



**UNICEF Supply Division Vaccine Procurement**

Vaccination ecosystem health check: achieving impact today and sustainability for tomorrow

Veyrier-du-Lac - France  
19-21 January 2015

unite for  
children

unicef 

# UNICEF Strategic Plan 2014-2017- realizing the rights of every child, especially the most disadvantaged

**SURVIVE**  
FROM ARRIVAL

**TO THRIVE**  
INTO ADULTHOOD



**1**  
HEALTH

**2**  
HIV & AIDS

**3**  
WASH

**4**  
NUTRITION

**5**  
EDUCATION

**6**  
CHILD PROTECTION

**7**  
SOCIAL INCLUSION

Realizing the Rights of Every Child

# UNICEF Supply Strategies 2014-2017

## UNICEF Outcome Areas

Health  
HIV/AIDS  
WASH  
Nutrition  
Education  
Protection  
Inclusion

## UNICEF Global Supply Strategies

Service Delivery  
Emergencies  
Strengthening Supply Chains with Governments  
Influencing Markets  
Product Innovation  
Monitoring  
Supply Community  
Optimising UNICEF Supply Working  
Together for Results  
Evaluation  
Partnerships

# UNICEF works with range of products, suppliers, partners and countries for the supply management of vaccines

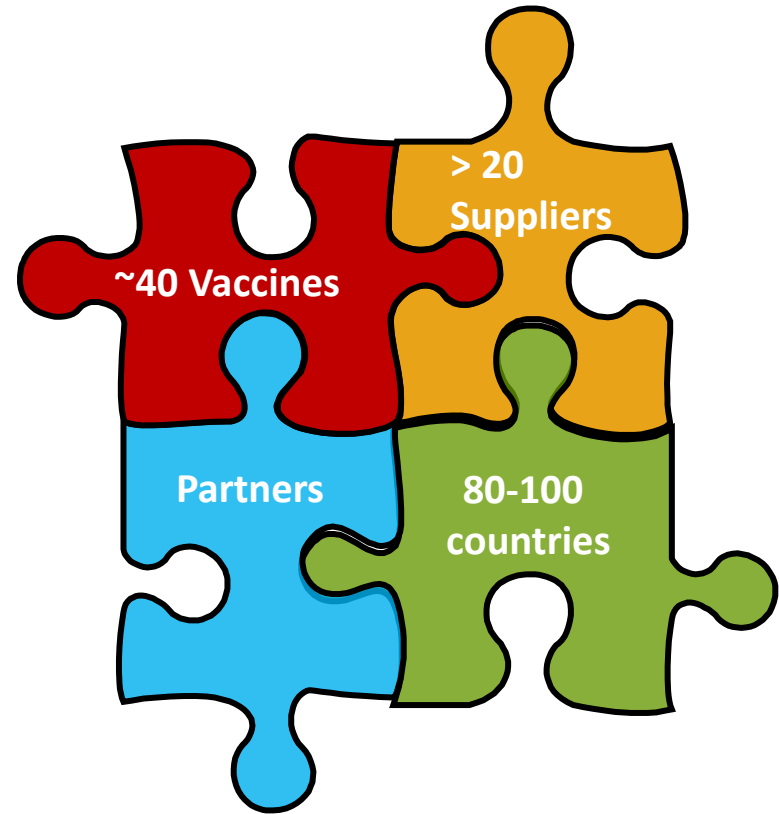
The continuous changes in both supply and demand creates a dynamic market that requires continuous monitoring and management.

Systems are in place to monitor demand against supply and to report regularly both to manufacturers, countries and regional offices.

Internal coordination within Supply Division in the planning and procurement of vaccines, devices and cold chain for campaigns.

Strict guidelines are applied to ensure the safe delivery of vaccines and the reporting of condition on arrival through the Vaccine Arrival Report.

UNICEF has the capacity to reallocate demand and supply between Countries and Suppliers, to avert crisis and level out demand fluctuations



# UNICEF procures range of immunization supplies on behalf of 80-100 countries annually

Vaccines: BCG, DTP, TT/Td/DT, Measles containing (M, MR, MMR), OPV, HepB, YF, DTP-HepB, DTP-HepB/Hib, DTP/Hib, Hib, Meningococcal, PCV, RV ,IPV, HPV, etc.

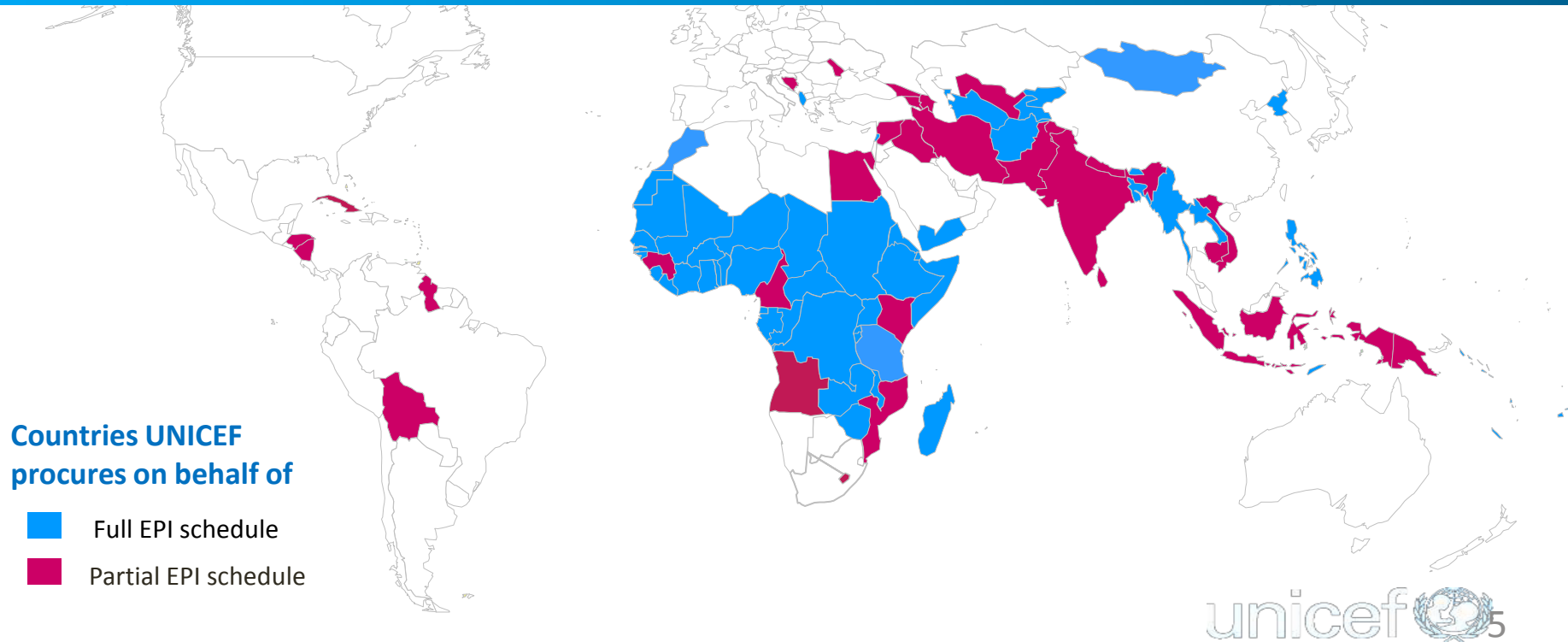
Safe Injection equipment

Cold Chain Equipment

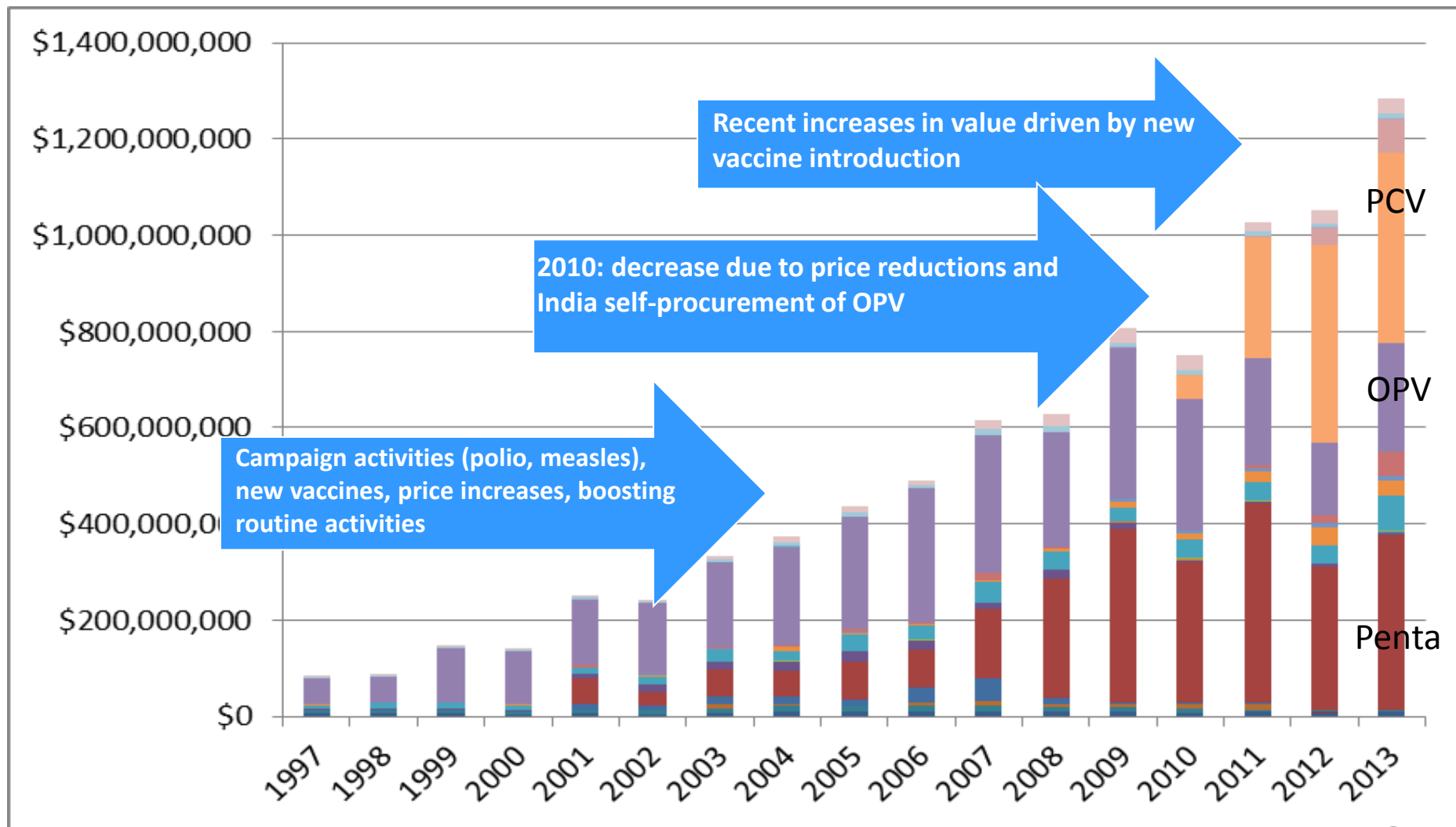
2014 Vaccine Supplies: US\$ 1.474 billion

2.70  
billion doses

2,556  
deliveries



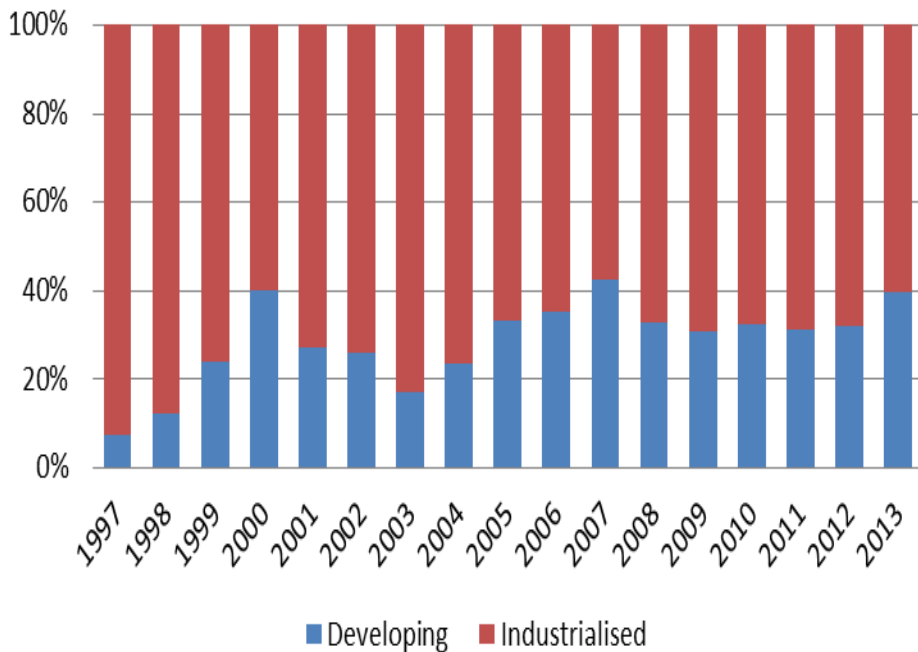
# Annual vaccine procurement value has increased significantly since 2000



# Vaccines procured by UNICEF: industrialized and emerging market country manufacturers

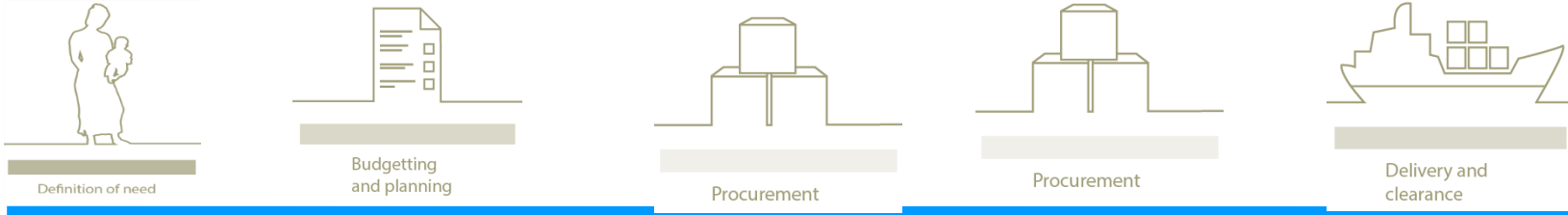
2013: 1.55 billion doses with a value of \$507 million

### Shared by USD value



### Shared by Quantity in doses





**Data Analysis**



*Data analysis for effective supply Planning - Sharing Price information*

**Annual Forecasting**



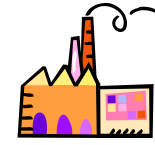
*Management of the global forecasting Exercise*

**Order Placement**



*Operational Follow-ups*

**Supplier**



*Contracts and suppliers management*

**Airport**



*Shipping management for on-time delivery*



Inspection



**Monitoring & Reporting**



Monitoring and evaluation



**Immunisation**



Utilisation by end user



**Health Centre**



Warehousing, distribution and re-order



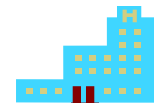
**District/Regional Cold Chain Storage**



Warehousing, distribution and re-order



**Central Cold Chain Storage**



Warehousing, distribution and re-order





# Vaccine Security

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UNICEF's procurement is focused on achieving Vaccine Security: the sustained, uninterrupted supply of affordable vaccines of assured quality

To achieve value for money and access to vaccines for children in need:

- Healthy, competitive markets through the Vaccine Security approach and specific vaccine procurement principles
- Vaccines as biological products – requiring a specific approach for vaccine procurement
- Three pillars:
  - Available funding
  - Accurate forecasting
  - Appropriate contracting

# UNICEF Vaccine Procurement Principles

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1. A **healthy industry** is vital to ensure uninterrupted and sustainable supply of vaccines
2. Procurement from **multiple suppliers** for each vaccine presentation
3. Procurement from manufacturers in **developing countries and industrialized countries**
4. Paying a price that is **affordable** to Governments and Donors, and a price that reasonably covers manufacturers minimum requirements
5. UNICEF should provide manufacturers with **accurate and long-term forecasts**; Manufacturers should provide UNICEF with accurate and long-term production plans
6. As a public buyer, providing grants to manufacturers is not the most effective method of obtaining capacity increases
7. The option to quote **tiered pricing** should be given to manufacturers.

# UNICEF markets dashboard & product notes

## The Markets Dashboard

Taking inspiration from UNITAID's Market Dynamics Dashboard, UNICEF developed and began publishing its own Markets Dashboard during 2013. The Dashboard monitors the market dynamics of more than 50 essential commodities for women and children. It provides a qualitative assessment of the determinants of a healthy market, including:

- Availability
- Affordability
- Competition
- Quality
- Acceptability
- Delivery
- Funding security

This qualitative assessment helps to identify elements that contribute to gaps between supply and demand of particular products and suggests opportunities to catalyse frameworks and interventions that will achieve a more balanced market.

For example, some market shortcomings may call for engagement on a traditional procurement strategy basis where UNICEF may pool demand to achieve improved scale purchasing and better visibility for manufacturers.

Other contexts may suggest that UNICEF should support Country Offices in developing a quality local supplier base from which it can source the commodity. Where there are gaps in quality standard-setting, UNICEF may be well positioned to positively influence market dynamics by collaborating with partners and publishing the normative guidelines that it follows.

The Markets Dashboard is updated and published twice a year. Placing the analysis in the public domain informs debates amongst stakeholders who include governments, international procurement agencies and manufacturers. The outcome of these discussions and ideas can underpin UNICEF's policies, and approaches to make products more available and affordable for children. Additionally, these new insights provide UNICEF with an opportunity to challenge the assumptions underlying its own procurement decisions and strategies.

UNICEF is increasingly disclosing high-level strategies within this

Dashboard context to continue to spur debate and build on transparency initiatives. Feedback is welcome and can be provided via the links at the UNICEF Supply website.

See the latest UNICEF Markets Dashboard at: [http://www.unicef.org/supply/index\\_70578.html](http://www.unicef.org/supply/index_70578.html)



The image shows a close-up of the UNICEF Supply Division Markets Dashboard. The document is titled 'UNICEF Supply Division' and 'Markets Dashboard: Key Supply Markets for Women and Children - List of 30 September 2013'. It features a large table with columns for 'Market', 'Commodity', 'Market Dynamics', and 'Market Performance'. The 'Market Dynamics' section includes sub-columns for 'Availability', 'Affordability', 'Quality', 'Acceptability', and 'Delivery'. The 'Market Performance' section includes sub-columns for 'Market Structure', 'Market Access', 'Market Information', and 'Market Support'. The table contains numerous rows of data, with some cells highlighted in blue and red.

# Market Updates: BCG

- Two manufacturers experienced technical difficulty Q3-Q4 2013 and Q1 2014, reducing the awarded quantities by 40%
- Increase allocation from other 2 manufacturers

Table 2 Manufacturer Awarded Supply versus 2013 Procured and Delivered BCG Quantities

| Manufacturer                 | Originally Awarded 2013 Supply | Production Change | %         | Procured Product   |
|------------------------------|--------------------------------|-------------------|-----------|--------------------|
| Intervax Ltd                 | 30,000,000                     | 14,380,000        | 48%       | 44,380,000         |
| Japan BCG Laboratory         | 20,000,000                     | 14,300,000        | 72%       | 34,300,000         |
| Serum Institute of India Ltd | 55,000,000                     | -17,074,000       | -31%      | 37,926,000         |
| Statens Serum Institute      | 10,000,000                     | -8,623,000        | -86%      | 1,377,000          |
| <b>Total</b>                 | <b>115,000,000</b>             | <b>2,983,000</b>  | <b>3%</b> | <b>117,983,000</b> |

Source: UNICEF Supply Division.

# Market Updates: BCG (3)

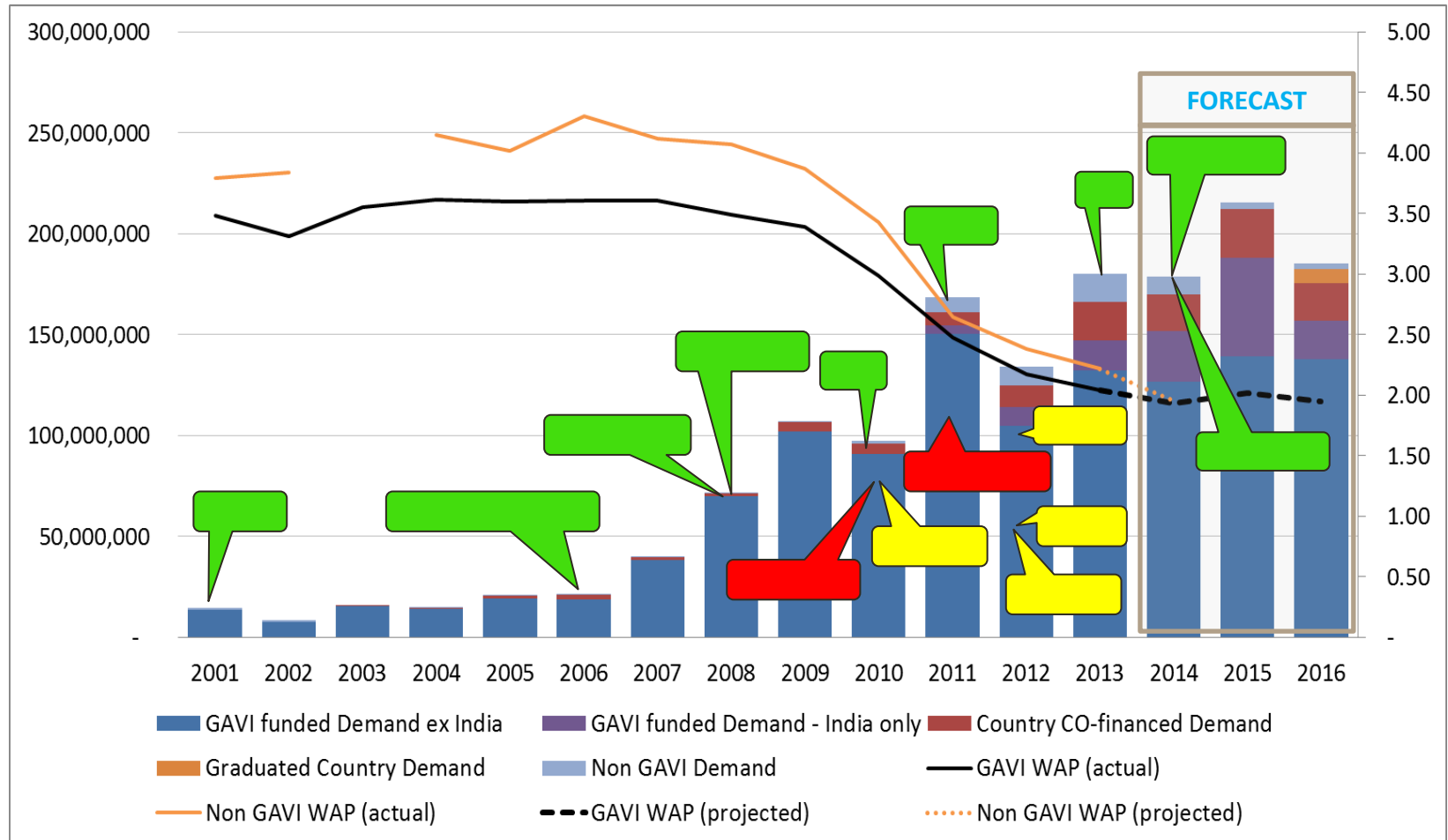
Table 1 UNICEF 2014 and 2015 Awards and 2014 Supply

| Manufacturer | Original 2014 Awards | 2014 Add. Awards | Total 2014 Awards  | %         | Total 2014 Supply  | %          | 2015 Awards        | % Total 2014 Awards |
|--------------|----------------------|------------------|--------------------|-----------|--------------------|------------|--------------------|---------------------|
| Intervax     | 34,000,000           | 5,483,000        | 39,483,000         | 17%       | 39,483,000         |            | 36,000,000         | -9%                 |
| Japan BCG    | 32,000,000           |                  | 32,000,000         |           | 30,936,000         | -4%        | 16,000,000         | -50%                |
| SII          | 44,000,000           | 3,000,000        | 47,000,000         | 7%        | 47,000,000         |            | 45,000,000         | -5%                 |
| SSI          | 10,000,000           |                  | 10,000,000         |           | 4,768,000          | -53%       | 10,000,000         |                     |
| <b>Total</b> | <b>120,000,000</b>   | <b>8,483,000</b> | <b>128,483,000</b> | <b>7%</b> | <b>122,187,000</b> | <b>-5%</b> | <b>107,000,000</b> | <b>-17%</b>         |

Source: UNICEF Supply Division.

- Despite efforts to normalize and increase capacity, 2014 supply did not meet revised forecast requirements; demand increased to ~145 mds at the same time supply reduced by 6.3 mds
- 22.8 mds from 2014 demand postponed for delivery in 2015
- Revised forecast demand for 2015 is 156 mds; ~ 70 mds shortfall

# Market Updates: Pentavalent Vaccine (DTP-HepB/Hib)



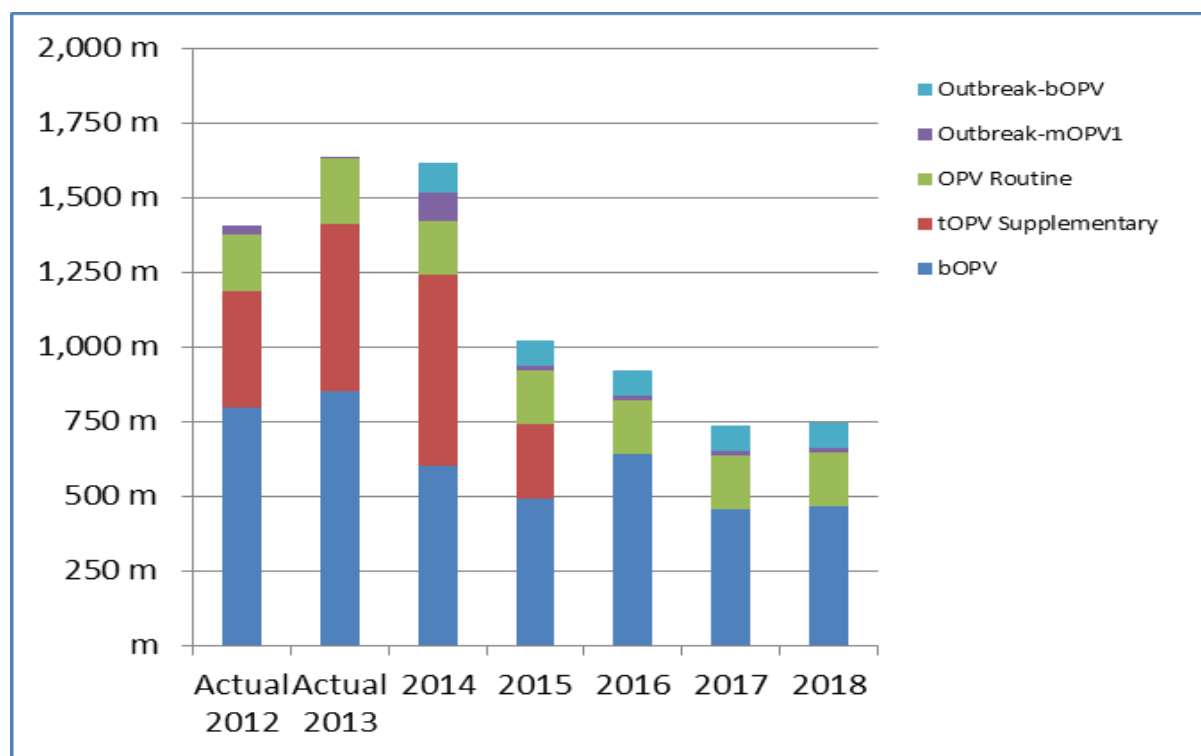
Supply start

De-listing

Suspension

# Market Updates: OPV

- Majority of UNICEF procurement is for campaigns (85% in 2014)
- Contracts in place for 2013-2016/2017
- Continued high demand for endemic countries and outbreak response



- Programmatic direction: type 2 withdraw
- Part of the Endgame Strategy, expect a global synchronized switch from tOPV to bOPV by mid-2016

# Market Updates: IPV

| Price ranges 2014-2018 <sup>i</sup> | Sanofi Pasteur |                    | Bilthoven/SII        |
|-------------------------------------|----------------|--------------------|----------------------|
|                                     | GAVI-supported | MICs <sup>ii</sup> | All countries        |
| 10 dose                             | €0.75          | €1.49 - €2.40      |                      |
| 5 dose <sup>iii</sup>               |                |                    | \$1.90 <sup>iv</sup> |
| 1 dose                              |                |                    | \$2.80               |

<sup>i</sup> For prices quoted in Euro, UN exchange rate at time of payment will apply.

<sup>ii</sup> MIC country prices for Sanofi Pasteur are tiered.

<sup>iii</sup> Bilthoven/SII: 5 dose vials have been awarded on condition of WHO prequalification. For Sanofi, a price will be confirmed upon WHO prequalification.

<sup>iv</sup> Based on awards, a price of \$1.50 is projected to be accessed in 2018.

- Awarded to 2 manufacturers for one product presentation each (1 dose and 10 doses)
- Limited availability of 1 dose presentation
- 2 dose vial is WHO pre-qualified but not offered to UNICEF
- An additional manufacturer was given conditional award for supply beginning in 2016 pending WHO pre-qualification
- 5 doses is conditional for both suppliers and pending prequalification by WHO (expected in Q4 with immediate supply)



# Market Updates: IPV-containing vaccine

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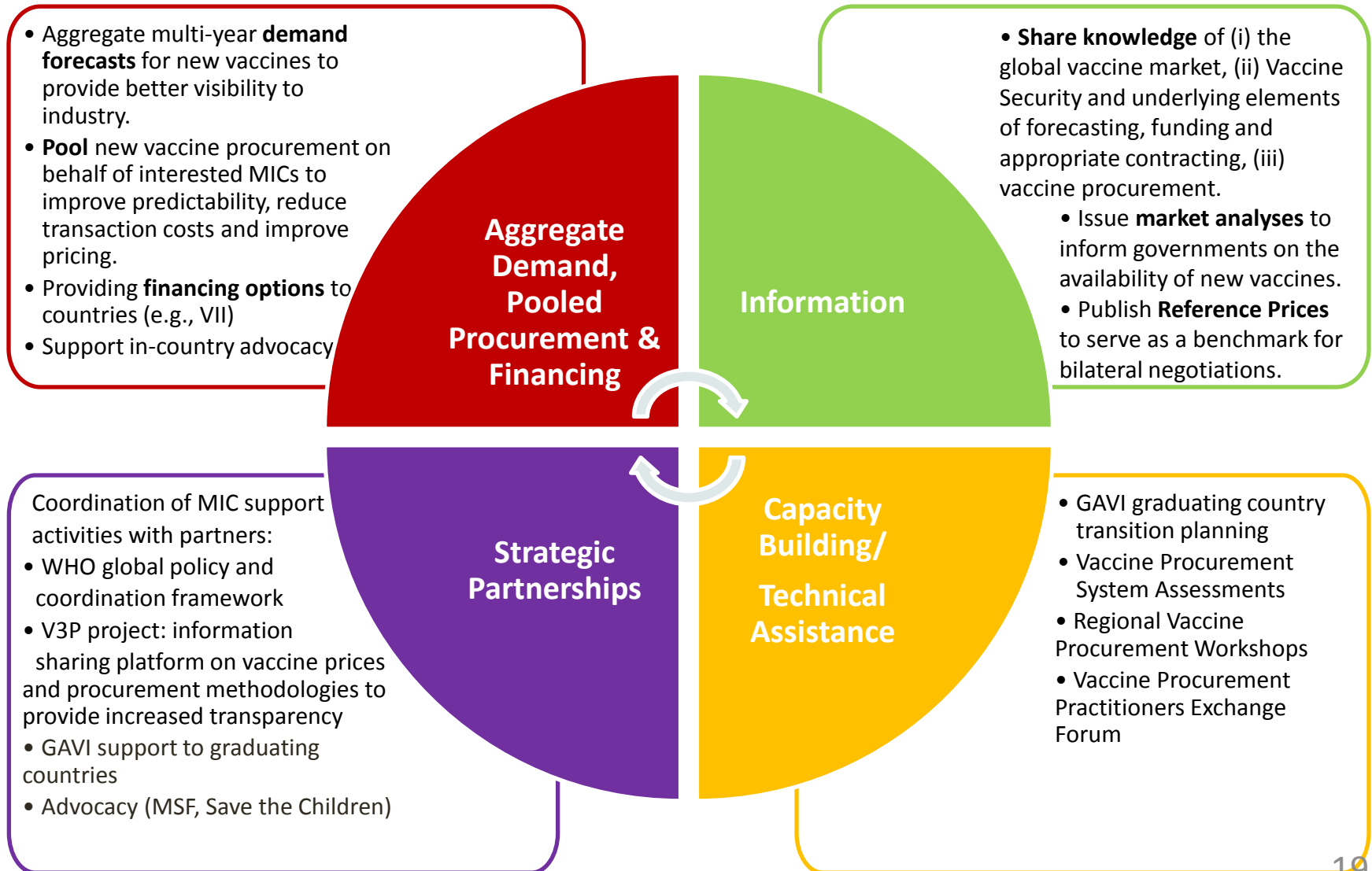
- IPV-containing combination vaccines with aP (acellular Pertussis) not available through UNICEF and limited availability on global market
- IPV-containing combination vaccines with wP (whole-cell Pertussis) not WHO pre-qualified before 2020
- UNICEF will be issuing an Expression of Interest for supply of IPV-containing combination vaccines in the coming weeks

# Revitalizing a financial mechanism for immunization- The Vaccine Independence Initiative (VII)

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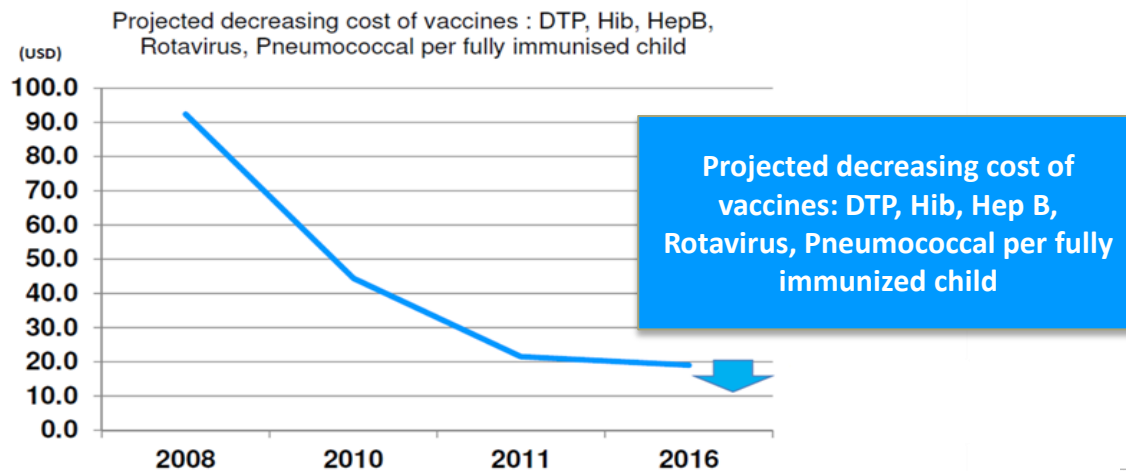
- A financial mechanism to ensure a systematic, sustainable vaccine supply for countries which can afford to finance their own vaccine needs but may require certain support services
- Flexible credit terms which enable the country to pay after the vaccine is received, and UNICEF can accept local or hard currency payment
- VII right-sizing- for decision at UNICEF Executive Board in February 2015
  - Increase Capital base from \$10M to \$100M
  - Review of subscribing country ceiling including to maximise turns
  - Potential product scope covered to reflect countries' current health and other commodity needs

# UNICEF strategy for Middle Income Countries supporting access to new vaccines



# What does success look like for children?

- **Polio eradication is on-track. Countries introduce new vaccines and sustain coverage with new and traditional vaccines** in order to reduce mortality and morbidity from vaccine preventable diseases
- **Market are healthy & vaccine prices are lower:**
  - New vaccine (PCV, Rotavirus, HPV, IPV) for Middle Income Countries
  - Full schedule of childhood vaccines for Low Income Countries (DTP, HepB, Hib, Measles/MR, BCG, Rota, PCV)
- **Countries are able to sustain their own vaccine procurement processes**
- **Country immunization supply chains are measurably better performing**







Thank you!