HEALTHY MARKETS FRAMEWORK

Developed jointly by

Bill & Melinda Gates Foundation, Gavi, and UNICEF
Introduction to the Healthy Markets Framework

Gavi, the Vaccine Alliance, developed the Healthy Markets Framework (HMF) as a tool to support market shaping.

To have a common way of thinking about market health for vaccines important to the countries we serve

To better communicate how we assess individual vaccine markets and their ability to best meet the needs of Gavi countries

To improve how we analyse potential trade-offs between different market attributes
The HMF is a framework for assessing the attributes of a ‘healthy market’

- The HMF was jointly developed by Gavi, UNICEF and the Gates Foundation

- “Market” refers to the supply of vaccines for prevention of a specific disease in countries supported by Gavi, the Vaccine Alliance

- The HMF is used to assess the current state and to articulate the desired future state of a market

- All HMF attributes are considered in every market and then are adapted to specific markets

- Costs/prices are assessed by market attribute. The costs (if any) of achieving higher levels of market health are assessed

- The values ascribed to specific HMF attributes are more transparent, and are used to judge the relative strengths of different interventions
Building blocks make up the framework

<table>
<thead>
<tr>
<th>Total System Effectiveness</th>
<th>Long Term Competition</th>
<th>Product Innovation</th>
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</thead>
<tbody>
<tr>
<td>Buffer Capacity</td>
<td>Individual Supplier Risk</td>
<td>NRA Risk</td>
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**Meet Country Preferences**

**Supply Meets Demand**

**Inadequate Supply**

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.

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Healthy markets framework

- **Near term, tactical supply security**: Directly influenced by procurement.
- **Long term, addresses strategic supply security**: Partially or indirectly impacted by procurement actions.

**Attributes**
- Total System Effectiveness
- Long Term Competition
- Product innovation
- Buffer Capacity
- Individual Supplier Risk
- NRA Risk
- Accommodate Country Presentation Preference

**Potential Cost Impact**
- Cost\textsuperscript{n} WAP\textsuperscript{n}
- Cost\textsuperscript{3} WAP\textsuperscript{3}
- Cost\textsuperscript{2} WAP\textsuperscript{2}
  - Lowest Reasonable
- Cost\textsuperscript{1} WAP\textsuperscript{1}
  - Lowest Theoretical

Supply of Antigen = Demand for Antigen

Inadequate Supply

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Application to vaccine markets

1. Vaccine Roadmap/Strategy
   - The HMF is used to establish market shaping strategies for each vaccine

2. Procurement Strategy
   - The HMF analytic framework is used in evaluating procurement decisions

3. Healthy Market Indicator
   - The HMF is used to evaluate progress on the Market Shaping goal (SG4) 2016 - 20

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Roadmaps 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

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/
2. Example of application to procurement

Tender decision analyses should calculate the cost of improving each additional attribute

Potential Incremental Cost Per Market Attribute

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

Illustrative Example

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3. Indicator analysis and reporting

<table>
<thead>
<tr>
<th>Vaccines</th>
<th>Inadequate supply</th>
<th>Low HMD</th>
<th>Moderate HMD</th>
<th>High HMD</th>
<th>Moderate or high HMD</th>
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<td>Cholera</td>
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<td>HPV</td>
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<td>Mening.</td>
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<td>Measles</td>
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<td>PCV</td>
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<td>Rotavirus</td>
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<td>Total</td>
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**KEY**
- Needs unmet
- Needs partially met
- Needs met

**Illustrative examples**

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Limitations of the HMF

- HMF focuses on market considerations for Gavi supported countries, and may not apply to other markets.

- Market health is viewed from the perspective of Gavi and the countries it represents; manufacturers may have a different perspective.

- HMF approaches each vaccine market separately – it does not consider the effects of one market on another.

- The determination of how much achieving each attribute is worth requires judgement.

- The attribute of Total Systems Effectiveness is not currently well understood but will be a focus area to strengthen.

- The HMF is being used in practice in 2016 – it will evolve!
Looking forward

The framework is being rolled out at multiple levels of the Gavi Alliance to create consistency between each level of implementation, and to inform product roadmaps, procurement strategy and award allocations.

We will continue to evolve and refine the HMF with continued use and experience.

We welcome feedback on all aspects of the HMF.

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THANK YOU

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