

GAVI SUPPORT FOR ACCESS TO APPROPRIATE PRICING (ATAP) FOR GAVI GRADUATED COUNTRIES

BOARD MEETING
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Objective of access to appropriate pricing work

Objective: Support access to appropriate pricing so that countries can sustain immunisation programmes begun with Gavi support and continue to introduce high-quality, life-saving vaccines

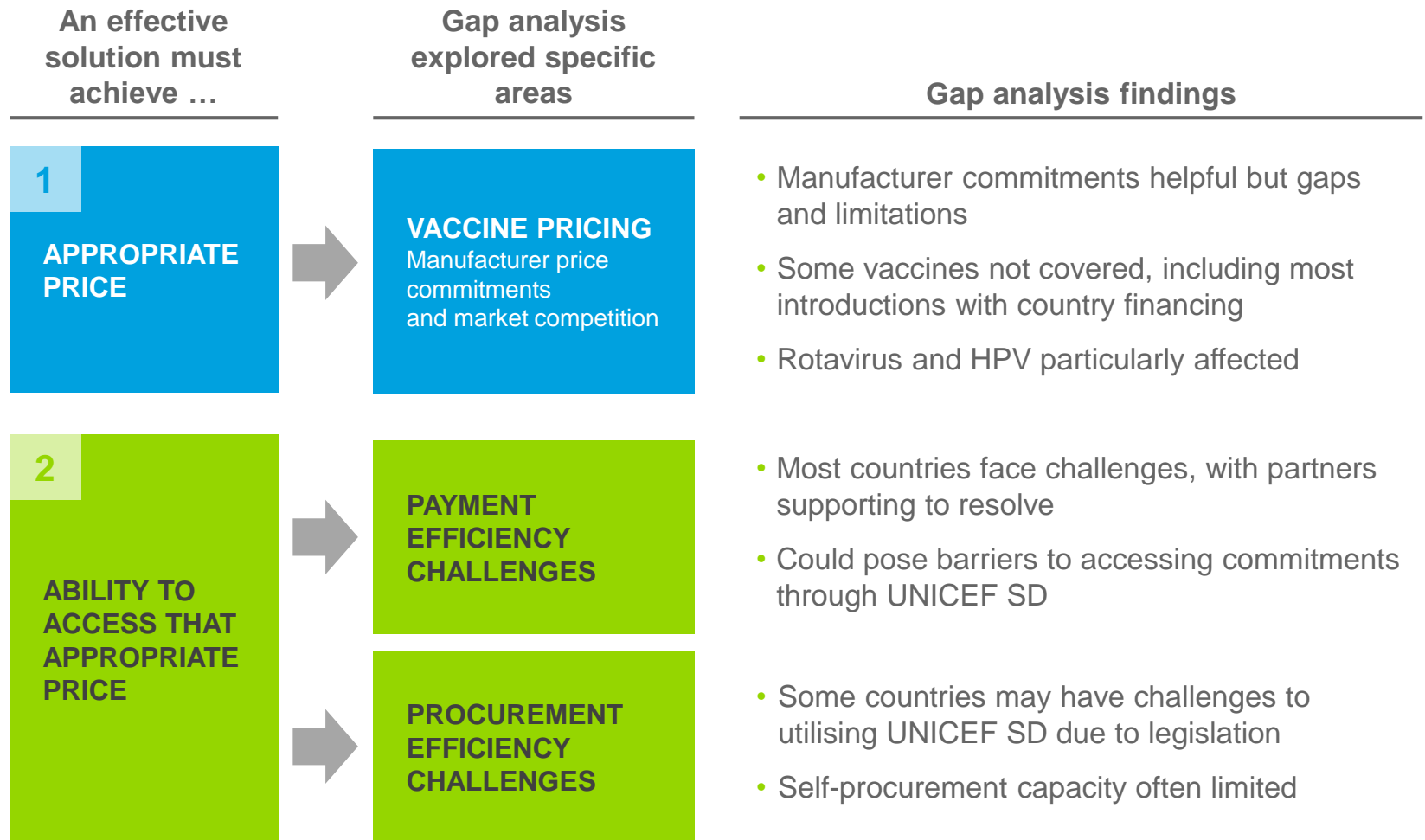
In seeking to achieve this objective, we assume that:

Appropriate price is a necessary aspect to sustain immunisation programmes, although not only aspect

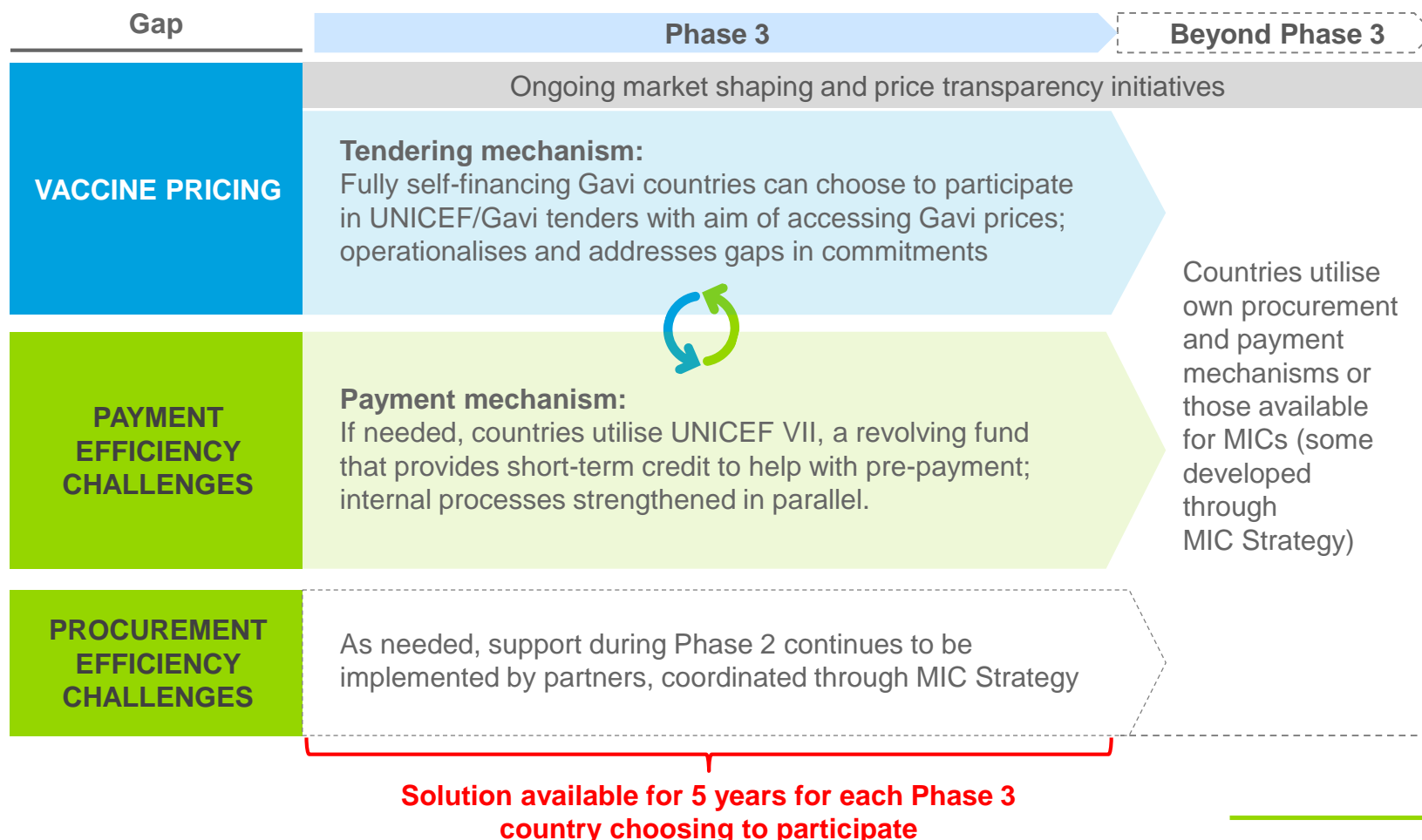
‘Appropriate price’ defined as ‘as close to the Gavi price as possible’ to avoid further rapid budget increase and improve countries’ ability-to-pay

Solution should focus on countries entering Phase 3 in the next five to ten years, but provide a platform for longer-term

Effective solution requires appropriate price and ability to access that price



Proposed solution to address gaps



Collaborative engagement with PAHO helps enable proposal

- PAHO Revolving Fund has driven unprecedented gains in immunisation in the Americas
- PAHO has provided exceptions to lowest price clause for certain vaccines
- Gavi and PAHO developed collaborative solution whereby fully self-financing Gavi countries can participate in UNICEF/Gavi tenders under current exceptions
- Agreement provides foundation to work collectively towards increased access to vaccines and sustainability of immunisation programmes for countries

Risks and Mitigation

RISKS	IMPLICATIONS AND MITIGATION STRATEGIES
TENDER PRICING Higher prices from manufacturers and negative impact on non-Gavi MICs	<ul style="list-style-type: none"> • Large, secure demand base, combined with low Phase 3 country volume, limits risk of higher prices • Support for robust demand forecasts to achieve best pricing • Flexibility and manufacturer engagement to optimise outcomes • Minimal impact on non-Gavi MICs given low Phase 3 volumes
COUNTRY OWNERSHIP Perverse incentives for countries	<ul style="list-style-type: none"> • Solution preserves country choice and full ownership of financing • Countries meet key terms to participate
INCOMPLETE SOLUTION Limited impact without addressing non-price issues	<ul style="list-style-type: none"> • Partners support countries in capacity building • Important that sufficient resources are available for complementary initiatives (MIC Strategy)

Recommendation

The Gavi Board is recommended to:

Approve the Alliance's approach to ensuring access to appropriate pricing for Phase 3 [graduated] Gavi countries by:

1. Continuing to seek appropriate and sustainable prices through market shaping activities consistent with Gavi's Vaccine Supply and Procurement Strategy.
2. Allowing Phase 3 [graduated] Gavi countries to be included in UNICEF tenders on behalf of Gavi-eligible and Phase 2 [graduating] countries for specific vaccines with the aim of continuing to provide them with access to Gavi prices for a five year period (provided a country commits to key terms to be defined by UNICEF and Gavi).
3. Providing a catalytic investment of US\$ 5 million towards the capitalisation of UNICEF's Vaccine Independence Initiative (VII), a revolving fund which supports timely availability of financing for countries to meet payment terms. The use of this investment will be prioritised towards Gavi countries, subject to UNICEF approval of each country application to participate in VII. In 2017, the PPC will review the performance of the investment to determine whether there is a need to adjust the amount.

THANK YOU



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