

Annex B: Shift A scope conditions and assessment

Shift A background

Initial Self-Financing (ISF) countries currently co-finance most Gavi-supported vaccines at US\$ 0.20 per dose, thus shielding them from any product price differences. This 'de-linking' of the amount of co-financing that a country pays from the actual cost of a vaccine product reduces a country's incentive to include price in product choice decisions and can limit the competitive advantage of new lower-cost market entrants, while also preventing ISF countries from realising the cost savings they could gain by switching to a less expensive product. This threatens countries' long-term sustainable access to affordable vaccines by jeopardising market health. To ensure vaccine markets can sustainably serve Gavi-supported countries, it is important to address demand dynamics that negatively impact market health in a way that is 'country-centric', i.e. with the interests of countries at the forefront.

Thus Shift A, by directly linking a country's co-financing contribution to the actual price of a vaccine product for ISF countries, is designed to encourage a diverse vaccine supplier base which helps ensure that competitive dynamics can lead to favourable price trends and ensure supply security. Shift A will establish price as a criterion in country decision-making processes for new vaccine introductions and portfolio optimisation, alongside other factors such as efficacy, safety, cold chain footprint, and impact on coverage.

Shift A scope conditions & assessment

To maximise shift A's benefit without creating negative side-effects, its application will be driven by the following two criteria:

1. The market is a full choice market
 - *Full choice markets*: markets where countries can choose presentation and product brand, so market share is primarily driven by country choice
 - *Restricted choice markets*: markets where countries can choose presentation but not product brand, allowing UNICEF to allocate demand volumes across suppliers within each presentation
2. Application of Shift A will improve market health in a way that aligns with objectives defined by vaccine market roadmaps and supports long-term programme sustainability. Key market dimensions to be assessed for impact include
 - Balanced demand and timely uptake of new products
 - Supply availability and security
 - Supplier diversity and long-term competition

3. Based on available country and market intelligence, a review of Gavi's vaccine portfolio against the above criteria shows that Human Papillomavirus vaccine (HPV) and Pneumococcal vaccine (PCV) markets are most appropriate for initiating Shift A. In these markets, ISF countries overwhelmingly choose more costly products despite the World Health Organization's Strategic Advisory Group of Experts on Immunization (SAGE) indicating programmatic equivalence or similar impact. Shift A would support Alliance vaccine portfolio optimisation efforts to enable more holistic decision-making for countries. For HPV and PCV markets, a more balanced consideration of product options may support the sustainability of new market entrants while generating cost savings for ISF countries.
4. To ensure the above criteria and assessment outputs for Shift A scope remain fit-for-purpose as markets evolve, and ensure the broadest policy applicability and maximise long-term country benefits, Square Group partners are developing a workplan to support Shift A assessment, which includes:
 - a) The refinement and codification of definitions of full choice vs. restricted markets and reassessment of markets within each category,
 - b) the development of a MEL framework to generate learnings to inform additional tools that may complement Shift A,
 - c) the development of and codification of when to use new 'risk-management' tools to manage risks for markets and countries.

This workplan will begin in Q4 2024, with risk mitigation measures implemented prior to Shift A roll-out to ensure minimal disruptions to countries.

Shift A scope analysis

1. Is the market a full choice market

	Full choice market	Comments	
DTP-HepB/Hib	No		Country choice limited to presentation .
Hexa	No	Co-financing policy includes IPV subsidy	
IPV	No	Full funded by Gavi until bOPV cessation. Post-cessation, ISF will continue to be fully supported.	
Measles	No		
MenA	No		
MMCV	No		
MR	No		
OCV	No	Fully funded by Gavi	
TCV	No		
YF	No		
Ebola	Yes	Fully funded by Gavi	Country choice for presentation and product brand .
HPV	Yes		
JEV	Yes		
Malaria	Yes		
PCV	Yes		
Rota	Yes	Co-financing share adjusted to account for schedule difference	

UNICEF can **operate within tenders** and **award volumes across suppliers** to achieve market health outcomes.

Tender awards **driven primarily by country choices**, with limited or no ability to allocate doses as a risk mitigation measure.

2. Does Shift A align with market objectives & pose limited risks

Vaccine	Market conditions and rationale for including in Shift A
Ebola	<ul style="list-style-type: none"> Ebola is fully funded by Gavi
HPV	<ul style="list-style-type: none"> Demand heavily skewed towards most expensive product (HPV4), with minimal uptake of cheaper product (HPV2) despite SAGE assessment that products are equivalent. ELTRACO Shift A has the potential to improve market health, i.e., improved balance of demand and market competition.
JEV	<ul style="list-style-type: none"> Demand skewed towards cheapest product already, supported by better programmatic suitability. ELTRACO Shift A would have no impact.
Malaria	<ul style="list-style-type: none"> Demand increasingly skewing toward the cheapest product despite SAGE assessment of vaccines as expected to perform similarly, in a two-product only market against a clear Alliance goal of maintaining a two-product market ELTRACO Shift A has a strong potential to worsen market health and lead to a one-product market
Rota	<ul style="list-style-type: none"> Market health dependent on availability of supply from 3 viable and reliable manufacturers. Price exposure for ISF countries could lead to switches out of one product which would negatively impact viability of its supplier and potentially lead to price increase or market exit, while all 3 suppliers need to stay in the market for supply security reasons.
PCV	<ul style="list-style-type: none"> Demand heavily skewed towards one of the more expensive products (PCV13), with minimal uptake of cheaper product (PCV10) despite WHO PCV position paper stating they have similar impact. ELTRACO Shift A has the potential to improve market health, i.e., improved balance of demand and market competition.

■ Market proposed to be included in Shift A
 ■ Market proposed to be excluded from Shift A