

UNICEF Updates: Current and future considerations to secure vaccine supply



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DCVMN Annual General Meeting
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Session Objectives

- 1) To provide an overview of the global market for vaccines supplied through UNICEF, including UNICEF overview of procurement over 2017, with focus on DCVMN value and volume share of this market,
- 2) To provide an overview of vaccine security, opportunities and challenges going forward,
- 3) To provide an opportunity for global partners engaged in vaccine markets, and DCVMN suppliers, to reflect on considerations for vaccine security going forward into the future.



UNICEF procures vaccines & vaccine related supplies for around 100 countries annually

2017

Vaccines: US\$ 1.32 billion

2.44
billion doses

2,504
shipments

Full Schedule

Partial Schedule

2018 Forecast Target
Countries

Immunization Supplies:

Vaccines

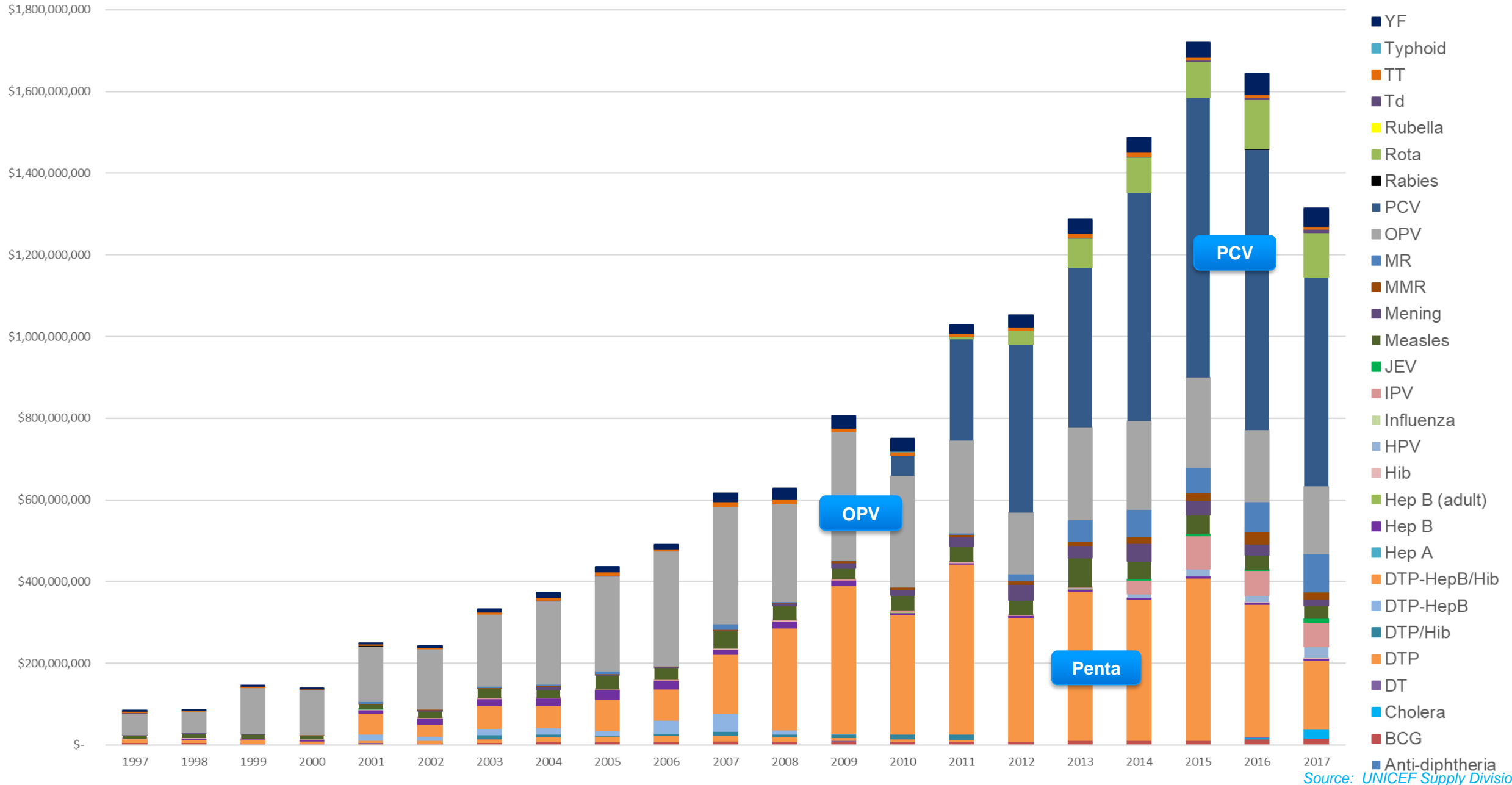
BCG, DTP, TT/Td, OPV, HepB,
YF, Penta, MCV, Meningococcal,
PCV, IPV, HPV, JE, OCV, Rota,
TCV, Hep A, Rabies

Safe Injection equipment

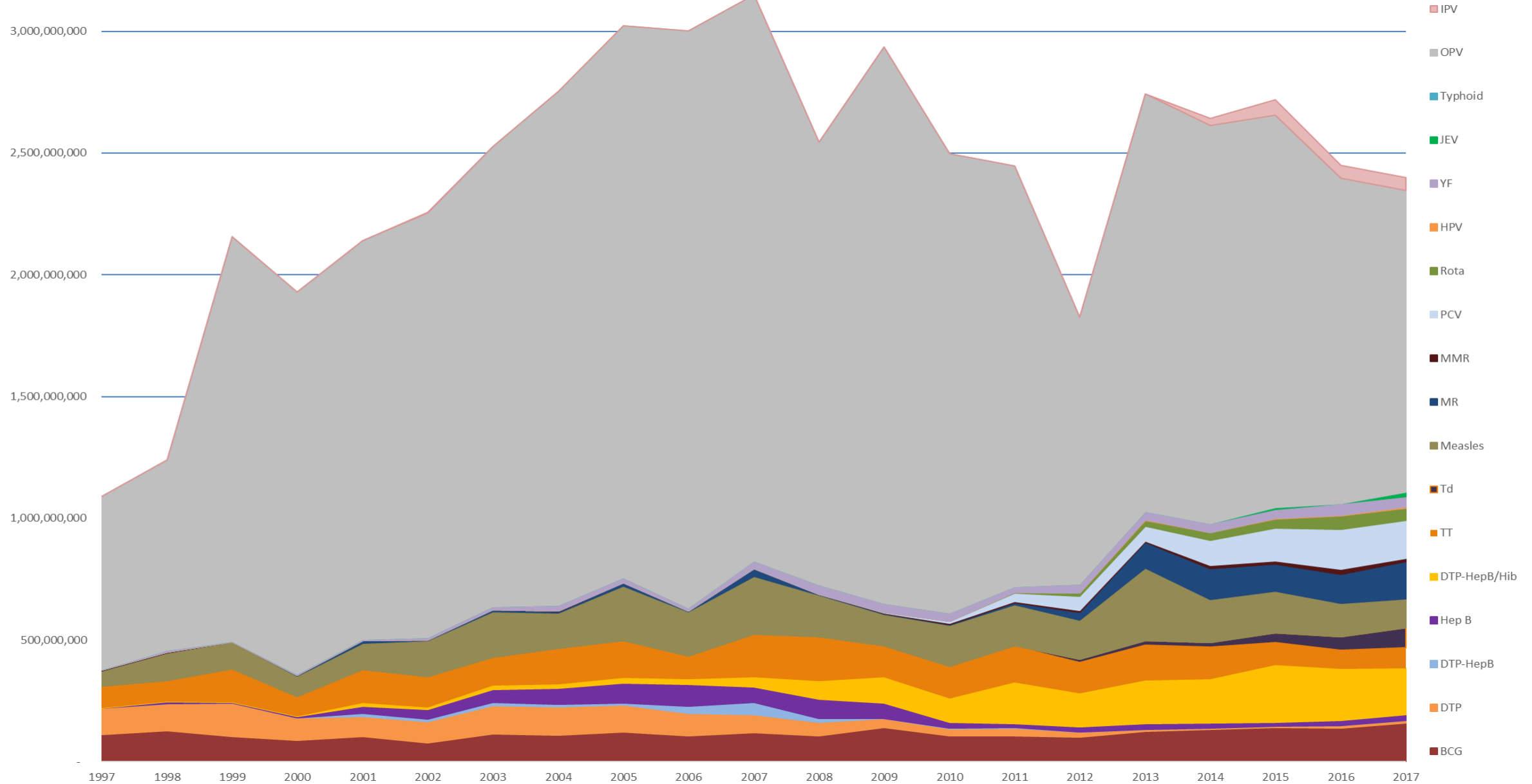
Cold Chain Equipment

This map does not reflect a position by UNICEF on the legal status of any country or territory or the delimitation of any frontiers.

UNICEF Annual Vaccine Procurement (\$)



OPV Remains Main Volume Driver (in doses)



Source: [UNICEF Supply Division](#)



Nearly two decades ago UNICEF moved to a Vaccine Security approach

United Nations Children's Fund

Executive Board

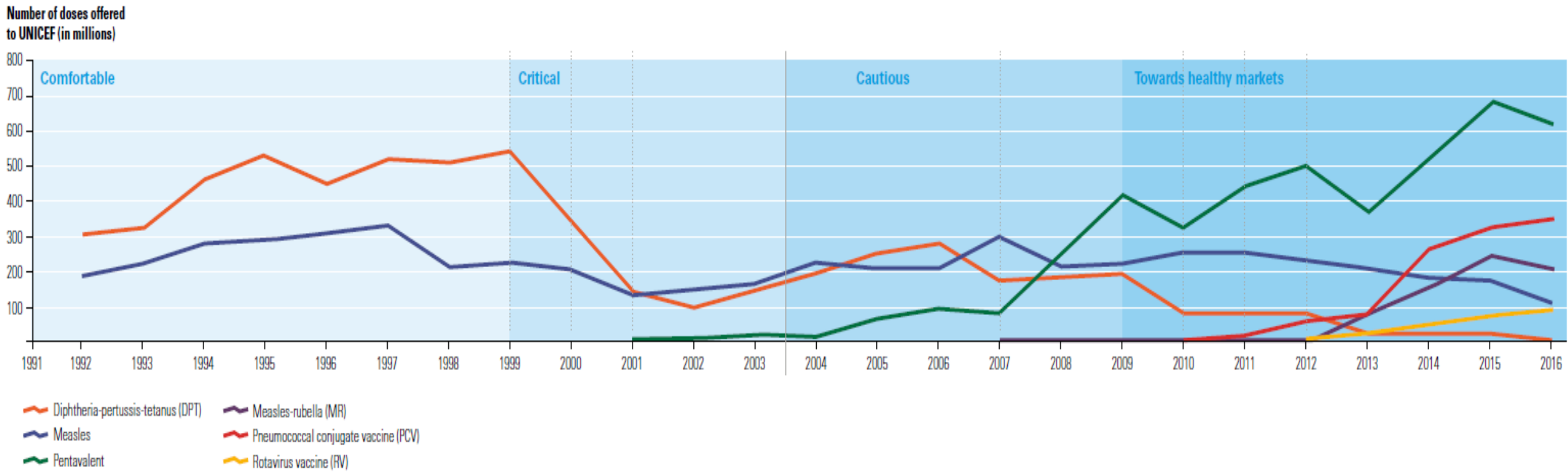
First regular session 2002

21-25 January 2002

Item 6 of the provisional agenda*

**Vaccine security: ensuring a sustained, uninterrupted supply of
affordable vaccines**

Vaccine, healthy market assessment 1990-2016



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)
- Vaccines as biological products – requiring a specific approach
- Ensuring quality of vaccines through WHO prequalification – as well as safety and efficacy in target population



Forecasting

The forecast process is an integrated part of Immunisation Programmes in country and an essential step for the effective vaccine management.

- Forecasting is the **foundation** for all elements of **Vaccine Security**:
 - Basis for production at manufacturers
 - Basis for funding needs

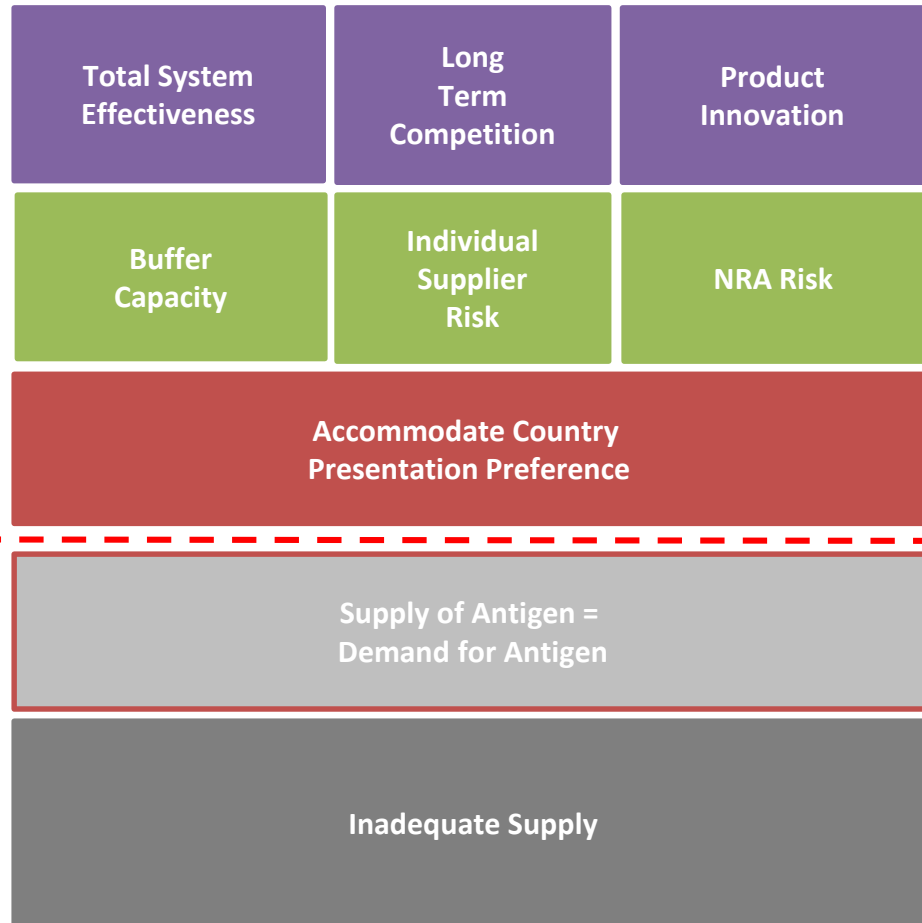
The **outcome of the forecast** is a key input for a number of processes:

- Aligning annual **country government budgeting and planning** for health sector
- Planning and implementation of **vaccine procurement and delivery activities** in timely manner
- A mechanism to foster on-going **information and knowledge sharing**
- Securing better **pricing and vaccine stock management**



Healthy Markets Framework

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



The highest level achieves positive system features such as the effect of the market on immunization 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



Vaccine tender & contracting approach

Strategy development

- Product-specific procurement strategies, based on analysis and experience
- Informed by industry and partner consultations and alignment of objectives

Tender process

- RFPs for strategic products – flexibility for manufacturers to shape the offer to highlight how they can bring best value
- Multi-year tender & award period – provides planning horizon and more certainty to manufacturers
- Wide invitee-list; all manufacturers are invited to participate (including pipeline)

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 (e.g. firm or pre-paid contracts)
- Review with a Procurement Reference Group (GAVI-supported vaccines) or other confidential partner consultation (e.g. GPEI)
- Multiple suppliers awarded per product
- Innovation and Pipeline are assessed in award recommendation, and informs award strategy to incentivize continued market development

Sustainable Procurement

Environmental

- Preservation of natural resources, ecosystems, and biodiversity
- Reduction of ecological footprint
- Reduction of greenhouse gas emissions
- Waste management



Social

- Human rights
- Labour rights
- Gender equality
- Poverty and inequality reduction Social inclusion
- Promotion of SMEs (small and medium enterprises)



Economic

- Best VfM (price, quality, availability, functionality, and innovation)
- Life cycle costing
- Economic development
- Employment
- Good governance



Move towards a more sustainable procurement approach

UNICEF shipped over 30,000m³ (5,500 tons) of SIE in 2016, generating contaminated waste, requiring disposal

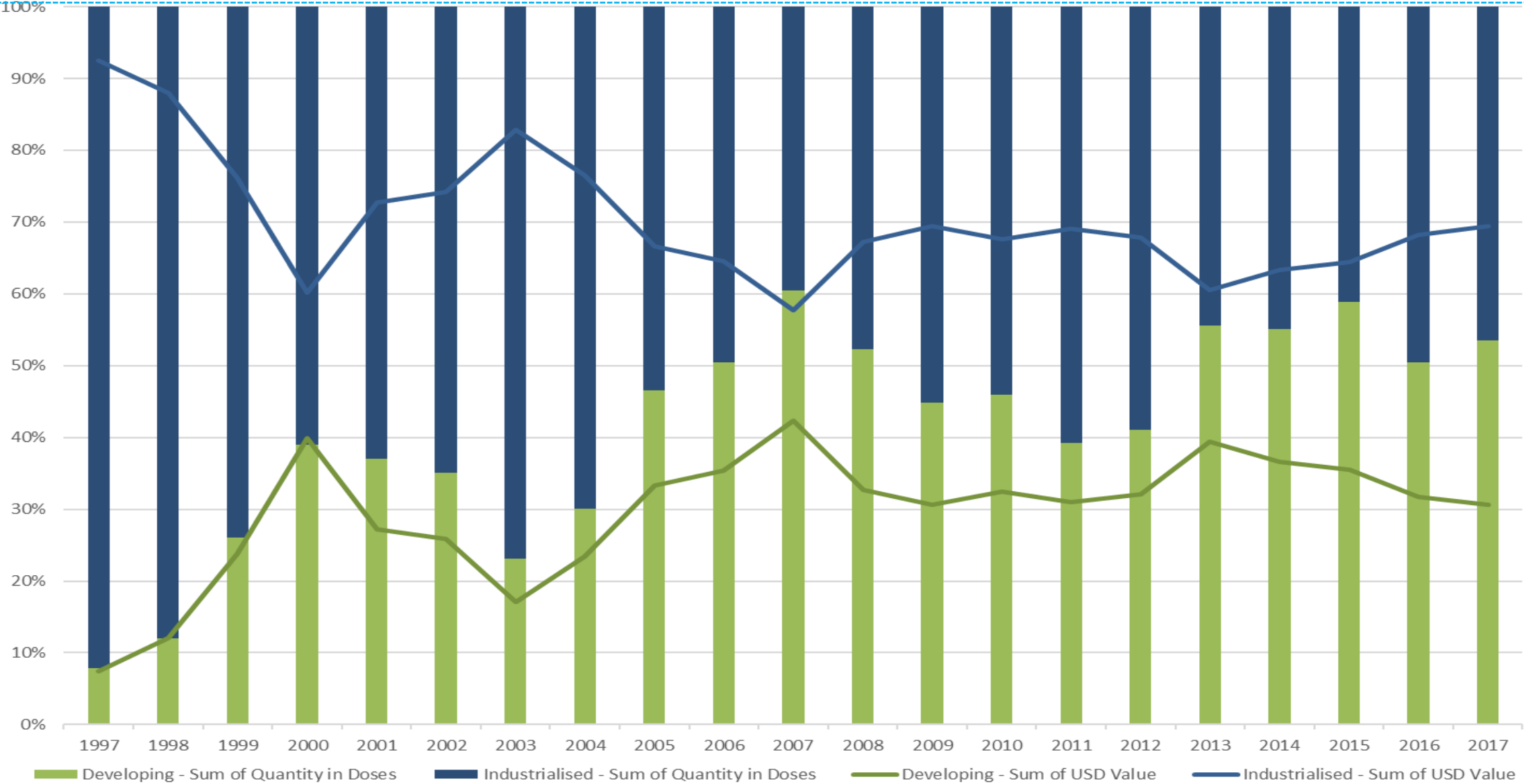
In all upcoming tender round, the intent is to **focus on multiple elements** crossing the 3 pillars (**Environmental, Economic, Social**) of sustainable procurement and extending along the supply chain, including:

- **Influencing Industry's Sustainable Procurement (SP) Policy**: Continue driving for green manufacturing (QMS) and address social SP elements through requiring industry to report on such
- **Implementing Sustainable Procurement Criteria**: Implementation within the Tender activity, including SP elements in the tender evaluation (Weight, Volume, Local manufacturing); GTC requirements
- **Internal process**: Introduce step one of **e-tendering** and electronic bid submissions



Emerging Market Country Manufacturers

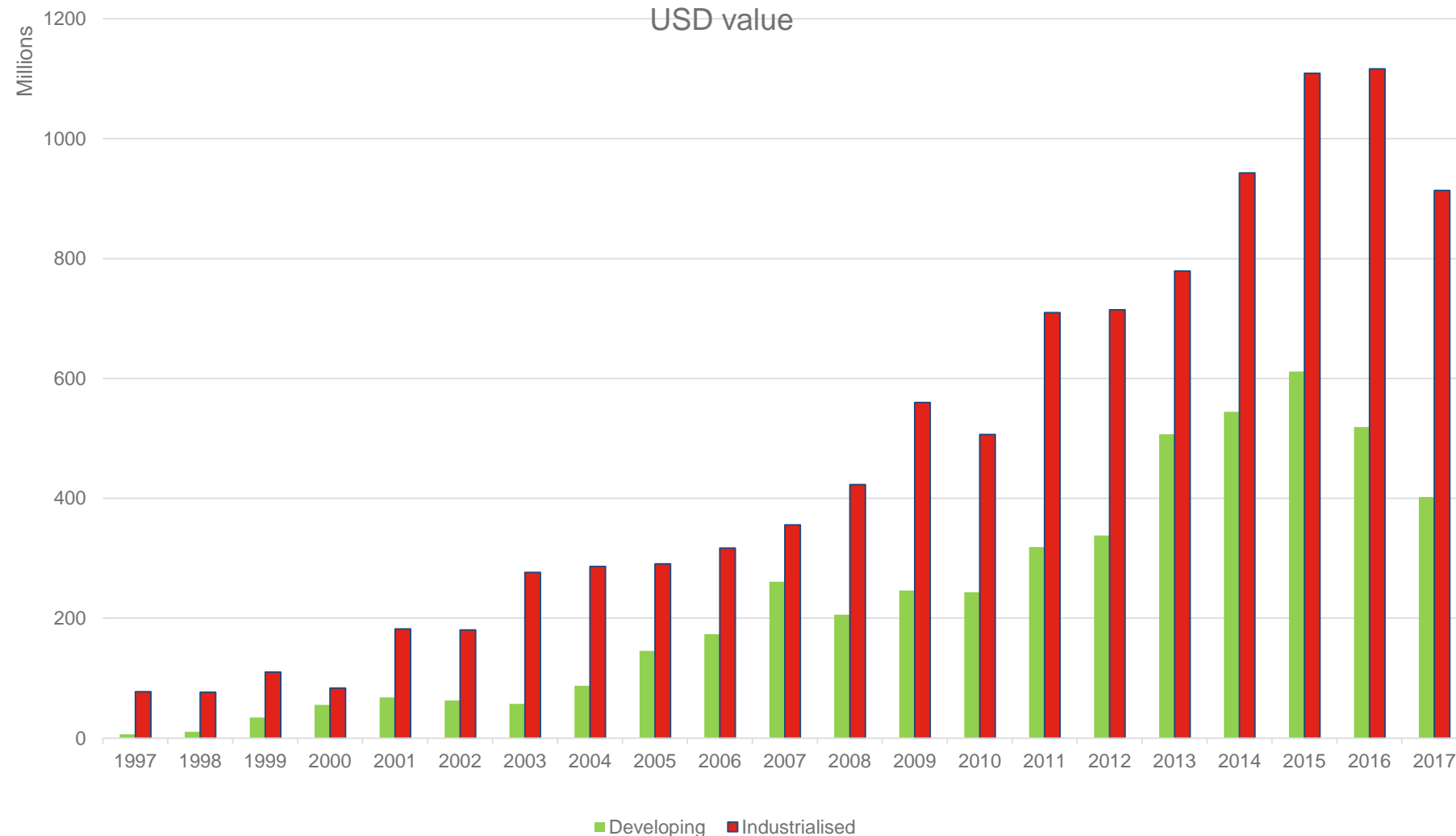
2017: 1.3 billion doses with a value of \$400m sourced from developing countries



Source: UNICEF Supply Division

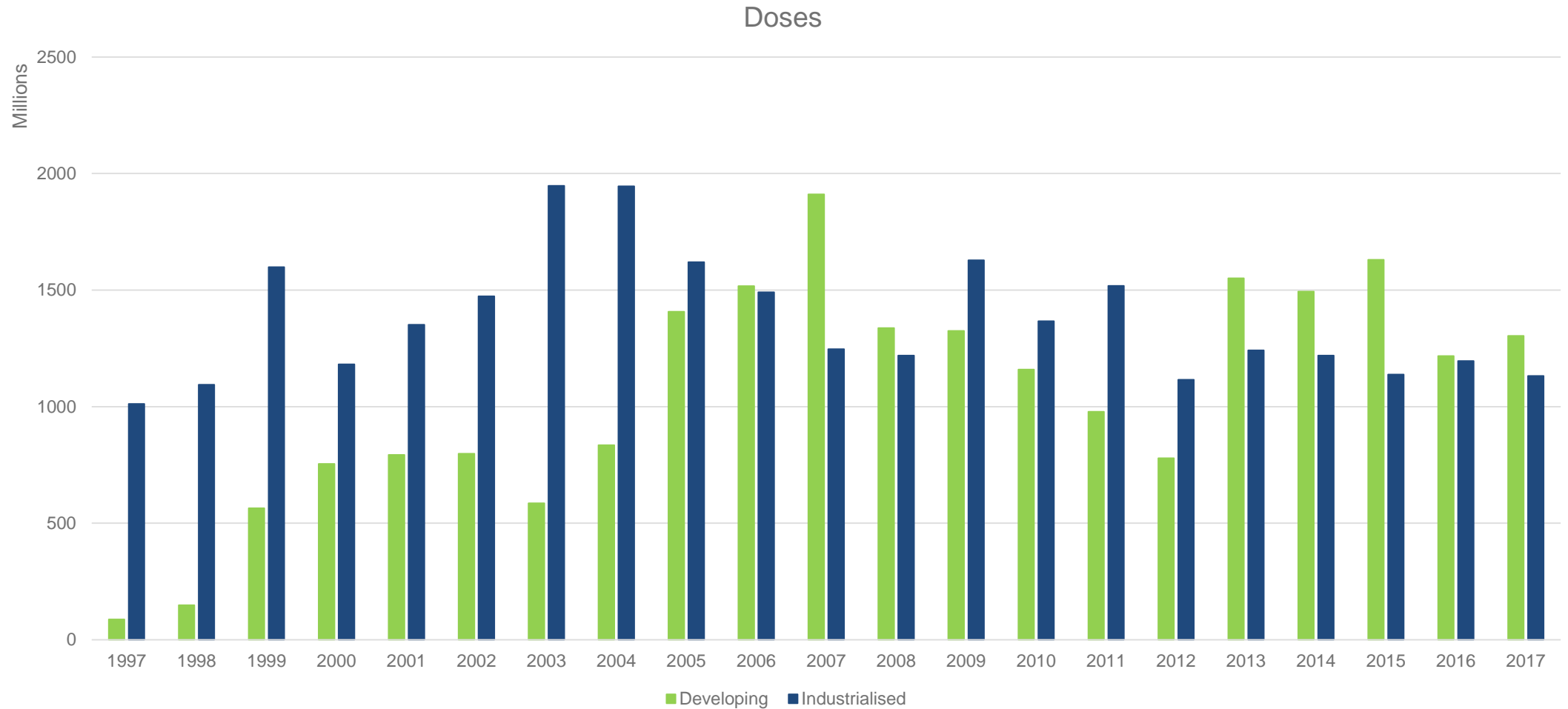
Emerging Market Country Manufacturers

2017: 1.3 billion doses with a value of \$400m comes from developing countries manufacturers

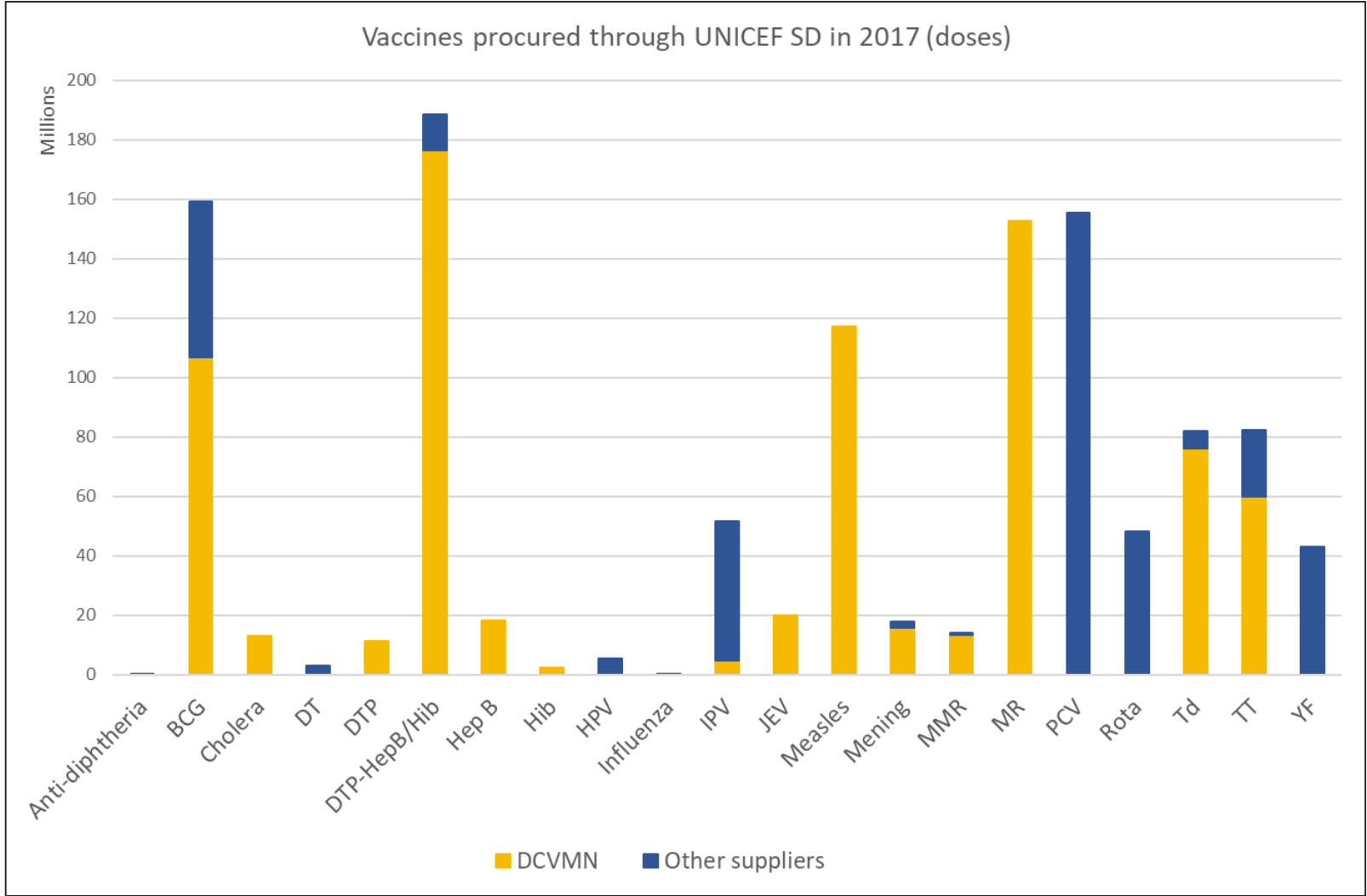


Emerging Market Country Manufacturers

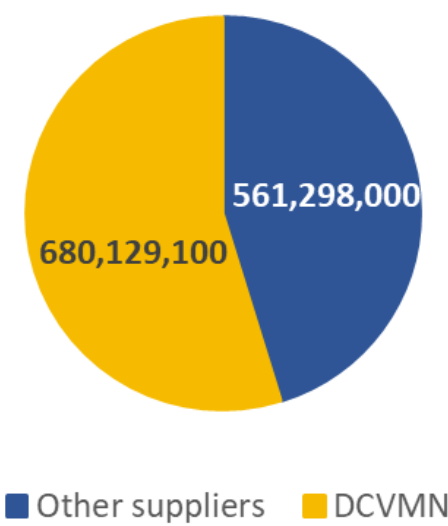
2017: 1.3 billion doses with a value of \$400m comes from developing countries



2017 UNICEF SD Vaccine Procurement

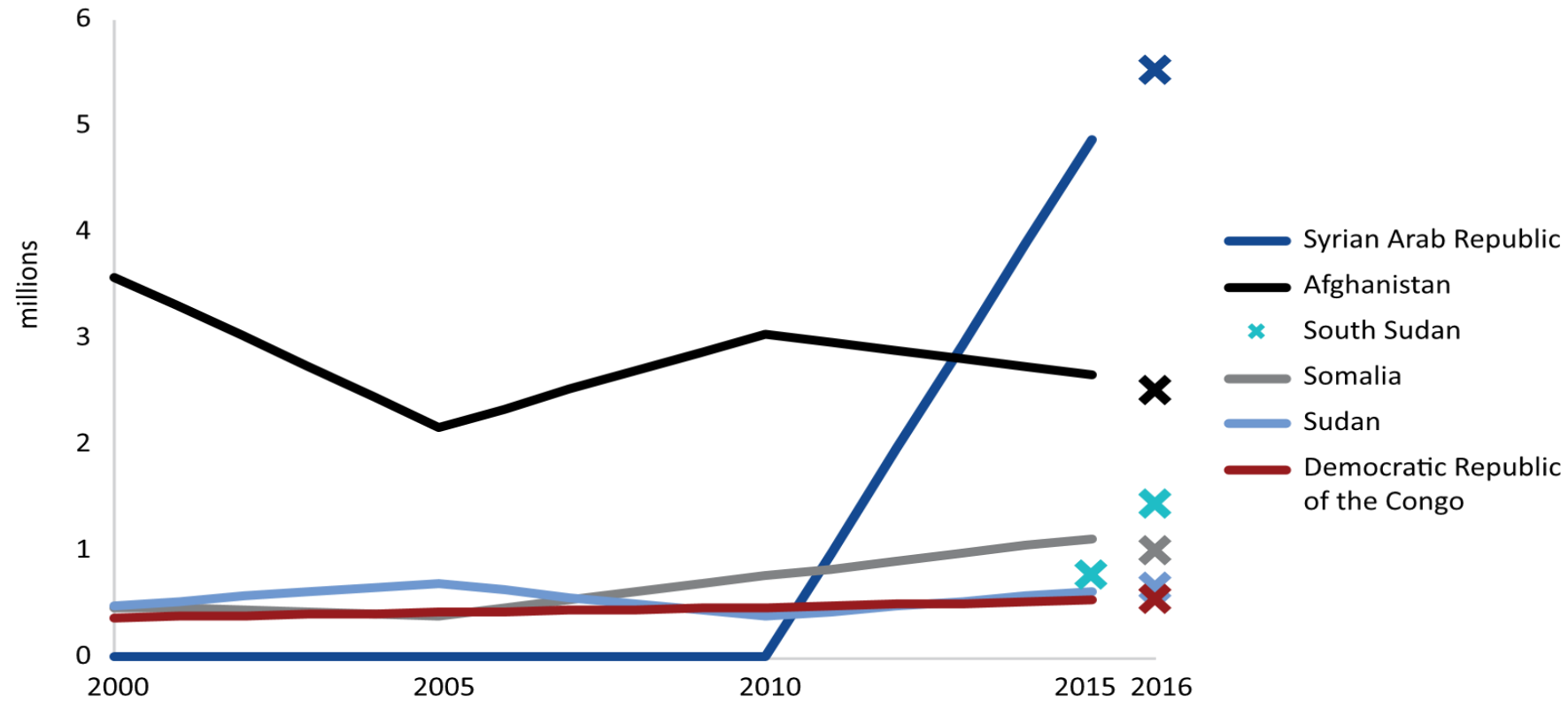


OPV doses procured through UNICEF SD in 2017



Children on the move

Figure 6. Number of refugees by major countries of origin as of 2016 (millions)



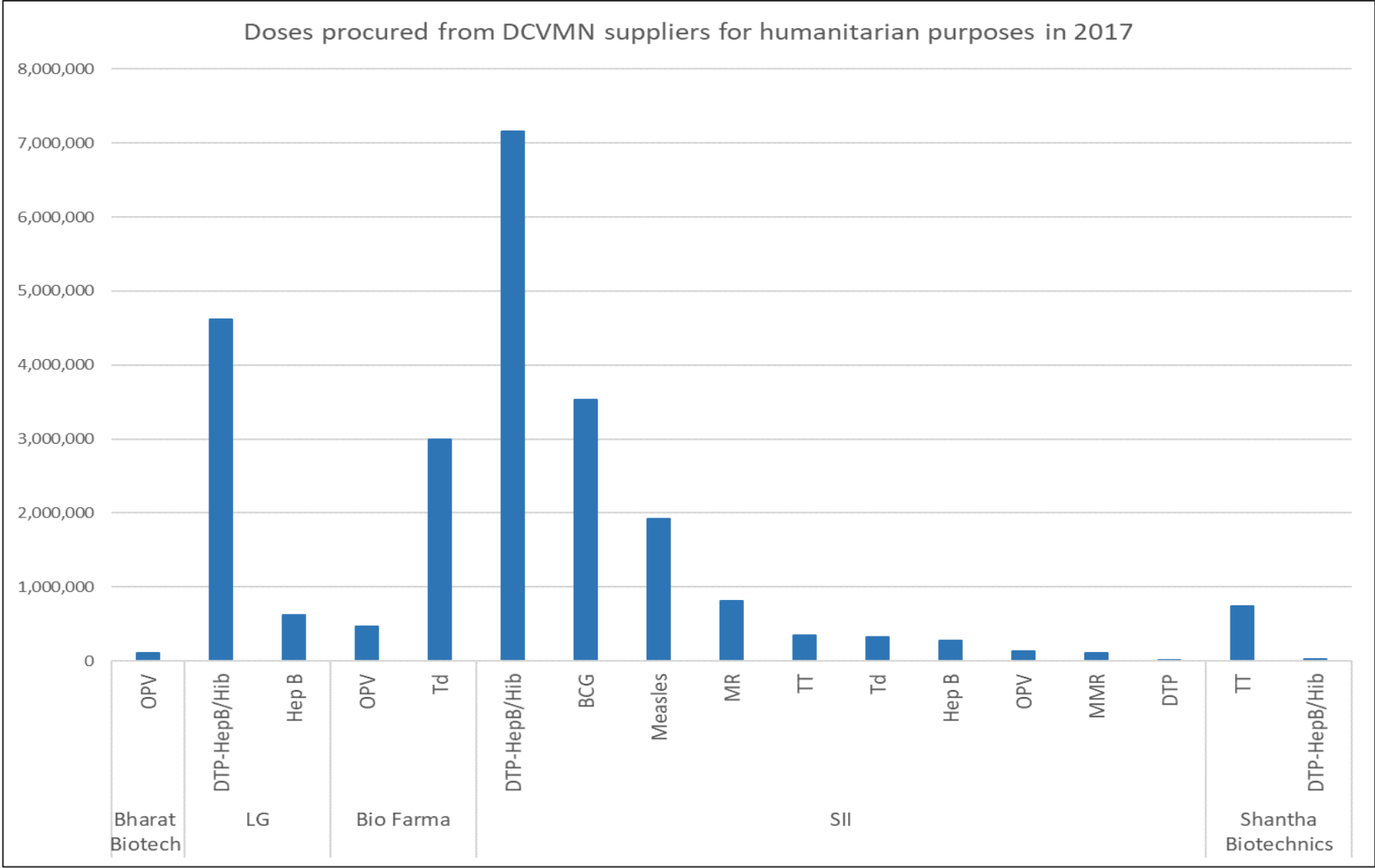
Source: UNHCR, n.d. (accessed on 18 July 2017).

Increased outbreaks and humanitarian needs

2017: \$59m and 118m doses in 33 countries



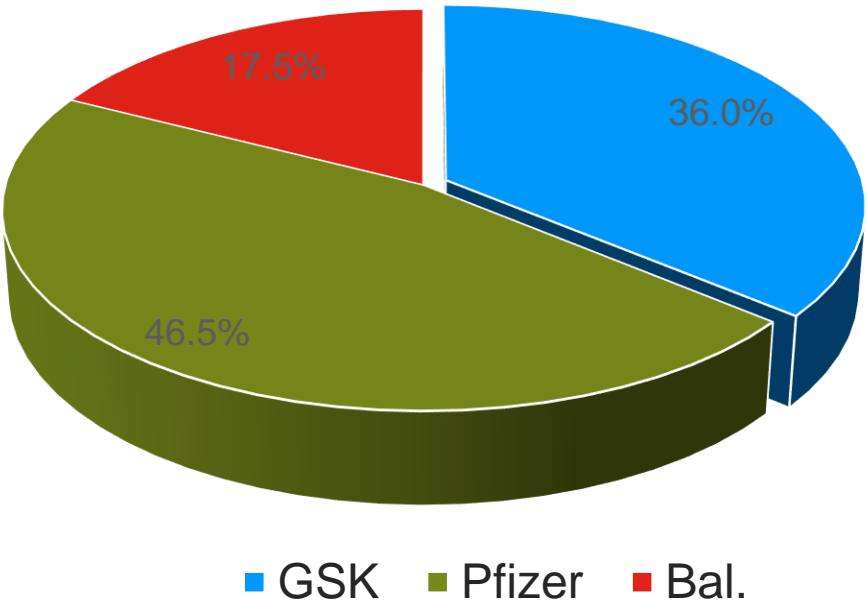
2017 UNICEF Vaccine Procurement: Humanitarian



Overview of AMC supply agreements

Contracts Overview PCV	GSK	Pfizer	Total
Presentation	2, 4 dose	1 & 4 dose	N/A
Last year of last contract	2024	2027	N/A
Annual Supply Commitment Qty	72	93	165
Total number of doses awarded	720	930	1650
Accumulated Percentage of AMC funds	36%	47%	83%
Accumulated share of AMC funds	540	697.5	1,237.5

82.5% of AMC funding has been committed to supply agreements through 2027



Following the awards under the AMC-4 tender, a balance of \$262.5 million out of \$1.5 billion of AMC donor funds is available for future awards.

Challenges & Opportunities with DCVMN suppliers

- **New Vaccines:**
 - **HPV:**
 - Current supply constraints due to increase/surge in demand that is expected to rise in light of HPV elimination
 - **PCV:**
 - Expectation of market entry of at least one additional PCV supplier for AMC
 - **Rota:**
 - Two DCVMN suppliers have been added to the Rotavirus market, increasing opportunities for supply security and expansion of programs/introductions
 - **TCV:**
 - DCVMN suppliers are early market entrants
- **Future vaccines:**
 - **Coverage and equity:**
 - Product presentations that support immunization delivery/increasing coverage in countries
 - **Opportunity for research and development**
 - Zika, Chikungunya, Ebola, Marburg, Lassa, MERs:

What do you think is needed to achieve vaccine security in 2030 and beyond?

- Increase in supply needed to cover increase in coverage of existing vaccines
- Middle income countries falling behind Gavi supported countries in terms of new vaccines, and routine coverage
- Vaccine hesitancy increasing
- Children on the move and migration / refugee
- Increasing demands on domestic resources for funding / stagnating ODA funding for health
- New vaccines at varying stages of development & scale
- Healthy market targets

Key Market Updates



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ANCE							DTP-HepB-Hib									
							2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Product availability							Projected Weighted Average Price per Dose									
2018	2019	2020	2018	2019	2020											
Supply exceeds demand	Supply exceeds demand	Supply exceeds demand	\$1.08	\$1.05	Pending tender	Corp.	\$3.6000*	\$2.8000-\$3.2000	\$2.8000-\$3.2000	\$2.8000-\$3.2000	\$1.9500-\$2.7000	\$2.4000-\$2.6000	\$2.3500	\$2.3500	\$0.8000	\$1.1500
Supply exceeds demand	Supply exceeds demand	Supply exceeds demand	\$0.74	\$0.69	Pending tender		\$3.6000	\$2.9650	\$2.9650						\$1.4000	
Limited supply	Limited supply	Limited supply	\$4.50	Pending tender	Pending tender		\$2.7000	\$2.7000								
Limited supply	Limited supply	Limited supply	\$4.60	Pending tender	Pending tender				\$2.2500-\$2.5000	\$2.5000	\$2.6000	\$2.7000	\$2.2500*	\$2.2500*	\$0.9000	\$1.1000
Limited supply	Limited supply	Limited supply	\$2.80	Pending tender	Pending tender										\$1.0300	\$0.9800
Limited supply	Limited supply	Limited supply	\$1.90	Pending tender	Pending tender										\$1.0300	\$0.9800
Limited supply	Limited supply	Limited supply	€0.75	Pending tender	Pending tender										\$1.3500	\$0.6800
Supply exceeds demand	Supply exceeds demand	Supply exceeds demand	\$0.69	Pending tender	Pending tender							\$1.8000-\$1.9400*	\$1.9400*	\$1.5500-1.9400*	\$0.8500	\$0.8500
Supply exceeds demand	Supply exceeds demand	Supply exceeds demand	\$0.52	Pending tender	Pending tender									\$1.6500	\$1.6500	\$0.8500
Needs planning	Needs planning	Needs planning	\$1.84	Pending tender	Pending tender				\$1.7500-\$2.1050	\$1.7500-\$2.1050	\$1.8500-\$2.1050	\$1.9500-\$2.1050	\$1.5500-\$1.7050*	\$1.5000-1.6550*	\$0.7500	\$0.6900
Needs planning	Needs planning	Needs planning	\$1.25	Pending tender	Pending tender											
Needs planning	Needs planning	Needs planning	\$3.05	\$3.05	\$3.05				\$1.8000*							
Needs planning	Needs planning	Needs planning	\$3.05	\$3.05	\$3.05											
Needs planning	Needs planning	Needs planning	\$3.30	\$3.30	\$3.30		\$3.5000	\$2.9500	\$2.9500	\$2.9500	\$2.9500	\$2.9500				
Needs planning	Needs planning	Needs planning	\$2.95	\$2.95	\$2.95						\$1.9700	\$1.9600	\$1.9500	\$1.9400		
Limited supply	Limited supply	Limited supply	€1.88	€1.88	€1.88			\$2.2500	\$2.2500							

Data shows most prices with CPT incoterms from 2001 - 2003; change to FCA incoterms
Where agreements include a range of prices during a calendar year period or for different
*Special terms apply.
The prices for 2001-2016 were applicable to GAVI supported countries only.
Prices for 2017-2019 are applicable for all procurement forecast to come through UNICEF

Last updated 6th October 2017.

RFP-DAN-2017-502534	24/07/2017	Tubes- feeding/ aspiration, suction, endotracheal.
RFP-DAN-2017-502534	24/07/2017	Tubes- feeding/ aspiration, suction, endotracheal.
RFP-DAN-2017-502534	24/07/2017	Tubes- feeding/ aspiration, suction, endotracheal.
RFP-DAN-2017-502534	24/07/2017	Tubes- feeding/ aspiration, suction, endotracheal.

Visit UNICEF's website on market updates here: <https://www.unicef.org/supply/>



THANK YOU

