Vaccine Procurement:
UNICEF approach
$3.428 billion of supplies and services

- **Vaccines**: $1.725 billion
- **Pharmaceuticals**: $151.4 million
- **Nutrition**: $150.6 million
- **Medical supplies & equipment**: $110.4 million
- **Bed nets & insecticides**: $58.7 million
- **Construction**: $102.3 million
- **Cold chain equipment**: $75.6 million
- **Water & sanitation**: $96.4 million
- **Education**: $66.1 million
- **International freight**: $104.3 million

Approximately **$1.754 billion** is procurement on behalf of governments and partners.
UNICEF has a key role in vaccine procurement of immunization supplies on behalf of 100 countries annually.

2015 Vaccines Supplies: US$ 1,72 billion
2.80 billion doses
2,491 shipments

Immunization Supplies

Vaccines
BCG, Cholera, DTP, DTP-HepB/ Hib, HepB, HPV, Influenza, IPV/ OPV, JE, M/MR/MMR, Meningococcal, PCV, Rabies, RV, TT/Td/DT, YF etc.

Safe Injection equipment
Cold Chain Equipment

Countries UNICEF procures on behalf of

- Full schedule
- Partial schedule

Source: UNICEF Supply Division
A considerable portion of vaccines procured by UNICEF come from emerging market country manufacturers.

5: 1.63 billion doses with a value of US$ 612 million

Source UNICEF Supply Division
Vaccine Security: The sustained, uninterrupted supply of affordable vaccines of assured quality

Accurate Forecasting
• Multi-year forecasts from countries and programmes. Production planning forecasts and short/medium term forecasts to industry

Funding
• Understanding of funding profiles (country + aggregate); and longer term views of funding

Appropriate Contracting
• Multi-year arrangements; Multiple sources; Firm contracting (& funding) as relevant
Innovation in Vaccine Procurement: Supporting Healthy Markets
Gavi, the Vaccine Alliance, UNICEF Supply Division, and the Bill and Melinda Gates Foundation have developed the Healthy Markets Framework.

The aim is threefold:

1) To have a common way of thinking about the health of markets for the vaccines important to the countries that we serve.

2) To be able to better communicate how we look at individual vaccine markets and their needs, and engage partners in the conversation about how we can consider the needs of developing countries.

3) To be able to better analyze potential trade-offs between accommodating country preferences, minimizing procurement and/or investment costs, protecting long term diversity of supply and supply security, and providing suppliers continued room to offer product innovation.
Responding to changes in the Market: Penta
Analyses from the framework should calculate the cost of achieving a healthy state in each additional attribute and to the extent possible; calculate the expected long-term cost/cost-avoidance/saving of attaining the healthy market state of the same attribute.

**Illustrative Example: Penta**

<table>
<thead>
<tr>
<th>Illustrative Example: Penta</th>
<th>Long Term Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRA Risk</td>
<td></td>
</tr>
<tr>
<td>Individual Supplier Risk</td>
<td></td>
</tr>
<tr>
<td>Buffer Capacity</td>
<td></td>
</tr>
</tbody>
</table>

**Cost Impact**

- **NRA risk**: Incremental cost to add suppliers which allow for diverse NRA base (if not already captured in previous allocations)
- **Individual supplier risk**: Incremental cost to add/keep enough suppliers such that the market can survive loss of "risky" or biggest supplier(s) due to quality, financial, etc.
- **Buffer capacity**: Incremental cost to ensure that there is adequate online production capacity to provide 'back up' capacity in case of failures
- **Lowest Realistic WAP**: Incremental cost (or saving) to meet country product preferences as closely as possible
- **Lowest Theoretical WAP**: Price at which at demand could be met irrespective of presentation preference

**Incremental Cost Per Market Attribute**
Vaccine Procurement: Engagement with Industry
Examples of engagement

UNICEF engages permanently with the vaccine industry:

- Public solicitations (Tenders) to Vaccine Manufacturers
- Participation in Industry Associations Meetings (DCVMN / IPFMA)
- Regular visits to manufacturers: Gavi Roadshows / UNICEF visits
- Attendance to Vaccine Congresses
- Permanent contact with current contractors (regular TCs) and follow-up with pipeline producers
- Annual Vaccine Industry Consultation in UNICEF Supply Division in Copenhagen. 15 & 16 November 2016
- Ad Hoc Industry Consultations in UNICEF Supply Division in Copenhagen – May 2016: ZIKA Diagnostics and Vaccines
Information Transparency: Updated Market Notes and Price Publication

Pentavalent vaccine (DTwP-HepB-Hib): Market & Supply Update

UNICEF Supply Division
July 2015

The prices as reported below were obtained for middle income countries without Gavi support.

<table>
<thead>
<tr>
<th>Product</th>
<th>Supplier Name</th>
<th>Receiving Country</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>DTP-HepB-Hib vaccine in a single dose liquid presentation</td>
<td>Broma Biotech Korea Corporation</td>
<td>Moldova, Turkmenistan</td>
<td>$2.60</td>
<td>$2.60</td>
</tr>
<tr>
<td></td>
<td>Biological E Limited</td>
<td>Fiji</td>
<td>$2.35</td>
<td>$2.35</td>
</tr>
<tr>
<td></td>
<td>Panacea Biotec Limited</td>
<td>Morocco</td>
<td>$2.25</td>
<td>$2.25</td>
</tr>
<tr>
<td></td>
<td>Serum Institute of India Ltd.</td>
<td>Fiji</td>
<td>$2.25</td>
<td>$2.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lebanon</td>
<td>$1.80</td>
<td>$1.80</td>
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<tr>
<td></td>
<td></td>
<td>Yemen</td>
<td>$1.80</td>
<td>$1.80</td>
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<tr>
<td></td>
<td></td>
<td>Kosovo</td>
<td>$1.80</td>
<td>$1.80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lebanon</td>
<td>$1.80</td>
<td>$1.80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Morocco</td>
<td>$1.80</td>
<td>$1.80</td>
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<tr>
<td></td>
<td></td>
<td>Philippines</td>
<td>$1.80</td>
<td>$1.80</td>
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<tr>
<td></td>
<td></td>
<td>Cabo Verde</td>
<td>$1.95</td>
<td>$1.95</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Egypt</td>
<td>$1.95</td>
<td>$1.95</td>
</tr>
<tr>
<td></td>
<td></td>
<td>State of Palestine</td>
<td>$1.95</td>
<td>$1.95</td>
</tr>
</tbody>
</table>

The table shows the awarded price per dose (in US$) per product per supplier and per country for procured transactions between January 2014 and April 2015. Last updated 1st May 2015.

Note: Price data is shown as historical and related to transactions conducted by UNICEF with the respective manufacturer. It is not guaranteed for future transactions.

Future prices will be determined after the conclusion of the applicable tender procedures.
Vaccine Procurement: UNICEF priorities
UNICEF Priorities – Opportunities to Industry

Ensure availability of core vaccines and uninterrupted delivery of vaccines to Programme countries

UNICEF Health Emergencies Preparations - R&D Pipeline
   Health Emergency Preparedness Initiative (HEPI)
   Reducing vaccine timelines: from research to availability

Use of Vaccines for Emergency and Outbreak response
   Meningococcal / Yellow Fever / Oral Cholera Vaccine / Polio

Access to Vaccines in Humanitarian Emergencies

Access to affordable vaccine in middle income countries
   PCV / Rotavirus / HPV
1. Make markets more efficient by improving market information flows (e.g. through promoting price transparency, improving MICs demand forecasts specific, publishing market notes)

2. Seek to facilitate access to vaccine supply and most affordable prices for new vaccines on behalf of MICs (i.e. through variety of procurement modalities:
   - Pooled procurement tenders
   - Single-country tenders
   - Establishment of reference pricing models
   - Structured financing efforts
3. Strengthen national vaccine procurement practices in MICs to transition vaccine procurement from UNICEF to country governments (e.g. through sharing of best practice; peer-to-peer exchange workshops)

4. Leverage strategic partnerships
UNICEF must work in a coordinated fashion with other stakeholders that are active in this realm particularly to strengthen market (demand/supply/ pricing) information flows, and advocacy
All This Is Possible Through Cooperation With Partners

World Health Organization

Gavi, The Vaccine Alliance

Bill & Melinda Gates Foundation

Pan American Health Organization

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