

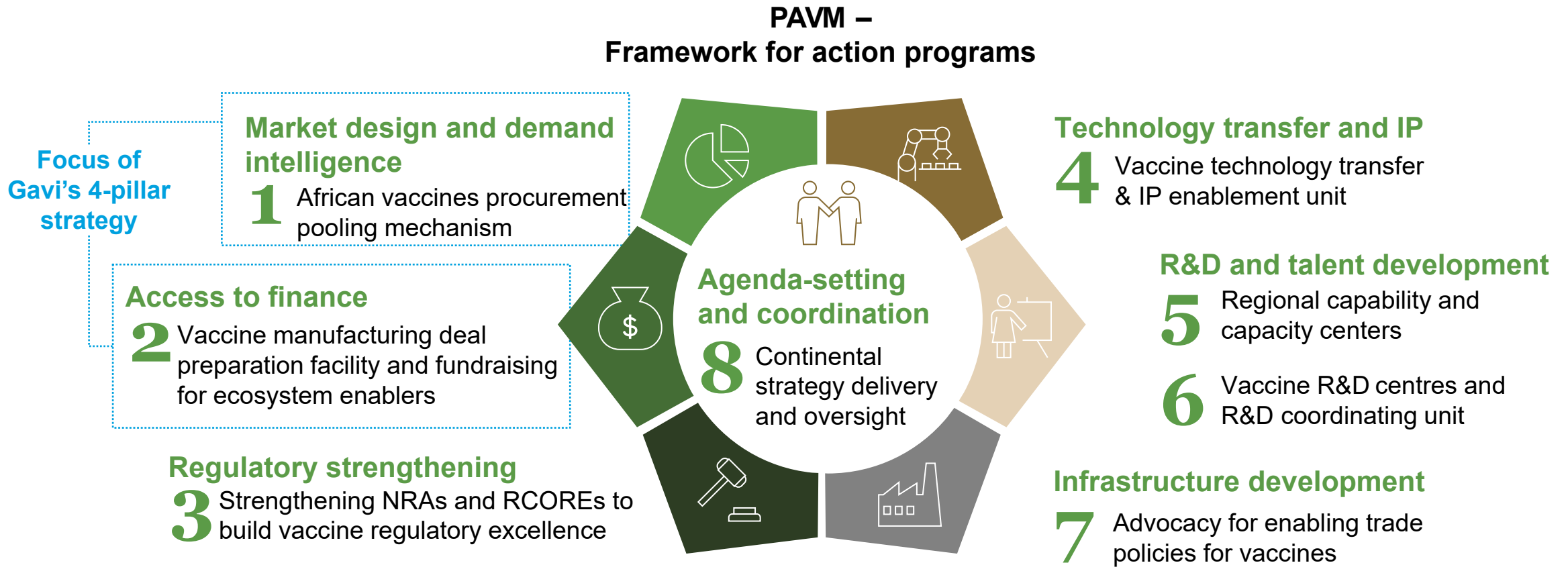
GLOBAL VACCINE AND IMMUNIZATION RESEARCH FORUM 2023

W3 REGIONAL MANUFACTURING

TUESDAY 28 MARCH

# Gavi's Strategy to Support Regional Manufacturing

# Gavi's strategy is built in support of the Partnership for African Vaccine Manufacturing (PAVM) framework for action



- ▶▶ PAVM developed the Framework for Action to build the African ecosystem required to scale vaccine manufacturing
- ▶▶ Gavi's 4-pillar strategy contributes to market design & demand intelligence as well as access to finance, but broader ecosystem activation and partnerships are needed to solve ecosystem barriers and make the AMC succeed

# Gavi's strategy is built in support of the PAVM framework for action

## PAVM – Framework for action programs

Focus  
of  
Gavi's 4-  
pillar  
strategy

### Market design and demand intelligence

- 1 African vaccines procurement pooling mechanism

### Access to finance

- 2 Vaccine manufacturing deal preparation facility and fundraising for ecosystem enablers



# Support to African Regional Manufacturing:

## 4-pillar strategy, creating downstream incentives for **sustainability** and **PPR**

UPSTREAM

Leadership and coordination



Technical assistance and financing



**JOINT AMBITION**

**Expanded, sustainable African vaccine manufacturing capacity**



DOWNSTREAM



**1**  
Pillar

**Shaping** portfolios in favour of priority vaccines

**2**

**Inclusion** of new African products in the Gavi product menu

**3**

**Improving predictability** of country-led demand for regional products

**4**

**Financing** a new Advance Market Commitment to support sustainability as manufacturers scale

**Capacity is scalable, with the capability to support pandemic response**

# 4-pillar strategy, creating downstream incentives for **sustainability** and **PPR**



**1** Better intelligence for the market



**2** Ensuring new entrants are included in Gavi menu



**3** Encourage a continental demand pace or similar



**4** Levelling the playing field to ensure new manufacturers are sustainable



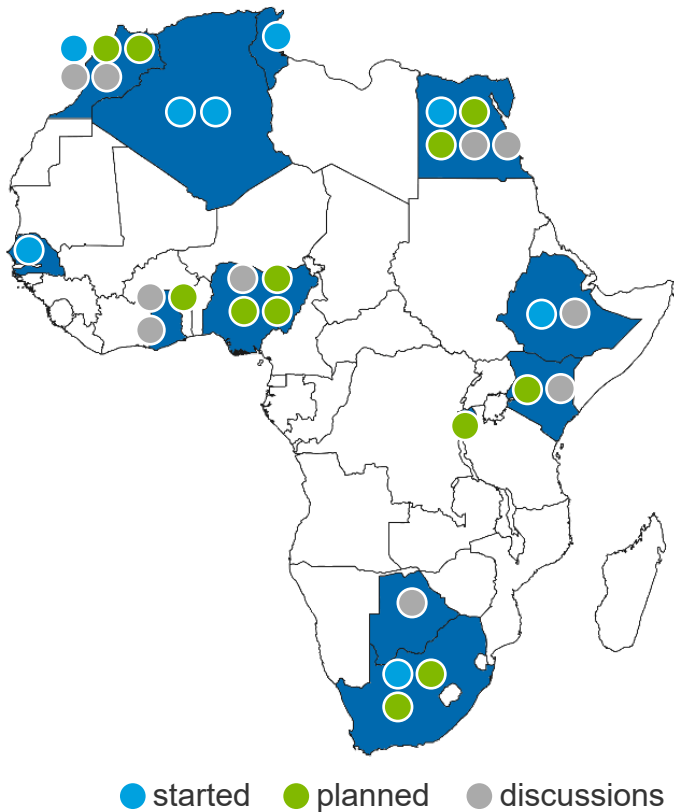
**Goal**

**New manufacturers are sustainable**

**Pandemic supply resilience is increased**

**Global Market Health is maintained**

# Pillar 1 involves Gavi working closely with all partners, including the AU to shape portfolios for supply resilience and market health



**A**

Antigens with **clear market health need** for additional (e.g. “regional”) manufacturers

**B**

Antigens needing **enhanced product profiles**

**C**

Antigens where a **new supplier would not improve / may deteriorate** overall market health

**D**

**Potential pre-VIS vaccines** for unaddressed diseases, especially with African relevance

# Pillar 2 is adapting Gavi's Healthy Market Framework and Product Menu Criteria

## Context of problem

## Proposed solution

### Healthy Market Framework<sup>1</sup>

- Elements such as **geographic diversity** in supplier base or **regional supply security** not sufficiently emphasized

- Introducing new criteria **highlighting importance of regional diversity** among manufacturers

### Product Menu criteria<sup>2</sup>

- Focused on **price oversight** and **likely country demand**
- Limited flexibility to justify reasonable **COGS differentials<sup>3</sup>**

- **Better accommodate COGS differentials<sup>3</sup>** if supports healthier market according to updated HMF
- Iterate with **country demand**

1. Framework used by Alliance partners to assess health of individual markets and interventions needed 2. Criteria used to determine whether a product can be made available to Gavi-supported countries 3. Difference in Cost of Goods Sold to competitors, with new entrants expected to have higher initial levels

# Pillar 3, based on Gavi model, puts countries, not Secretariat, at the heart of product choices, making continental solidarity key

Low deviation to core Gavi principles

High deviation

## Recommendation



### 1. Continental Demand Solidarity

Advocate for **continental solidarity** (e.g., led by AU/PAVM) in line with Gavi country choice, critically incorporating coordination across **non-Gavi supported programmes as well**



### 2. Gavi-Mediated Demand Pact

African Gavi-supported countries **sign agreement mediated by Gavi to select regional supplier's product when first available**



### 3. Gavi Country Choice Over-ride

Gavi retains full discretion to **over-ride country choice** in to enable a true guarantee of uptake of new African products



# Gavi is exploring a potential AMC with 3 underpinning principles...



## Support healthy global markets

Minimize market distortions and help sustain low global prices and resilient supply for priority vaccines



## Drive efficient market outcomes

Provide a signal to guide and align new manufacturers and investors behind resilient and sustainable business propositions



## Reduce barriers to investment

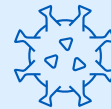
Carefully structuring the level of incentive to help offset initial costs of market entry whilst aligning support with other providers of capital for greater overall impact

# ... and two proposed design objectives



## Regionally diversified vaccine supplier base

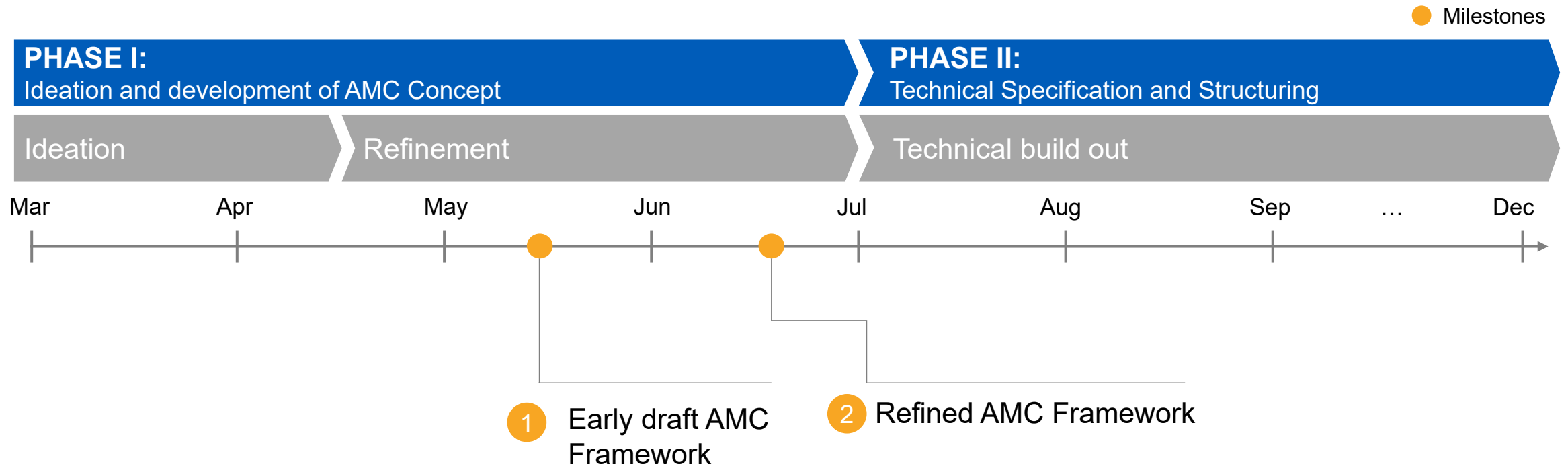
Contribute to a substantial, sustainable manufacturing base in Africa



## Improve pandemic preparedness and response

Improve manufacturing capacity and capability to produce vaccines for pandemic preparedness and response

# Co-created AMC concept to be tested and refined through 2023



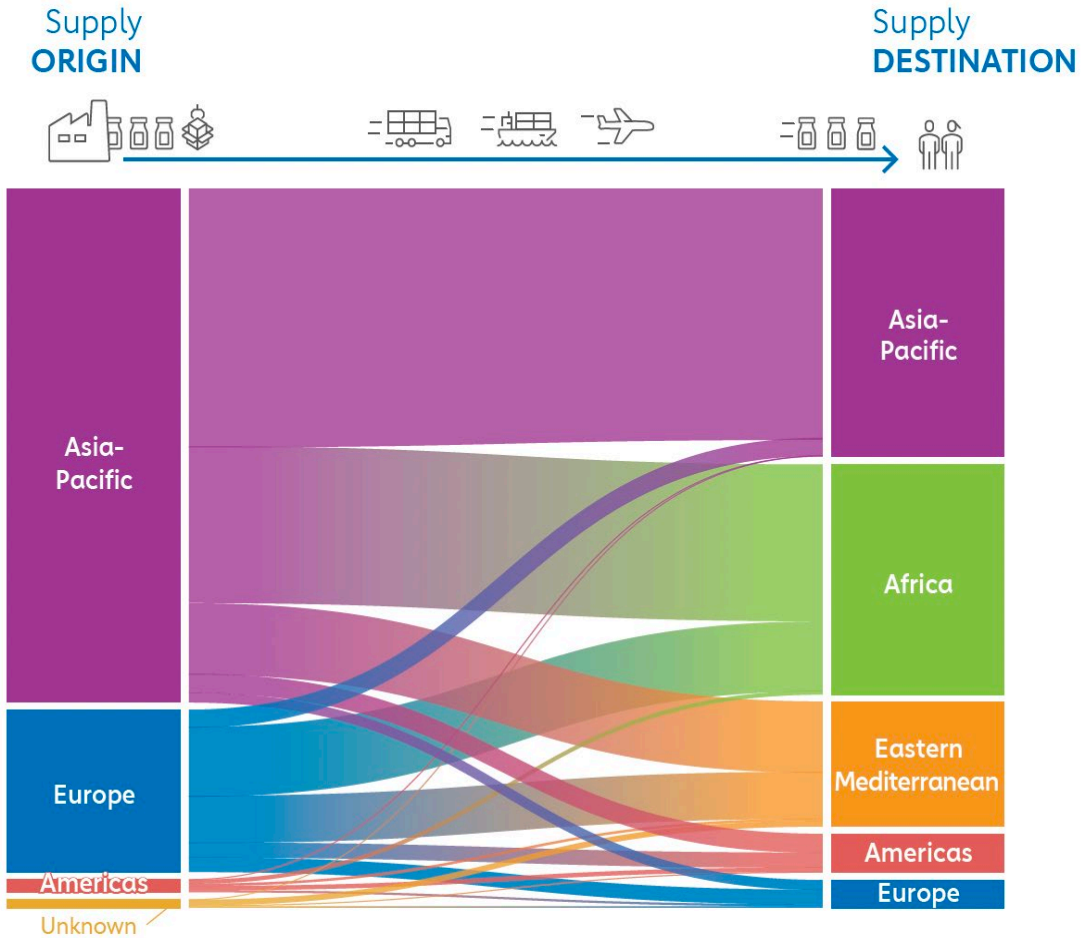
*Extensive stakeholder consultations planned over the next months to test and refine hypotheses, and co-create the AMC concept*



**Thank you.**

# Appendix

# The African region, while having significant demand for vaccines, currently has limited regional manufacturing



Limited regional manufacturing, particularly in Africa, may have contributed to delays in equitable vaccine access during C-19 pandemic, highlighting supply security

Desire from African countries to increase capacity for pandemic response & other vaccines

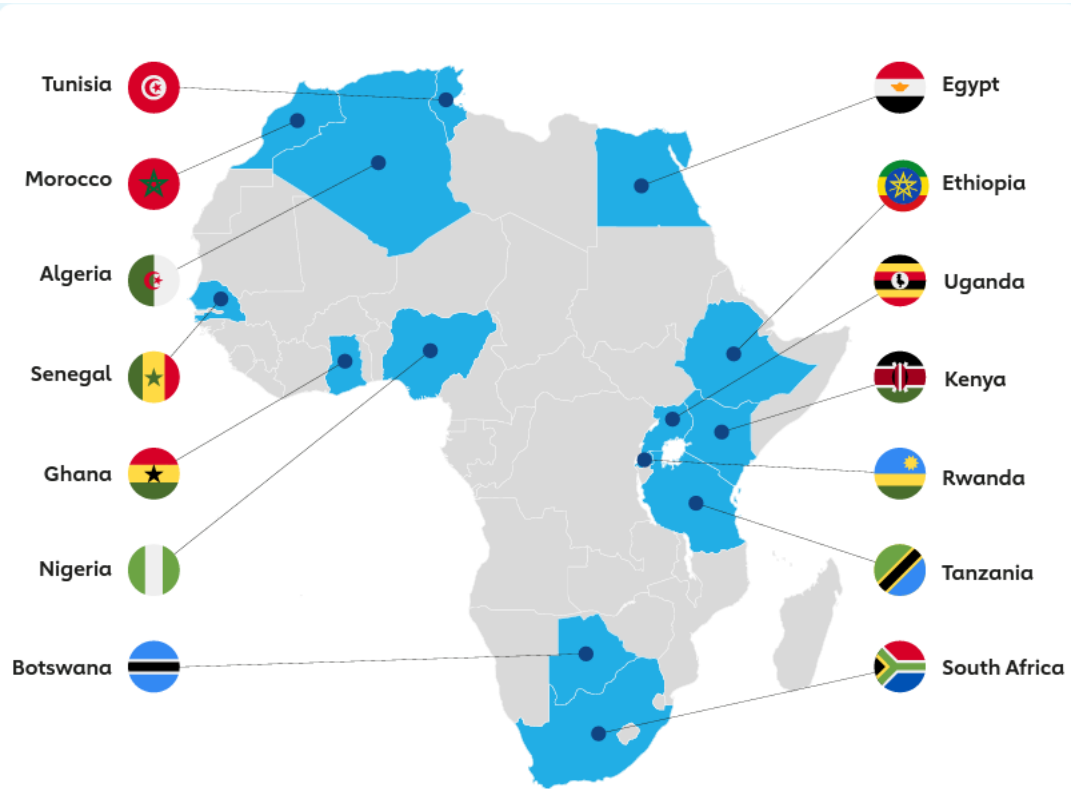
Broad support from the international community, including AU, US, EU and others

Substantial upstream financing available

Figure: Supply of WHO pre-qualified vaccines in 2021

Source: WHO, Linksbridge

## 30+ vaccine manufacturing announcements across 14 countries



- Strong leadership from within the continent



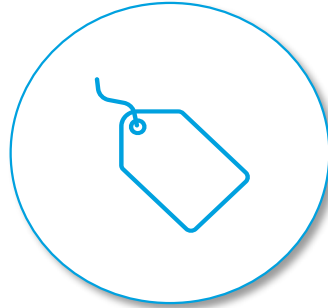
- Many projects underway, but with unclear pathways to sustainability
- Gavi support should be downstream, based on **market shaping experience**, mandate and signalling capacity

# A Market Shaping approach has enabled Gavi to drive better outcomes for lower income countries by...



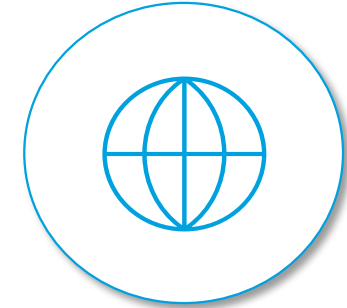
...driving **diversity of manufacturer base** and **product options** (benefits in terms of competition and supply security)

*Ex: 3 vaccine product presentations in Gavi 1.0 vs. >50 in Gavi 5.0*



...securing **sustainable price reductions** for all appropriate vaccine markets

*Ex: 57% decrease in cost of immunising a child with Penta, PCV & Rota from 2010 to 2021*



...catalysing **increase in global production** of appropriate vaccines and **supply security** for Gavi-eligible countries

*Ex: 5 suppliers from 5 countries in 2001 vs. 18 suppliers 12 countries in 2021*

# Gavi has responded to the AU's call for support to the expansion of sustainable vaccine manufacturing in Africa, and underlined its downstream role

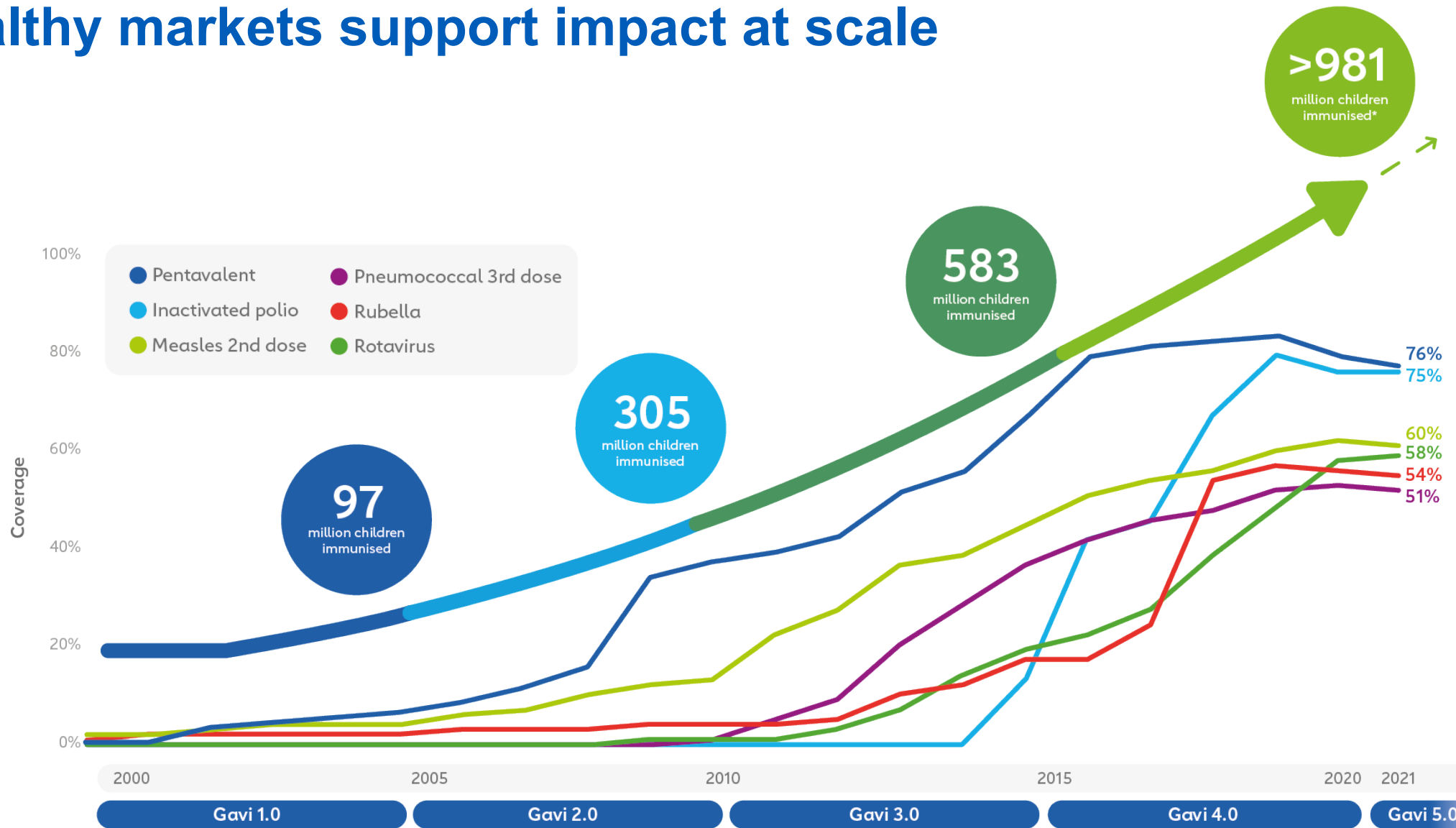


## *A ten-point plan for expanding sustainable vaccine manufacturing in Africa*

- *Actions For G7 Development Ministers*
- *Actions For African Countries*
- *Actions For International Partners*
- *Actions For The Private Sector*
- *Actions For Gavi, The Vaccine Alliance*



# Healthy markets support impact at scale



<sup>1</sup> WHO/UNICEF Estimates of National Immunization Coverage (WUENIC), 2022

# Weighted average price of fully immunising a child with pentavalent, pneumococcal and rotavirus vaccines

