2015-2016 (18M doses / year in 2016)
- Current prices: \$4.60-4.50 per dose



Market Updates: Measles / MR

- Current high demand due to wide-age range MR catch-up and Measles follow-up campaigns taking place at regular intervals
- Peak demand for MR is forecasted to occur in 2017-2018 (but will depend on actual country plans, if delayed Measles demand will increase)
- Programmatic and supply interdependence
- High reliance on single supplier for both vaccines



Supporting Middle Income Countries to Access New Vaccines

Working with governments, donors, and suppliers to support MICs' purchase of **affordable vaccines**

Tender issued in December 2012 for HPV, Rotavirus and Pneumococcal vaccines, based on indicative country interest from 24 MICs

- Negotiations on-going
- Initial pricing from some manufacturers being communicated to countries
- Soliciting additional country interest in procuring these vaccines

In addition,

- Separate annual tender for Pentavalent vaccines for MICs
- MIC demand included in IPV tender

For additional information on UNICEF's MIC New Vaccine Procurement Initiative see http://www.unicef.org/supply/index_67101.html

UNICEF is experiencing an increase in countries requiring national licensure

- By using WHO prequalified vaccines, countries are ensured that vaccines meet international standards of quality, safety and efficacy
- The NRA of importing country need to undertake – as a minimum - an oversight role:
 - Marketing Authorisation and licensing activities
 - Post Marketing Surveillance, including monitoring of adverse events
- To ensure supply security, avoid delays in introductions or rejection at port of entry, UNICEF is working towards establishing an overview of countries requiring licensure to share with manufacturers
- An increasing number of countries also accept a 'light' process – WHO's Procedure for Expedited Review of Imported Prequalified Vaccines for Use in National Immunisation Programmes -
http://whqlibdoc.who.int/hq/2007/WHO_IVB_07.08_eng.pdf

Information available on the UNICEF website

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

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[Auto-Disable \(AD\) and Re-Use Prevention \(RUP\) Syringes and Safety Boxes - current price data](#)

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Immunization



© 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.

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 2012, UNICEF procured vaccines worth \$1.053 billion. For more information please click [here](#).

UNICEF Supply Division is responsible for buying all vaccines and related items for global campaigns to eradicate polio, eliminate neonatal and maternal tetanus, and control measles. In addition, the Division procures vaccines for UNICEF-supported programmes, and for [GAVI](#).

Procuring vaccines is complex. In recent years the market has changed, owing to a growing divergence between the types of vaccines used in industrialized and developing countries. The unpredictability of funding is another difficulty. UNICEF promotes [vaccine security](#) by working with manufacturers to

Latest

[BCG supply and demand update](#)

[Rotavirus supply and demand update](#)

[UNICEF Immunization devices industry consultation - 23 July 2013](#)

[AMC for Pneumococcal](#)

[Oral polio vaccine supply update](#)

[Market update: Pneumococcal conjugate vaccine supply](#)

[Market update on current DTP supply status](#)

[UNICEF tender supports Middle Income Country access to affordable new vaccines](#)

[Strategy for supporting Middle Income Countries with access to new vaccines](#)

[UNICEF presents its Middle Income Country New Vaccine Procurement Strategy to SAGE](#)

[Developing Country Vaccine Manufacturers Network](#)

[Current IPV Supply and Recent Tender Results](#)

[Vaccine Suppliers Integral to Achieving Polio Free World](#)

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Help Syrian Children

The ongoing violence in Syria is taking a toll on children and their families. Donate to help UNICEF meet the urgent needs of children.

[Donate Now](#)

Vaccine Supplier Meetings

[Polio Pre-Tender Meeting 2010](#)

[AMC Pre-Tender Meeting 2009](#)

[Pre-Tender Meeting December 2008](#)

[Supplier Meeting 3-4 April 2008](#)

French and Spanish version of this page



Presentation materials from previous pre-tender meetings

UNICEF engagement in MIC country procurement

Historical annual procurement values and volumes:
http://www.unicef.org/supply/index_38554.html

Current Weighted Average Prices:
http://www.unicef.org/supply/index_7991.html

Historical and Awarded Vaccine Price Data by suppliers:
http://www.unicef.org/supply/index_57476.html

Market Information Updates:
http://www.unicef.org/supply/index_vaccines.html

In addition to Industry and Governments, UNICEF partners for children



THE WORLD BANK



Office of the United Nations
Secretary-General's
Special Envoy for Malaria



THANK YOU



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