

MARKET SHAPING STRATEGY

BOARD MEETING **Dominic Hein**3-4 December 2025, Geneva, Switzerland

Market shaping will operate in a changing environment that is driving evolutions for Gavi 6.0

- Long-term assured financing and predictable, high demand have been the primary forces shaping markets for Gavi-supported vaccines
- Financial constraints leading to Gavi 6.0 recalibration decisions will strain this model, as there is an absolute reduction in the available funding for vaccine procurement and procured vaccine volumes
- MSS6.0 will work, in tandem with operationalisation of Country Vaccine Budgets (CVB), towards realising US\$ 500 million in price-related reductions (SG4 recalibration) to Gavi's vaccine procurement budget in 6.0
- During Gavi 5.0, an increasing number of lower priced products became available, but there has been limited country uptake of these products to date

PPC acknowledged that MSS6.0 and its implementation will require difficult trade-offs to ensure short-term actions do not compromise long-term imperative of regionally diversified supply and sustainable markets that serve Gavi supported and transitioned countries' needs



Gavi 6.0 SG4 objectives, and proposed MSS strategic priorities (SPs) and target outcomes to achieve them

Drive healthy vaccine markets for Gavi-supported and self-financing countries, including acceleration of access to new high-impact affordable vaccines and delivery innovations SG4 Enhance regional vaccine supply security, in support of regional manufacturing and increased self-reliance expansion ambitions **Objectives** Develop sustainable markets for vaccines against outbreak, epidemic, and pandemic-prone (OEP) diseases MSS 6.0 **SP1 Optimise vaccine programme** SP2 Maintain supply access, and **SP3** Develop future markets for VISaffordability to countries and Gavi endorsed and OEP vaccines security, and market health **Strategic Priorities** What These priorities require trade-offs in short and long-term quides us V V V Uninterrupted supply of vaccine for countries is Introduction of select affordable new high-impact Availability of lower-cost products for Gavi-supported countries maintained in each vaccine market through Gavi 6.0 vaccines is accelerated **Target Outcomes** Competitive dynamics are preserved within key Materialisation of WAP decreases for specified Gavi-Access to vaccines for outbreaks, epidemics and markets as the key driver of competitive pricing and What we supported vaccines pandemics is rapid and equitable

PPC guidance: a new consensus on the articulation of the Target Outcome related to competitive dynamics is needed

long-term healthy markets

Emergence of a geographically diverse supplier base

that can endure to serve countries beyond Gavi support



Markets for outbreak and epidemic-

focused vaccines are sustainable

Limitation of WAP increases to cases that are justified

by market health, programmatic, or strategic benefits

want to achieve

Proposed updates to existing enablers & those with separate Board agenda items to support SPs 1 & 2

Proposed evolution of enablers within MSS6.0

Healthy Markets Framework (HMF)

Strategy guidance process

Procurement Framework

- Updated definitions of market health attributes to support structured evaluation of Alliance's risk appetite for healthy markets
- Process for escalating strategic and material trade-off decisions on market health for Board-level guidance
- Triggers for escalation and supporting analyses to be developed for Board approval
- Reaffirm use of centralised procurement in Gavi 6.0
- Clarify regulatory standards for Gavi-funded procurement
- Identify approaches for working with regional pooled procurement mechanisms in future periods

Enablers with separate Board agenda items

Country Vaccine Budgets (CVB)

Incentives for countries to optimise value for money alongside health impact, through product choices

Financial contingency for supply security

Mitigates country budget implications if required to use a more expensive product to preserve supply security or market health

VPOP

Evidence to inform country product optimisation decisions supports cost-conscious product choices within their CVB

AVMA

Supports Africa's contribution to global supply resilience

PPC acknowledged the importance of these enablers



Enablers to support SP3

Early market shaping roadmaps

- Develop for select VIS approved vaccines
- Anticipatory landscaping and planning to ensure optimised launch of Gavi programme
 - Financing modalities, as needed
 - Evidence generation to inform future policy

Further collaboration with the Coalition for Epidemic Preparedness Innovations (CEPI)

- Coordinate the complementary tools of respective organisations
- Incentivise vaccine licensure and support the viability of future markets

Outbreak financing mechanisms

- Efficient deployment of Gavi's outbreak financing mechanisms to transact with vaccine developers and manufacturers addressing in-scope OEP pathogens
- Includes First Response Fund and Day Zero Financing Facility



Recommendation

The Gavi Alliance Board is requested to **provide guidance** on:

- a) Interrelated Strategic Priorities (SPs) 1 & 2, and their associated Target Outcomes (TOs), specifically the increased focus on optimising for affordability of vaccine costs (SP1) balanced with the imperative to maintain access, supply security and market health (SP2);
- b) Two proposed direct enablers supporting SPs 1 and 2, specifically:
 - Revision of the Healthy Markets Framework, with expansion of Supply Security definitions, to better evaluate trade-offs between SPs 1 & 2; and
 - ii. A Procurement Framework to be articulated within MSS6.0; and
- c) The ambition for SP3 as specific to Vaccine Investment Strategy (VIS)-endorsed vaccines and vaccines against select outbreak-, epidemic- and pandemic-prone (OEP) diseases, and the associated TOs and proposed enablers.

The Gavi Alliance Board is requested to <u>note</u> that Gavi's Board Chair is convening the MSDC in an advisory capacity for a time-limited period to provide guidance on the most material trade-offs and risks related to achieving price-related budget savings.



Thank you