



## GAVI'S PROPOSAL FOR AN ADVANCE MARKET COMMITMENT FOR COVID-19 VACCINES

The world urgently needs vaccines that protect against COVID-19. Vaccine development is moving fast with more than 80 preclinical candidates in development and seven in human trials. We need to move equally fast to expand the capacity to make vaccines and make sure there's a reliable supply to protect the most vulnerable and control the pandemic. Building upon its two decades of experience in accelerating the availability of billions of doses of vaccines, Gavi is proposing a new mechanism – an Advance Market Commitment (AMC) for COVID-19 vaccines.

The surge in demand for test kits has led to global shortages that have left some countries racing to secure supplies. If the world doesn't get organised, the same will happen with COVID-19 vaccines – and if the pandemic continues anywhere, the whole world is at risk.

We face several **challenges** in making vaccines available to everyone who needs them:

- We know that we're likely to need billions of doses, but we don't know yet which vaccine candidates will be used and their characteristics, and what this means for scaling up manufacturing and how countries should roll out the vaccines
- Despite the uncertainty, speed is essential, which means that we will need to accept that some investments in scaling up manufacturing will not lead to successful products
- Manufacturers, particularly in developing countries where some of the largest producers are based, are facing difficult business environments as a result of shutdowns
- We will have to maintain supplies of existing vaccines, otherwise millions of children will die
- Developing countries lack resources to introduce new vaccines
- There may be vaccine hesitancy in some communities

Gavi is proposing a new AMC which will **speed up availability** of vaccines by efficiently managing the supply and demand of vaccines, with supporting incentives and financing capabilities. Gavi's integrated approach has proven successful for development and procurement of vaccines, with participation of manufacturers.

A new AMC will support the manufacturing and procurement of COVID-19 vaccines by:

- Agreeing to buy large quantities of vaccines at established and equitable prices, to provide incentives to manufacturers to invest in large scale capacity. This draws upon Gavi's experience of an existing AMC for pneumococcal vaccines, which has prevented 700,000 children's deaths, and of accelerating Ebola vaccines, which has helped to control the latest outbreak in DRC.
- Funding the expansion of manufacturing capacity, securing critical raw materials and equipment, and helping to transfer technology from developers to manufacturers. This draws upon the experience of the Meningitis Vaccine Project, which took a vaccine from a lab in the Netherlands to a large producer in India as well as others.

Gavi is an alliance, and most of the key organisations are already members, and can bring their expertise to bear on this new challenge. The Alliance brings together countries which introduce vaccines, donors, the WHO which sets standards for vaccines, manufacturers, UNICEF which manages procurement, the World Bank which manages funds for the existing AMC, and civil society which holds others to account. Gavi is now also working in partnership with the Coalition for Epidemic Preparedness Innovation (CEPI), which has been supporting several of the COVID-19 vaccine candidates.



We will address the challenges of securing billions of doses by:

- Focusing on those who are most at risk, such as health workers, the elderly, and people with existing health conditions
- Assuring there is a stockpile of vaccines to deal with out-of-control outbreaks
- Focusing on making vaccines available at scale as quickly as possible
- Drawing upon our experience and our partners' experience to take an end-to-end view of the vaccines – from development, to manufacturing, procurement, and delivery in countries
- Basing decisions on science and evidence, using a global perspective to focus resources on the best candidates regardless of where they come from. These candidates will meet WHO's standards for the new vaccines
- Using a portfolio of manufacturing sites, so that if one site can't be used, there are others that can be, and costs are reduced by producing at volume
- Using clear rules and criteria including for funding, engagement with manufacturers and allocation of vaccines, with strong governance drawing upon the Alliance's experience. For example, several manufacturers have already committed to treat vaccines against COVID-19 with a cost-plus strategy. To provide reassurance on this, manufacturers will be asked to commit to transparency regarding their costs, and pricing could be based on validated costs of production plus a small margin.
- Working flexibly, using a range of tools, adapting as our understanding of the epidemiology of the virus and vaccines develops
- Providing a clear exit strategy, so that we focus on the acute phase of the pandemic

Reflecting Gavi's sustainable model, support through the AMC could be differentiated based upon countries' income and ability to co-finance vaccines. For example, some middle-income countries could have access to pooled procurement, but not funding to introduce vaccines.

The G20 leaders committed to provide “immediate resources” to Gavi to step up the fight against COVID-19 and called on others to do the same. On resources:

- Working with partners, Gavi has estimated initial costs of **\$2bn** to immunise 20m health care workers and create a vaccine stockpile to be deployed where it is needed most.
- These costs would be additional to investments of at **least US\$ 7.4bn** for Gavi's replenishment for 2021-2025 needed to sustain immunisation systems during the pandemic. Gavi's replenishment will conclude on **4 June**, and the AMC will be launched on this date.
- Gavi is already using its International Finance Facility for Immunisation (**IFFIm**) to bring forward additional donor funds for CEPI. IFFIm is available to finance the new AMC through further additional contributions.

The G20 and the G7 called for health systems to be strengthened globally, and for urgent steps to develop, manufacture and distribute a vaccine against coronavirus. Gavi will support global agreements that establish the principles of equal access to vaccines. In anticipation of any global agreement, Gavi is pressing ahead with developing the COVID-19 AMC to make vaccines urgently available wherever they are needed.

*Gavi, 1 May 2020*