



**ADVANCE
MARKET
COMMITMENTS**
for vaccines



The Pneumococcal AMC:

The Process

The governments of Italy, the United Kingdom, Canada, the Russian Federation, Norway and the Bill & Melinda Gates Foundation committed US\$1.5 billion to launch the first Advance Market Commitment (AMC) to help speed the development and availability of pneumococcal vaccines for developing countries¹. The AMC process and flow of funds is described as follows:

- **Donors** make grant payments to the International Bank for Reconstruction and Development (IBRD). Each donor pays in accordance to its specific schedule or through an agreed demand-based payment arrangement.
- **IBRD** holds donor payments on its balance sheet. These are designated assets with a corresponding liability and are paid to GAVI under the AMC terms and conditions.
- **UNICEF** issues calls for offers two times each year based on a 15-year demand forecast that is updated bi-annually by GAVI soon after its Board meetings.
- **All suppliers** that sign a registration agreement of AMC terms and conditions can participate in calls for offers. Offers cannot be higher than the forecasted demand for the start date proposed by the supplier. Offers must have a start date no later than five years into the future.
- **UNICEF** assesses all offers received and enters into supply agreements with those manufacturers whose products have met the minimum specifications of the target product profile (TPP) developed by WHO.
- **An AMC Independent Assessment Committee (IAC)** of the AMC establishes eligibility of vaccines for AMC funding.
- **All vaccines** are initially purchased at \$7 per dose. This price comprises the applicable tail price set by each manufacturer (but



subject to a cap of \$3.50 per dose) paid by GAVI and the remaining top-up price paid by the AMC.

- **Participating manufacturers** must make a 10-year commitment to supply a share of the total demand forecast of 200 million doses annually. The AMC provides a directly proportional share of the \$1.5 billion. For instance, if a firm makes an offer to supply 100 million doses, it is entitled to receive \$750 million, 50% of the total \$1.5 billion AMC funds.
- **Once a company** has utilised its share of the AMC funds, it is then legally committed to continue supplying its vaccine at the long-term tail price for the remaining period of its supply agreement.
- **Countries** apply to GAVI for AMC funding according to GAVI procedures. On the recommendation of an Independent Review Committee, the GAVI Board approves the budget for vaccine introduction and annually reviews country progress. Countries contribute to the cost of vaccines based on GAVI's co-financing policy.
- **Monitoring and evaluation** is conducted under an AMC Monitoring and Evaluation Framework Strategy.

¹ Donors contributions:
Italy (US\$635 million),
UK (US\$485 million),
Canada (US\$200 million),
the Russian Federation
(US\$80 million),
Norway (US\$50 million),
The Bill & Melinda Gates Foundation
(US\$50 million).

For more information visit: www.vaccineamc.org