

Working together for healthy vaccine markets

Gavi's market shaping efforts aim to make life-saving vaccines and other immunisation products more accessible and affordable for lower-income countries.

A proactive effort to make vaccine markets work better for lower-income countries is essential to reach all children with life-saving vaccines, and is a central part of Gavi's strategy. Healthy vaccine markets allow manufacturers to plan production based on known demand, donors to maximise their investments and, most importantly, countries to access suitable vaccines at prices they can afford.

The opportunity

Gavi, the Vaccine Alliance is working to improve the way vaccine markets function in lower-income countries. Together with our partners, we work closely with manufacturers to support the development and introduction of vaccines that are both affordable and suitable for countries. This helps us achieve our goal to increase immunisation coverage and make it more equitable, while ensuring that vaccines are safe and effective and that vaccine wastage and supply chain costs are kept to a minimum.

How we do it

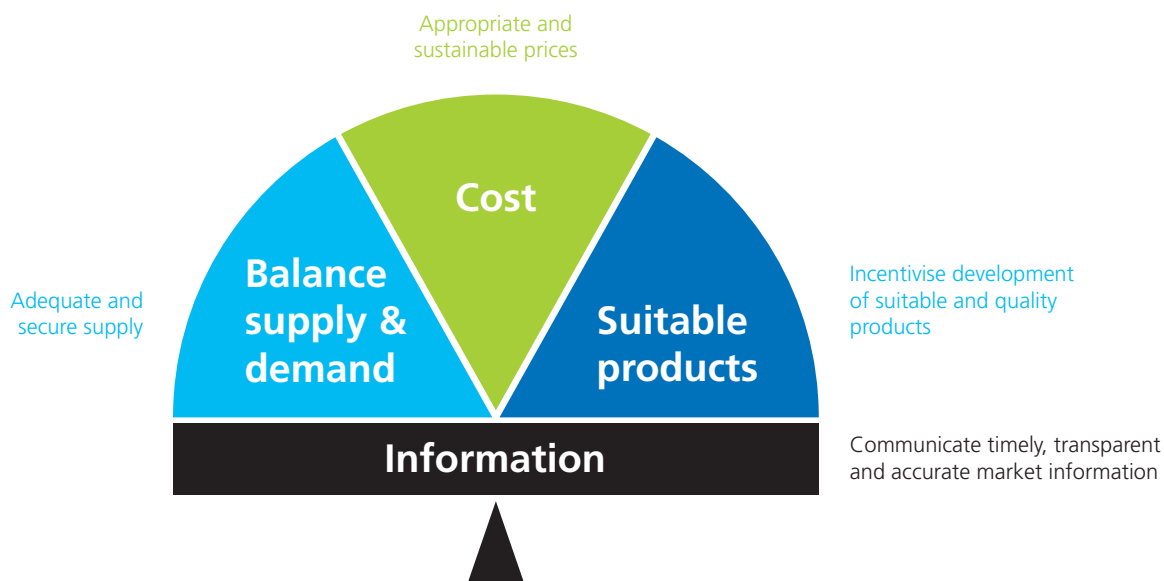
Gavi has four strategic goals that guide our mission. One of these is directly related to market shaping: to shape vaccine markets to ensure adequate, secure supply of suitable, quality vaccines at appropriate and sustainable prices for developing countries.

Our market shaping activities are guided by a supply and procurement strategy. The strategy, which is revised every five years, determines how we think the different vaccine markets should evolve in the short, medium and long term and defines the mechanisms that we use to influence the markets in which we operate.

Our strategy aims to:

- ensure adequate and secure supply of quality vaccines
- reduce prices of vaccines and other immunisation products to an appropriate and sustainable level
- incentivise development of suitable and quality vaccines and other immunisation products

Supply and procurement objectives 2016-2020



Gavi aims to achieve all of its supply and procurement objectives. However, attaining the appropriate balance across these objectives can be challenging. For example, ensuring supply security may mean increased costs if additional products from higher-priced manufacturers need to be included.

To reach our objectives, we:

1. Collaborate with Vaccine Alliance partners

- Ensure quality control
- Encourage new market entrants

2. Provide market insight

- Predict donor funding and country co-financing
- Provide long-term forecasts of aggregated country demand
- Analyse market landscape

3. Gain best value and appropriate pricing

- Pool demand and procurement
- Support tiered pricing philosophy
- Promote innovative contracting

Collaborate with Vaccine Alliance partners

We leverage the unique expertise of our partners to improve the way vaccine markets work for lower-income countries.

Gavi sets partner priorities for different vaccines, convenes partners and coordinates their activities, mobilises financial resources, engages in dialogue with manufacturers, and develops policies that guide our efforts to ensure access to vaccines in lower-income countries.

UNICEF Supply Division manages most of the vaccine procurement and buys vaccines and immunisation supplies for Gavi countries.

The Bill & Melinda Gates Foundation (BMGF) plays both a technical and financial role – helping to gather data to inform Gavi’s decision making and providing financial support for market investments. It also provides investment for activities ranging from discovery through development to delivery, and encourages product innovation and new market entrants.

Provide market insight

To ensure that we have a thorough understanding of important market characteristics, we use two main tools:

Strategic demand forecasting enables better understanding of the product-specific demand in each vaccine market. Demand forecasting estimates future needs, and allows the Vaccine Alliance and manufacturers to effectively plan for the long term.

Roadmaps determine Gavi's long-term market ambition for each vaccine and are critical to our ability to successfully shape vaccine markets. Drawing on the expertise of UNICEF, the Bill & Melinda Gates Foundation, WHO and other partners, as well as data provided by strategic demand forecasts, each roadmap includes an analysis of the market landscape with projections of global supply and demand, an analysis of future product availability and cost drivers, a prioritisation of the Vaccine Alliance's objectives and options for how to achieve them, and a time frame for our engagement.

Gain best value and appropriate pricing

To access best value in pricing, Gavi encourages competition, aggregates demand and procurement, fosters increased information transparency, supports tiered pricing (whereby countries pay according to their income level) and negotiates access to sustainable prices for countries transitioning out of our financial support.

For example, the significant volume and value of demand from Gavi countries have created sufficient incentives for the pharmaceutical industry to establish a low-price tier, allowing Gavi-supported countries to access the same products at a fraction of the price charged in high-income countries.

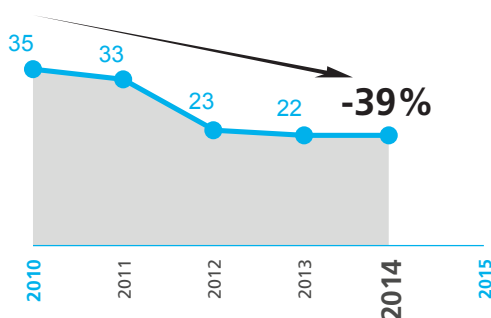
Monitoring market shaping

Gavi uses two specific indicators to measure the impact of our market shaping activities.

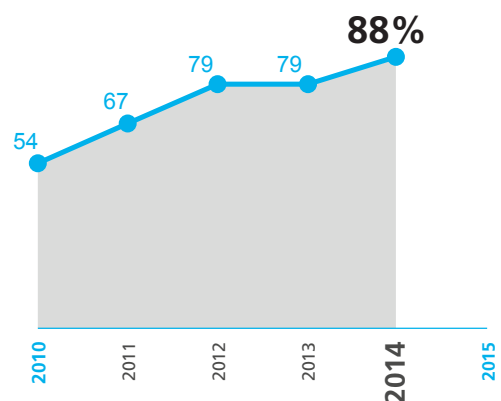
2011 - 2015 indicators

1. Change in total cost to fully immunise a child with pentavalent, pneumococcal and rotavirus vaccines: **down by 39% since 2010**

2. Products offered as a percentage of five year target: **21 products offered in 2014: on track to meet 2015 goal**



Source: Procurement partner manufacturer offers



Source: UNICEF Supply Division.

Market shaping in action

SUITABLE PRODUCTS

Making innovative products accessible to countries

In 2012 MenAfriVac, a meningitis A vaccine, was approved for use by WHO in a controlled temperature chain. This innovative approach permits the use of products outside the traditional 2°C to 8°C cold chain for limited periods of time, under monitored and controlled conditions. Gavi-supported meningitis A vaccine campaigns in Mauritania, Togo, and Côte d'Ivoire reached over 1.5 million people in 2014.

YELLOW FEVER VACCINE

Securing additional capacity to meet growing demand

The hard work to increase immunisation against yellow fever over the past 15 years has been so successful that more vaccine was urgently needed to meet global demand. Just over a decade ago, 20 million doses of the vaccine were enough to supply the needs of everyone buying and using it. But with yellow fever vaccine included in routine immunisation programmes in a growing number of countries and a global stockpile that needs regular replenishment, demand now stands at around 80 million doses per year for Gavi-supported countries alone.

Following work by WHO and other Alliance partners, several suppliers emerged to provide additional doses, among them the Institut Pasteur de Dakar in Senegal and Sanofi Pasteur. Both have been able to secure investment in their facilities, helping to ensure reliable and sustainable supply of this urgently needed vaccine.

INDONESIA

Self-supplies pentavalent vaccine

In August 2013, Bio Farma, an Indonesian vaccine supplier, started manufacturing enough pentavalent vaccine to reach children across the 6,000 inhabited islands. Gavi supported Indonesia's plan to introduce the vaccine nationwide.

CHINA

Expanding the manufacturer base

In late 2013, the Chengdu Institute of Biological Products received the first-ever WHO prequalification for a vaccine produced in China, providing protection against Japanese Encephalitis (JE) to children. Prequalification means that WHO gives the vaccine its stamp of approval for safety and efficacy, and that United Nations agencies can procure the JE vaccine.

This historic moment reflected the strong partnership between the manufacturer, WHO, PATH and the Bill & Melinda Gates Foundation.

JE, a mosquito-borne infection, is a severe disease that involves inflammation of the brain. It is a major public health threat in parts of China, the south-east region of the Russian Federation, and South and South-East Asia. There is no specific treatment for the disease – which is why prevention is so critical.

Moving forward

The influence of market shaping will continue to grow over Gavi's next strategic period, 2016–2020. The Vaccine Alliance will expand the scope of market shaping activities to include other immunisation products such as cold chain equipment, in addition to vaccines in the Gavi portfolio.

Starting in 2016, Gavi will track innovations and the healthiness of markets along with the already existing indicators, which measure security of supply and price reductions.

The Vaccine Alliance will continue to work with partners to address supply challenges and ensure access to appropriate pricing for suitable, quality vaccines for developing countries.