

Vaccine Procurement
Practitioners Network

VPPN

WEBINAR SERIES

A person is walking across a narrow suspension bridge made of metal mesh, crossing a river. The person is carrying a blue UNICEF medical kit. The background is a lush green forest.

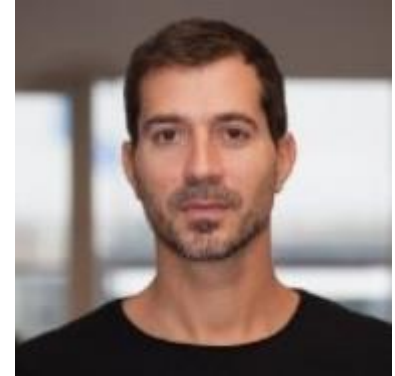
Thematic discussion 2: Price

12 December 2017

unicef  for every child

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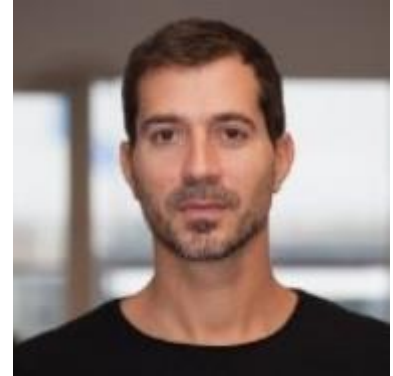
VPPN 2017-18 Webinar Series | Webinar 2: Price



Moderator: Loic Sanchez
UNICEF Supply Division
Location: Copenhagen

VPPN 2017-18 Webinar Series | Webinar 2: Price

1. Supply
- 2. Price**
3. Funding
4. Planning / Forecasting
5. Registration / Regulation
6. Cold chain
7. Procurement process
8. Market



Moderator: Loic Sanchez
UNICEF Supply Division
Location: Copenhagen

Today's Presenters



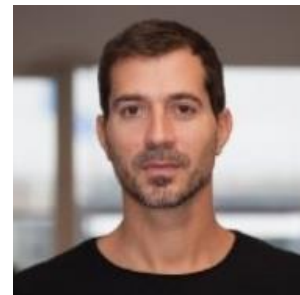
Heather Deehan
Chief of Vaccine Center
UNICEF Supply Division
Denmark



Dr. Randa Hamadeh
Head of Primary Health Care Department
Ministry of Public Health
Lebanon



Abdelkrim TANOUTI
Head of administrative department DP
Ministry of Health
Morocco



Speaking now
Loic Sanchez,
Moderator

Presentation #1: Vaccine price: UNICEF's perspective



Speaking now

Heather Deehan

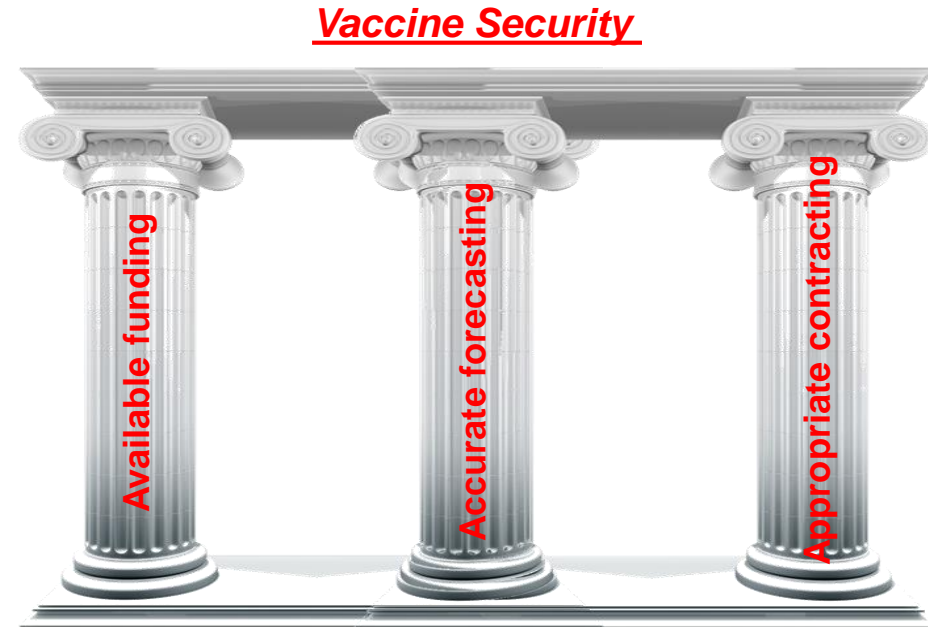
*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

UNICEF's Procurement is Focused on Achieving Vaccine Security

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
- Achieving healthy markets through the **Vaccine Security** approach (forecasting, funding and appropriate contracting) and specific vaccine procurement principles
- Vaccines as **biological products** – requiring a specific approach for vaccine procurement
- Quality of vaccines through **prequalification by WHO** – ensuring acceptability, in principle, as well as quality, safety and efficacy in target population of procured vaccines



Price considerations

- Market intelligence/procurement strategy
- Volume of doses procured
- Product presentation
- Product registration requirements
- Contracting:
 - Duration of contract
 - Special contracting including any special terms and conditions such as shelf life, payment terms or penalty clauses



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

UNICEF Vaccine Procurement Principles, implemented following the supply crisis in the traditional vaccine markets, are considered relevant for all vaccines to ensure healthy market

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.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Information available on the UNICEF website



https://www.unicef.org/supply/index_57476.html



70 YEARS FOR EVERY CHILD

WHO WE ARE

WHAT WE DO ▾

WHERE WE WORK ▾

PRESS CENTRE ▾

STATISTICS

BLOGS

We're building a new UNICEF.org.

As we swap out old for new, pages will be in transition. Thanks for your patience – please keep coming back to see the improvements.

Supplies and Logistics

Supply home

About Supply

For suppliers and service providers

Procurement Services

Strengthening supply chains

Immunization

Emergency Vaccine Stockpiles

Vaccines Supply and Market Overview

Vaccine security

Vaccine Forecasting

Vaccine Price Data

Auto-Disable (AD)

Vaccine Price Data



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UNICEF has a significant role within vaccine procurement for children. In recognition of this and to provide greater transparency, UNICEF is now publishing historic, current and future awarded prices for vaccines.

This overview has been prepared following consultations with vaccine suppliers to UNICEF on making pricing information more transparent.

The vaccine prices received by UNICEF from industry are based on the UNICEF mandate, UNICEF aggregated quantities, commercial terms, reliability of forecasts, payment terms and long standing relationship with industry.

Prices posted are based on CPT Incoterms for the period 2001 – 2003 and FCA nearest international airport Incoterms from 2004 and payment terms are 30 days net, unless otherwise specified. For your reference, historical procurement data per vaccine in terms of quantities in doses and USD values is available [here](#).

The below links provide an overview of prices contracted with suppliers by UNICEF per vaccine.

LATEST NEWS: New [Pentavalent price data](#) now available. Read full [Press Release](#) 19 October 2016

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Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Revolving Fund Prices

Vaccine Product, Price and Procurement Web Platform



The V3P web platform provides information on product, price and procurement data to increase price transparency and improve vaccine introduction and implementation.

1



Price Database

The price database contains information on vaccine prices and procurement modalities for participating countries and partners, including the revolving fund and UNICEF.

2



Information Repository

The information repository contains documentation for V3P, including user guidelines and tools and analyses.

3



Resource Gateway

The resource gateway is a web portal that provides information on vaccine product characteristics, price, and procurement.

[Vaccine Prices, 2017](#)

[Vaccine Prices, 2016](#)

[Vaccine Prices, 2015](#)

[Vaccine Prices, 2014](#)

[Vaccine Prices, 2013](#)

[Vaccine Prices, 2012](#)



Last update: July 2017

Questions? Comments?



Moderator: Loic Sanchez
UNICEF Supply Division
Location: Copenhagen

Questions? Comments?

- What about enabling local production of vaccines and the work that the United Nations Industrial Development Organization is doing – and the impact on pricing?



Moderator: Loic Sanchez
UNICEF Supply Division
Location: Copenhagen

Questions? Comments?

- I will be meeting with UNIDO this week to see....
- In light of the sustainable development goals and the realization... of having products manufactured closer to the populations they are serving, and stimulating local production as part of that initiative, and this includes for vaccines...
- We've had interest from a number of countries – from within the African continent - but as well within the Middle East - indications from Iran recently and Saudi Arabia as far as vaccine production initiatives for local markets, with that opportunity for availability on global markets.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Questions? Comments?

- Specific to considerations for manufacturing:
- Morocco has indicated a desire to increase their production capacity through the Institute Pasteur starting with immune globulins and anti-snake and anti-scorpion venoms
- Ethiopia is looking at vaccine manufacturing in the country, and Nigeria most recently
- So there's been a lot of indications around how to enable vaccine manufacturing, what are some of the considerations to get into vaccine manufacturing, and what are those opportunities in order to get capital investment or support.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Questions? Comments?

- Issues- local manufacturing:
- Vaccines are very difficult to produce. Some of the traditional vaccines are easier to produce than others but you have to review what is going on within the global markets (E.g. tetanus-containing vaccines and even pentavalent vaccines – there is a lot of capacity within the market)
- So local production may be to meet your own country's needs and requirements... but to also supply the global market you would have to think from your business case or investment - whether or not that would it be profitable.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Questions? Comments?

- For some of our traditional vaccines there is adequate supply within the market
- So, probably the first consideration:
 - which vaccines do you want to produce
 - what is the current and future market availability
 - whether or not based on the pricing that's currently available - if its profitable
 - if you're going to produce for your own local population and perhaps as well supply the global population
- It's a substantial investment because you won't be able to produce the vaccine for at least 5 – 10 years.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Questions? Comments?

- The other issues is around infrastructure - and that you have the appropriate infrastructure within your country to support vaccine manufacturing
- Most notably - having a National Regulatory Authority that's achieved a certain maturity level – the WHO has recently changed their classifications, but it does rely on having an NRA that would provide oversight of the manufacturing, evaluation, and lot releases - so that it would be something that could support global access to the vaccines.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Questions? Comments?

- Third consideration is that you actually have the capacity within the country as far as skilled labour.
- Ensuring that you have the people and resources available that have expertise in vaccine development as well as manufacturing – whether at the seed development level or at the fill-and-finish
- A number of countries would have to import those skilled professionals – if not, having the appropriate university or educational structure to ensure you have the skilled labour that's needed in order to support vaccine production.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Questions? Comments?

- Those are some of the very high level considerations that UNIDO is working on... a white paper to guide countries on how to develop a business case for vaccine production
- This guide will be helpful for countries to understand all of the different considerations - what kind of manufacturing the country wishes to engage in - and all of the factors that are needed in order to build a sound business case – not only for government investment, but as well, other private investors in order to ensure you have the capital that's needed to support vaccine manufacturing
- As soon as that white paper is available – developed in collaboration with WHO - we will post and share it.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Questions? Comments?

Sustainability of discounts

(What Heather mentioned regarding if we can guarantee a deal for this year to have a reduced cost or free goods – can we guarantee it for the coming years?) – this is what should work all on together – in order to sustain those offers

Like what we've done with Pfizer in terms of 25% free goods. In our agreement with them they guarantee for us this long term agreement in order to low cost

And we should lobby all together on this.

And we should have the discount without conditions.

This is what we need to lobby.



Speaking now

Dr. Randa Hamadeh

*Head of PHC
Department, MoPH*

Lebanon

Questions? Comments?

There are some conditions that are affordable and manageable at the country level, but there are sometimes conditions that we cannot bear.

So, as if they're telling us we cannot do anything for you, they are putting some conditions that are really hard to excuse.

However we should lobby for sustainability and the discounts with no conditions - or with no hard conditions.



Speaking now

Dr. Randa Hamadeh

*Head of PHC
Department, MoPH*

Lebanon

Presentation #2: Price of vaccines

The experience of Lebanon



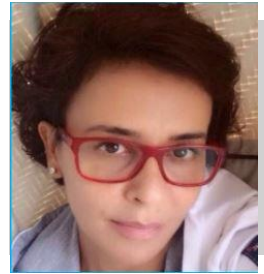
Speaking now

Dr. Randa Hamadeh

*Head of PHC
Department, MoPH*

Lebanon

Vaccine Price in Lebanon: Overview



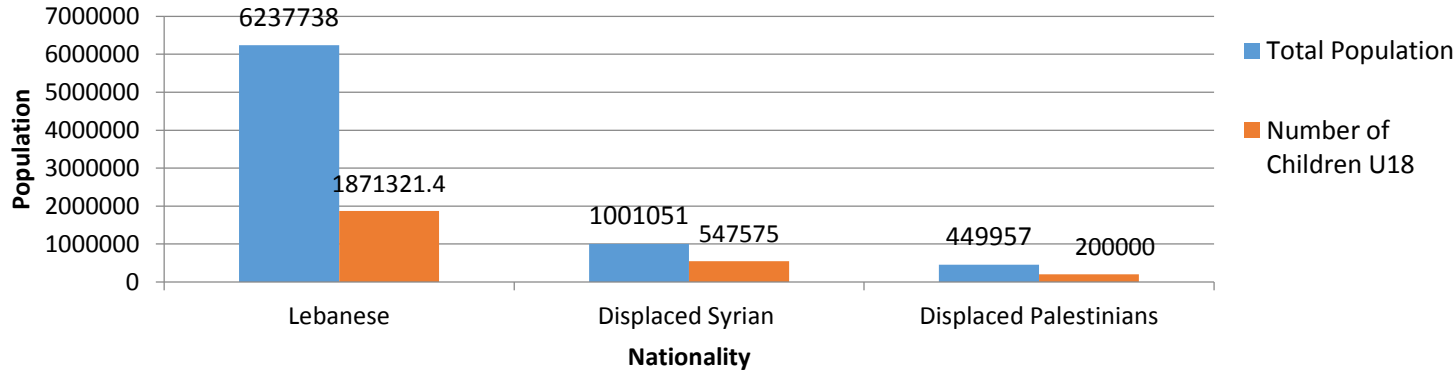
Speaking now

**Dr. Randa
Hamadeh**

*Head of PHC
Department, MoPH*

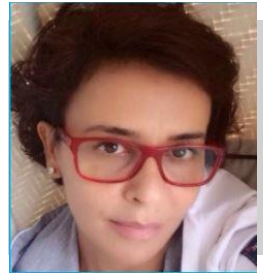
Lebanon

Total Population and Number of Children Under 18 in Lebanon (2016)



- UNICEF through the kind support of EU contributes to \$5.8 Million \$ through providing needed doses of vaccines.
- MoPH expenditure on vaccination is approximately \$8 Million Per Year.

Price Issues & Solutions



Speaking now

**Dr. Randa
Hamadeh**

*Head of PHC
Department, MoPH*

Lebanon

Price Issue

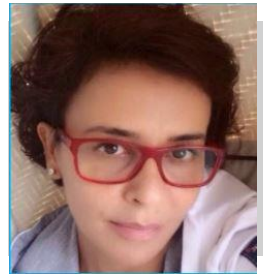
- GAVI eligibility
- High cost of vaccines
- No initiatives from vaccine companies to subsidize the price (ex: free goods...)

Solution

- Need for support from International Donors.
- Lobbying through UN agencies.
- Lobbying collectively at regional levels (EMRO...)

Challenges that remain

- Scarcity of funds channelled to healthcare services.
- Continuous increase of needs in view of the fluctuating number of displaced populations coming in and out of the country.
- Securing enough stock of vaccines in view of the global shortages.
- Need of Supplementary Immunization Activities (SIA) to cope with displaced movement
- Introducing new vaccines such as Rota vaccine, Hep A, HPV...



Speaking now

**Dr. Randa
Hamadeh**

*Head of PHC
Department, MoPH*

Lebanon

Thank you



**Dr. Randa
Hamadeh**

*Head of PHC
Department, MoPH*

Lebanon

Questions? Comments?



Speaking now

Dr. Randa Hamadeh

*Head of PHC
Department, MoPH*

Lebanon

Questions? Comments?

Thanks for such a great presentation – you’ve reflected a lot of the challenges.

You mentioned discounts - Oftentimes when countries are working with agents to achieve more affordable prices they may negotiate a discount for the vaccine ...that discount translates into perhaps additional doses or the opportunity to reallocate some of that budget to other vaccines....the discounts may be quite welcome.

The biggest challenges: One is that a lot of the companies don’t want to have transparency in that pricing - the discount will come with a requirement to not disclose the fact that you’ve achieved a discounted price. So that’s one issue in terms of trying to have transparency in the deals that are being made.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Questions? Comments?

The other complexity with discounts is that oftentimes they're not sustainable. You may achieve a discount this year - which is welcome... but what would that mean for next year? Would you be able to negotiate the same discount? Or will the discount be less? It could be more...

It doesn't lead to the opportunity for more sustainable pricing that will help governments to be able to manage and set their budgets appropriately. What we're trying to achieve is long term sustainable pricing. It's welcome to realize some savings in your pricing but often those discounts come with a lot of strings attached... These are all things that countries need to keep in consideration as they're weighing the risks and benefits of the offers that they are negotiating with suppliers.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Questions? Comments?

Question from Alexei Ceban (Moldova):

Could UNICEF lobby to Gavi to support countries who are facing huge amounts of immigrants without taking into account economical level of the country (example Lebanon)? Because I believe it's hard to have political commitment and financial support to allocate more on procurement of vaccines.

Heather - *Is this support for all routine immunizations of for some of the more expensive new vaccines?*

Alexei: For the new vaccines.



Moderator: Loic Sanchez
UNICEF Supply Division
Location: Copenhagen

Questions? Comments?

I appreciate the question because it is a WHO recommendation that countries are responsible for providing access to vaccines as part of the national immunization programmes in order to protect any individuals.

It's been very difficult over the last couple of years in some of the European countries because the migrant populations don't necessarily settle in one place so you're trying to be able to risk mitigate in terms of ensuring that there's no outbreaks of diseases, will this population stay in the county's borders, what is that population, and how to access them.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Questions? Comments?

The one thing we have in place is called the **Humanitarian Mechanism**: If there is a requirement for a vaccine - particularly PCV right now (but many of the suppliers have indicated that they will extend this to other vaccines) that if there's an influx – that it's unplanned and that there is a need to access new vaccines such as PCVs, countries can use this mechanism in order to access vaccines.

(...) This is to be able to respond to sudden influxes in populations where they could benefit from PCV or other new vaccines. But that's where we were trying to work to find sustainable solutions to more affordable supply.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

Questions? Comments?

For many countries depending on their GNI the price range can be anywhere from \$15 a dose to \$25 a dose – in some instances we've heard \$35 a dose. When you have large influxes of populations it's a huge budget commitment for something that was unplanned.

So we do have the humanitarian mechanism. Countries who request for influxes of these populations can access PCV at the lowest can access PCVs at the lowest market available price.



Speaking now

Heather Deehan

*Chief of Vaccine Center,
UNICEF Supply Division*

Denmark

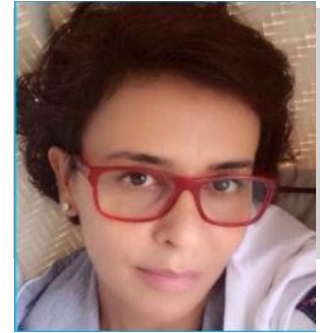
Questions? Comments?

I have just one comment on the fact that immigrants or displaced are moving all around and this is what's going on in Lebanon.

That's why whenever you want to provide them with something or introduce any vaccine or campaign you have to go national level; door to door - to reach them all.

When we talk about the price of the vaccine, nobody is thinking about the logistic and the implementation cost.

E.g.: “the EU is providing us with the cost of vaccines - with the budget for purchasing/procuring vaccines”.



Speaking now

Dr. Randa Hamadeh

*Head of PHC
Department, MoPH*

Lebanon

Questions? Comments?

However when it comes to implementation it's really hard on the countries regardless of their economical level and regardless of how much resources they have.

You need to move and to lobby all around the country and to follow up on every single door; every single house to reach them all.

This is an implementation cost that nobody is really taking into account when we talk about the price of vaccine or vaccines in general.



Speaking now

Dr. Randa Hamadeh

*Head of PHC
Department, MoPH*

Lebanon

Questions? Comments?

This is the case in Lebanon, the cost is not only the price that we're paying vs the vaccines procurement.

However there is additional costs for the implementation and to really have this vaccine reach the child.

The cost now is paid just to have the vaccine in our central drug warehouse.

However to mobilize to the community level to every child is also another cost that we should consider and we should think of.



Speaking now

Dr. Randa Hamadeh

*Head of PHC
Department, MoPH*

Lebanon

Presentation #3: Price of vaccines

The experience of Morocco



Speaking now

Abdelkrim TANOUTI

*Head of administrative
department*

DP, MOH

Morocco

Location: Rabat



Morocco



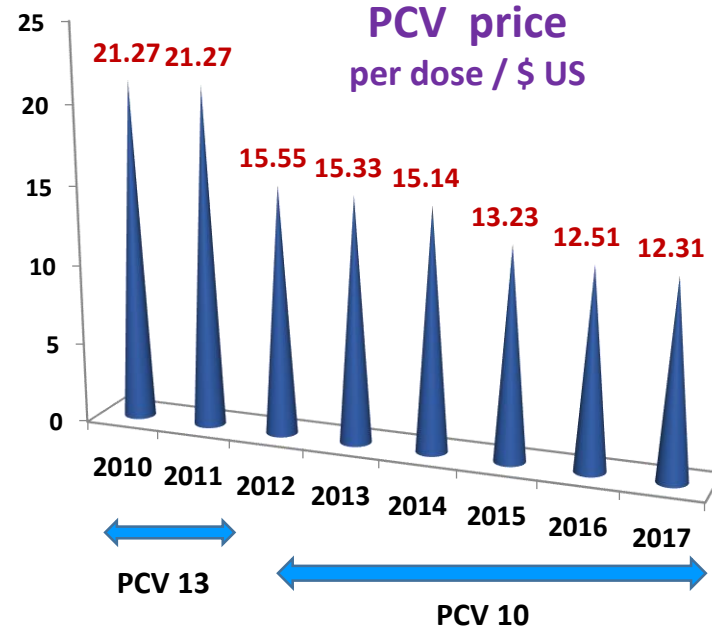
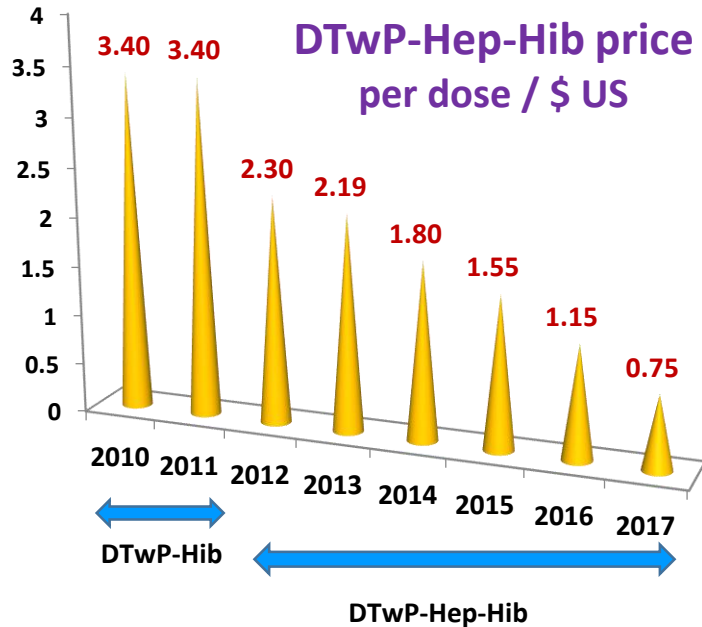
Speaking now

Abdelkrim TANOUTI
Head of administrative
department
DP, MOH
Morocco

Procurement through Unicef

Self procurement

Trend



Price Issues & Solutions

- **High price of new vaccines** : The budget of PCV represents more than 50% of the overall budget of vaccines.
- High price of new vaccines limits financial sustainability of immunization program in MICs.
- High price reduced accessibility to other new vaccines.
- In the absence of high competition, the choice of vaccines is dictated solely by the price.
- Negotiating power with producers is limited.



Speaking now

Abdelkrim TANOUTI
*Head of administrative
department
DP, MOH*

Morocco



Price Issues & Solutions

- Strengthen pooled vaccine procurement efforts at the regional or other level to enable economies of scale, negotiating power and affordable prices.
- Make the system transparent by allowing WHO to publish available vaccine prices to improve information and increase vaccine accessibility.
- Improve competition by encouraging the entry of producers from "emerging" countries that can produce affordable vaccines.



Speaking now

Abdelkrim TANOUTI
*Head of administrative
department*
DP, MOH

Morocco



Challenges that remain

- Continue the financial effort to ensure for Moroccan population PVC at the expense of its high price.
- To concretize these wishes, in particular the realization of group purchasing which is dependent on political decisions.
- Lead to review the segregation of countries (Gavi and others) and make MICs benefit from reduced prices.
- Exploring the Path of Technology Transfer: Encouraging and Supporting the Public Private Partnership Project with the Institute Pasteur Morocco.



Speaking now

Abdelkrim TANOUTI
*Head of administrative
department
DP, MOH*
Morocco



Thank you



Price of vaccines

The experience of Morocco



Speaking now

Abdelkrim TANOUTI
*Head of administrative
department*
DP, MOH

Morocco



Questions? Comments?

I noticed 2 interesting facts
presented by Abdelkrim:

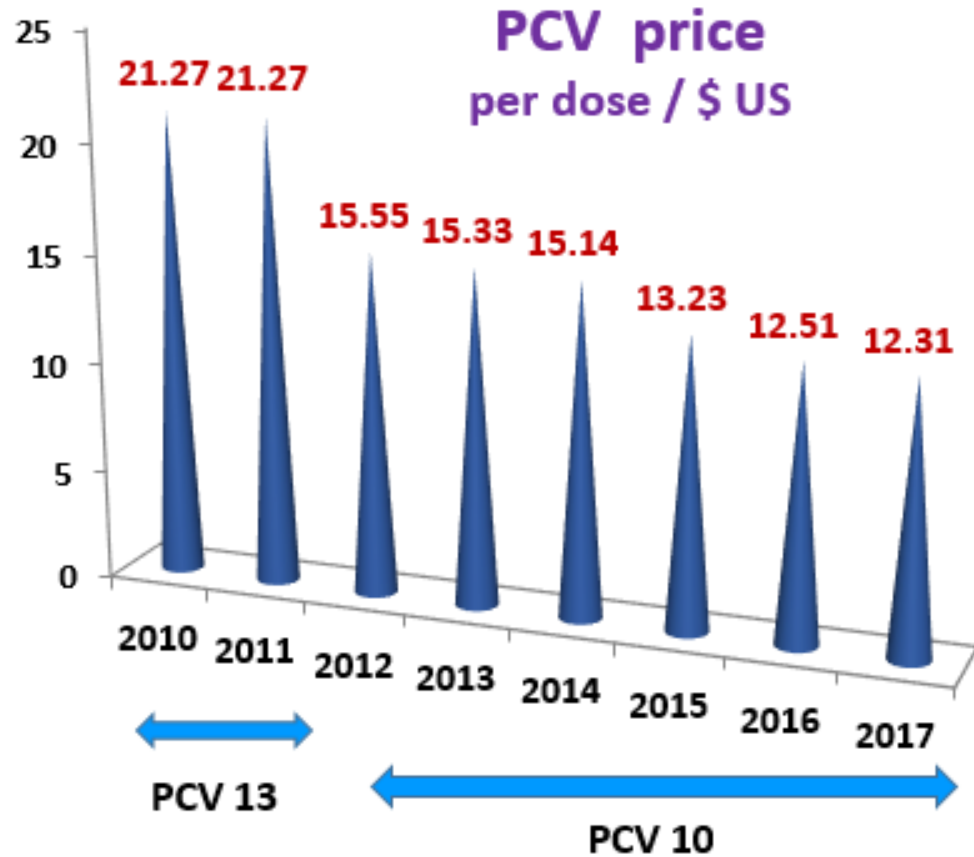


Moderator: Loic Sanchez
UNICEF Supply Division
Location: Copenhagen

Questions? Comments?

I noticed 2 interesting facts presented by Abdelkrim:

- They managed to significantly reduce the price of PCV by selecting another presentation - as you can see from his graph
- The price dropped drastically from 2011 to 2012 by showing flexibility in the type of vaccines they procure from PCV 13 to PCV 10



Questions? Comments?

We have other examples from other countries in other contexts. Countries that have shown flexibility have managed to also get cheaper prices.

Another important point I noticed from the presentation:

- The need and the will to strengthen pool procurement at the regional and international level



Moderator: Loic Sanchez
UNICEF Supply Division
Location: Copenhagen

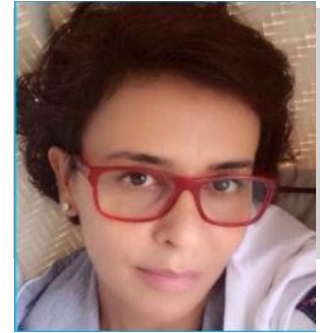
Questions? Comments?

This is very interesting to see what Morocco has done but this is not really recommended (shifting from PCV 13 to PCV 10).

The aim of the country is to move forward. Not because of the price – deprive the children from some very important things that they should get.

We had this proposition from UNICEF to Lebanon when we faced the same problem regarding PCV 13

And we refused according to the national EPI technical committee to go backward shifting from PCV 13 to PCV 10.



Speaking now

Dr. Randa Hamadeh

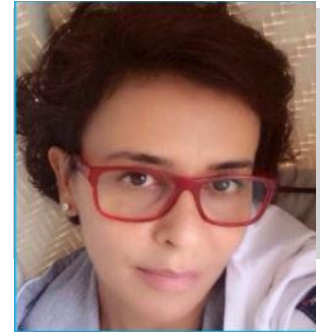
*Head of PHC
Department, MoPH*

Lebanon

Questions? Comments?

In the calendar you should not shift from one vaccine to the other because also of the transparency with the parents to gain their confidence in having you have this vaccine on your calendar and moving forward.

Actually I do respect what Morocco has done I'm sure they have their valid reasons. But it's not recommended technically and when we talk about communications problems with parents and gaining their confidence It's not really recommended.



Speaking now

Dr. Randa Hamadeh

*Head of PHC
Department, MoPH*

Lebanon

Questions? Comments?

Thank you very much Randa.

I would love to give the floor back to Abdelkrim and Morocco to discuss that - however, we are a bit running out of time...

As you can see there are many points that need to be further discussed. I will suggest that we move this discussion to the website (the VPPN - www.vppnetwork.org)

Abdelkrim - you are more than welcome to comment on this on the website, and we will make sure that the conversation goes on.



Moderator: Loic Sanchez
UNICEF Supply Division
Location: Copenhagen

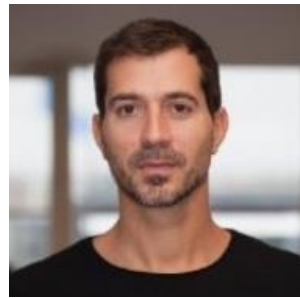
Next steps

Join us for the next
webinar:

January 16th 2018

Topic: **Funding**

THANK YOU



*Speaking now
Loic Sanchez,
Moderator*

.....Meanwhile, we will continue
the discussions on the topic of
Price on the VPPN website
through to December 29, 2017.