

VPPN 2018-2019 Webinar Series

Price Webinar (27 February, 2019)

Questions & Answers – Transcript Summary

Context: The Price webinar was held on Wednesday, February 27th, 2019, with 28 participants joining from around the world, including representatives from National Governments, UNICEF Country and Regional offices and UNICEF SD experts & Partners (Path, Gavi).

The panelists/presenters included:

- National Government: **Vladimer Getia**, Department Head, National Centre for Disease Control and Public Health, Georgia
- UNICEF SD: **Heather Deehan**, Chief, Vaccine Centre
- Gavi: **Juliette Puret**, Senior Programme Manager, Immunization Financing and Sustainability
- PATH's Center for Vaccine Innovation and Access: **Frédéric Debellut**, Health Economist, Policy, Access and Introduction.

The webinar agenda was:

- Introduction/Objectives
- Update on Price by UNICEF SD & Gavi
 - o Questions/comments session
- Georgia presentation
 - o Panel/participants discussion
- Wrap-up & Close

The main takeaways from the discussions were:

- “Levers” that can be used by countries to ensure they achieve affordable prices
- Gavi Price updates for transitioning and transitioned countries
- The example from Georgia - on dealing with currency devaluation issues, and teaming up with neighbouring countries to consolidate demand.

Panelists also reminded countries of the importance of ensuring they choose the most appropriate vaccine product presentations to meet their immunization needs.

Below you find the edited transcript of the Question & Answers sessions.

Also related to the webinar, we provide you with:

- [The webinar recording \(MP4 stream\)](#)
- [The presentation slides \(PDF, 1.3MB\)](#)
- [The Price E-discussion space on the VPPN](#)

A. Question and Answer Session after UNICEF and GAVI presentations:

Preamble by Leslie Paas, Webinar Moderator and VPPN Manager

timing in the recording: 00:31:44

1. Regarding the development of the procurement assessment tool - we will be sending out an email with a survey to country members from the VPPN. We would love it if you could let us know what kind of assessment tools you're using right now, so that we can share those with other countries - it'll be part of the toolkit. And it will be really important to get everybody's feedback so that we can have a sort of repository of the tools that are being used and we can make recommendations. (Please respond by Friday, March 15, 2019)

The link to the survey is here: <https://www.surveymonkey.com/r/G2ZZTY>

Question by Aniqah Islam, International Coordinator, National Vaccine Institute, Thailand

timing in the recording: 00:32:39

2. There's a lot of support on vaccine prices for Gavi-eligible and transition countries, but are there incentives or support programs now or in the future on vaccine prices for Middle-income countries (MICs) and non-Gavi countries?

→ Answer by Heather Deehan, Chief, Vaccine Centre, UNICEF SD

timing in the recording 00:33:16

I think that it's a very thoughtful and actually a very timely question in terms of support for those non-Gavi countries and how they can be in a better position to be able to achieve affordable pricing and support the introduction of the newer vaccines into their immunization programs.

So a couple of reflections: a few years back - I think it was in 2015 - there was a Middle-Income Country Task Force that was led by WHO. And there was a number of recommendations that were made with the task force, but there wasn't that kind of requisite global support to actually provide assistance to MICs. So, although there was a number of partners who were who are engaged with supporting MICs, there wasn't a kind of "global consortium" or "pathway" in order for MICs to take advantage of that support in a very strategic or longer-term manner - it was largely ad-hoc. That included efforts with UNICEF, actually, and the work that we'd been doing with MICs.

We have issued tenders in order to be able to secure affordable pricing for MICs. And in the past, when we have issued a tender, what's happened through UNICEF is that many of those MICs are non-Gavi countries. (We do have a few that procure through UNICEF and we have been successful in issuing a tender and securing lower prices for those.) Most non-Gavi countries though, especially in the MICs designation - self-procure. So although there's a desire to access affordable pricing, most countries use self-procurement mechanisms. So our ability to be able to consolidate that demand and actually negotiate with suppliers in order to exceed more affordable prices were very limited.

So when we had issued a tender for MICs several years ago, we didn't actually get positive responses from the suppliers because they had no idea who would be taking advantage of their pricing structure.

Without that visibility of forecasting and that commitment of countries, when that credibility of demand just isn't there, it's very difficult to ask the supplier to secure in an affordable price.

So what we've done in the meantime – (I can reflect as far as UNICEF), is that we've been working directly with countries to confirm their demand - so it's not only *interest* in introducing PCV, Rota or HPV into their program – it's determining whether or not you have a policy or program recommendation in your country:

- Is there the political will to introduce that vaccine into the country's immunization program?
- Is there a budget that has actually been assigned or available to secure access to the vaccine if you were going to go out and issue a tender?
- Is there a willingness on the behalf of the country to look at long longer-term contracting and securing that their budget against that?
- If not, what kind of financing mechanisms are available?

Once have those kind of criteria covered (and have confirmed the opportunity to work through UNICEF), then we're going to the suppliers and actually looking at how we can negotiate the most affordable price on behalf of countries.

So, what it requires, actually, is a commitment from the country, and so it's the **political will and the commitment** from a policy program point of view. The commitment- as far as looking at budget availability, and determining whether or not there is acceptance or an opportunity to look at longer-term contracting. And then from there, an opportunity to be able to consolidate that demand and look at volumes in order to achieve a more affordable price. So, this is what we're doing right now for PCV and we're also working with countries for HPV.

So it's taking it from interest and trying to move it along the spectrum, so that we can actually secure a contract and the opportunity for the country to self-procure going forward in the future.

I know I've spoken a lot, but I think the bottom line is: for countries that want to introduce the new immunization programs into their programmes (PCV HPV and Rota as examples), they need *credible demand, political will and willingness to actually move that agenda forward*.

Many of the countries come in with only an expression of interest and it's very difficult for global partners to be able to move that forward from just the interest to actually realizing opportunities to seize an affordable price. So that's just a reflection on my part.

Question by Dilara Ayazova, Programme Officer, UNICEF Country Office, Turkmenistan

timing in the recording: 00:38: 50

3. Could you please tell more about options for “targeted technical assistance”?

➔ **Answer by Juliette Puret, Senior Programme Manager, Immunization Financing and Sustainability, Gavi**

timing in the recording 00:39:00

Basically, Gavi countries can get technical assistance from different partners at the country level through the Targeted Country Assistance (TTA) system which is the “Partner Engagement Framework”. For

example, we had countries that got support to have their forecasting developed - that was actually done through UNICEF. We also gave support for vaccine procurement – and we are try to support some countries in modernizing their procurement processes. The assistance is developed from each country's demand through the TTA process.

Panelists Comments & Question/Answer Session after Georgia's presentation:

Question by Frédéric Debellut, Health Economist, Policy, Access and Introduction, PATH's Center for Vaccine Innovation and Access:

timing in the recording: 00:56:39

4. Thank you, Vladimer, for the great presentation. Thank you as well to Juliette and Heather for the earlier presentations. I found these three very, very useful.
I want to ask something to Vladimer: because he described very well the procurement mechanisms when Georgia is not going through UNICEF procurement. There is something I noted from one of your first slides, Leslie, "takeaways from previous webinars": one of the items that was quoted as impacting the price was to strengthen self-procurement mechanisms. And from Heather's presentation I also understood that volume is always a concern and also impacts the price of vaccines. So for a country like Georgia - as for other MICs that have smaller populations – strengthening procurement mechanisms might not really help to access good prices, just because it's difficult to guarantee how to have these for very high volumes. So, I was wondering, Vladimer, if you had any comments on that?

➔ Answer by Vladimer Getia, Department Head, National Centre for Disease Control and Public Health, Georgia

timing in the recording: 00:58:22

We just use this mechanism for purchasing. Because as we already mentioned, our volume is very small for one year - so we increase the scale by making multi-year purchases. It give us the opportunity to get more volume of vaccines with less price.

In a similar situation is our neighboring country – Armenia – it's also a Low- Middle-Income Country and with a small population. They asked us to have unified procurement regarding these vaccines. But there are some legal issues, so we are in the stage of negotiation now.

We also use the UNICEF mechanism because for countries like ours it's more affordable.

➔ Follow-up comment by Frédéric Debellut

timing in the recording: 01:00:06

I think that these very are good learnings that might be useful for other countries. And it's great that you mentioned what is going on with Armenian - trying to have kind of a unified procurement. I've heard about other experiences from other Eastern European countries that are trying to put in place a pooled procurement. I've seen it with Montenegro, Macedonia and other countries that have small

populations that are trying to access affordable pricing through pooling their procurement. I think these are very good learnings.

➔ **Comment by Heather Deehan**

timing in the recording: 01:01:13

Thank you for an excellent presentation. It's always interesting to learn what countries are doing. You can see from George's experience that they have a mixed model, where they are able to use the UNICEF mechanism where it makes best sense in terms of affordability and security of vaccines, as well as using their own procurement mechanism.

But just a reflection, because I think it's become very interesting to me to see how suppliers (or the markets) are being structured or managed. For example, the acellular pertussis containing (Tdap) vaccine: right now it's a "constrained supply market" - where the production hasn't kept pace of the demand. It's improving over time; but we did have severe supply constraints in global markets for acellular pertussis containing vaccine and it did create some problems for countries, where they either risked programmatic interruption or an increase in the price just to secure the vaccine.

So it was a very challenging position to be in, where there was very limited supply, and countries were faced with decisions around how to manage their programs. In saying that, we can see that there's some markets where suppliers - because they're in a position where the demand is higher than the supply - they're managing those markets in such a way that they're limiting which markets they're actually selling or distributing that particular product. And right now we're we have difficulty being able to secure supply through UNICEF until there's more availability or competition in the market.

So it does create some tensions and some challenges for countries that have a very specific product that they've introduced within their program. And this is something that we've recognized going forward: For those markets where there's either limited or no opportunity for interchangeability of the product, it does lead to a very challenging situation as far as having a very skewed market direction.

In the case of Penta, we have the ability to have with the whole cell pertussis containing vaccine - there is interchangeability with the product. It's the same with BCG and our measles containing products - there is an opportunity for interchangeability. And it's the same with OPV.

As we're looking at the future of some of our markets, between Rota, PCV, as well as HPV, this is a very it's a very real concern - how best to manage and mitigate this within market, because it does ultimately affect the security of supply and the pricing that you're paying. I don't have a quick answer to that but I think it's something that global partners in working with countries - that we do have to have a very thoughtful discussion on this, as well as the Support Advisory Group such as SAGE, as far as *how do you manage your immunization programmes where you have a certain product and there may be limited supply?* and *the opportunity for switching, replacing, or interchangeability of the products* as we go forward, so that we can achieve both security of supply as well as sustainability or stability of that pricing.

Question from Abdelkrim Tanouti, Head of Administrative Department, MOH, Morocco

timing in the recording: 01:05:51

1. It concerns some countries that have difficulty financing new vaccines because of their high prices - especially Low- Middle-Income category countries and these are typically not eligible for Gavi support, and so the question is – is there a possibility for these countries to benefit from low Gavi prices? How can that work?

➔ **Comment by Heather Deehan**

timing in the recording: 01:06:19

Okay well I don't know that my answer is going to satisfy everybody on the call, but I will say a couple of things:

1) In terms of the affordability of the products that are on the market right now - as far as if a country tries to initiate self-procurement - and as we discussed - if the volumes are low, or you don't really have a large volume, and you're only looking to secure commitment from year to year, and if you don't have long-term visibility of your requirement, your ability to actually achieve an affordable price will be impacted. So I think we just need to make that very clear in terms of countries actually thinking about what are their approaches, what are those kind of levers around the pricing, and what is within your ability to be to control or to change in order to achieve a more affordable price.

So I know that's not an easy answer, but I think it's important that we actually have these reflections as far as what is the behavior of the country, and where are those opportunities for you to be able to change what you're doing - or to control what you're doing - in order to secure a more affordable price.

Well, so with that said, I had mentioned PCV - and we're moving forward with some countries on HPV in UNICEF. If there is an opportunity to be able to work through who UNICEF we do have financing mechanisms. So let's say, for instance, you have legislation within your country that you are only able to secure contracts one year at a time based on your budget cycles. So you are not in a position to engage in long-term, multi-year contractual agreements because of the way that your financing is being managed in your country, and the budget control - you can only budget for one year at a time. If there's an opportunity to work through UNICEF, we do have financing mechanisms that are available to us in order to be able to work with the kind of way that your budgets and your financing cycles work, in order to engage in longer-term contracting.

So are there financing tools and mechanisms that are available? Yes - but there will be a need to be able to work through organizations such as UNICEF, and that's something we're more than happy to further discuss - and I know that we've had webinars on financing in this forum.

So further to that, there is a question of whether or not countries that may not meet the eligibility for Gavi will be able to access the Gavi prices - so I will say that (I know that Juliet's not on the call right now) but it's one of the areas under discussion right now - what's called Gavi 5.0 - is a discussion on Middle-Income countries – so, acknowledging that there's a number of MICs that either have not yet introduced new vaccines into their programs, or they are, perhaps, behind as far as achieving coverage and equity for all of their population to really derive the benefits of these programs. Juliet spoke a little bit about technical assistance - I think there's also a discussion to see what is that opportunity or what is that willingness in order to expand the scope or to think about what is it that could really be a benefit to

MICs . Again, I don't have the answer, but I can say that this is currently under discussion amongst partners, as well as board members, in order to look at what will be that strategy for Gavi 5.0. So, it is under discussion to see what are those opportunities.

Note added by Juliette after the webinar: The board has been looking at challenges facing MICs regarding immunisation coverage, vaccine introduction, immunisation equity, and programmatic and financing sustainability. For the moment nothing has been decided yet and it will not be the Gavi Secretariat but a Gavi Board decision.

If any decision is taken, it will not happen before the next Gavi Strategy (Gavi 5.0) to start by 2021.

2) Further to that, the one thing I think it's very important for us to reflect in the Gavi model that had around 73 countries that participated in this model. For the most part, we as an alliance (UNICEF, Gavi, Bill & Melinda Gates Foundation and other partners CDC, PATH...) we've had a number of partners that have been working very hard in looking at how we can accelerate the introduction of new vaccines. For many (if not all) of the 73 countries, they had accepted consolidation of their volumes - so we pooled the volumes. There was the opportunity for Gavi's financing or Gavi funding in order to back those volumes, and in addition there was an acceptance of WHO pre-qualification in order to be able to access the vaccines. There are other parameters, of course, that are involved, but I spoke to that earlier in the call, in terms of *what are those opportunities in order to achieve affordability*. So one was the willingness of countries to be able to be engaged in Gavi, and that meant pooling their demand and their volumes together, in addition to having agreement around the WHO pre-qualification -the Quality Assurance standard, in order for suppliers to be able to offer, or bid, or propose a price – for which they knew that they had credible forecast, because of the GAVI financing.... they had contracting mechanisms that de-risked a lot of the challenges that they foresaw if they scaled up to that demand. And there was consistency in the product that we were procuring and supplying on behalf of country. So we didn't have a lot of variability in terms of specific label requirements, or clinical trials in country or other kind of regulatory standards.

I'm not suggesting that you need to relinquish your regulatory control, but I think it's also important to reflect on what has made them this model for Gavi so successful. And the price is not *just* because of Gavi, it's because we introduced a lot of mechanisms that made it attractive for suppliers to offer supply and have the contracts and work with Gavi. So the volumes were there, the credibility was there, special contracting mechanisms were there, and there was this kind of standardization in terms of what they were producing and what the requirements were in order to be able to meet the Gavi market needs.

So, I think it's important that it's not just getting access to Gavi and getting that price, it's also reflecting on what are those kind of requirements in your country, and what is that willingness in order to be able to engage in a kind of pooled procurement mechanism. It's a very large one, but I think it's important to also think about that.

➔ Follow-up comment by Frédéric Debellut

timing in the recording: 01:14:45

I don't really have a particular recommendation as to how MICs can access Gavi prices, but maybe I'd like to emphasize a bit more something that was explained by Heather a bit earlier, during her

presentation - when she presented different pricing models that manufacturers are using, and maybe highlights the current situation with rotavirus vaccines, where, for a long time we had two historical products from developed country manufacturers, and recently two new vaccines have been pre-qualified coming from Indian manufacturers and offering lower prices to (I think) all Middle-Income countries.

And so this is clearly a situation where as the pricing model used by the manufacturer might benefit a broader range of countries - and not targeting specifically Gavi countries. So it's really about gathering information on the market for the products that the country is interested in, and knowing who are the key players and gathering information on prices being offered or that are available. And I think this space of emerging manufacturers with different pricing models - this is really a way for countries to access more for the very best price in the future.

➔ **See more replies relevant to this question in the Price e-discussion space:**

<https://www.vppnetwork.org/e-discussion-february-2019/114-low-financing-capacity-of-new-vaccines-for-lmic.html>