



LNCT
Learning Network for
Countries in Transition

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Vaccine Procurement

Strategic options for countries

Tbilisi, Georgia
April 2019

Vaccine procurement context

Global Market

- Vaccine market is very concentrated and competition is limited.
 - 4 "big pharma" companies represent 75% of the global sales
- Geographic segmentation and diverging markets for products and presentations: OECD / middle-income / low-income countries
- Limited global supply capacity, Supply constraints
- Increasing role of emerging producers
- Importance of Gavi and UN agencies in shaping the market

Vaccine : a strategic product

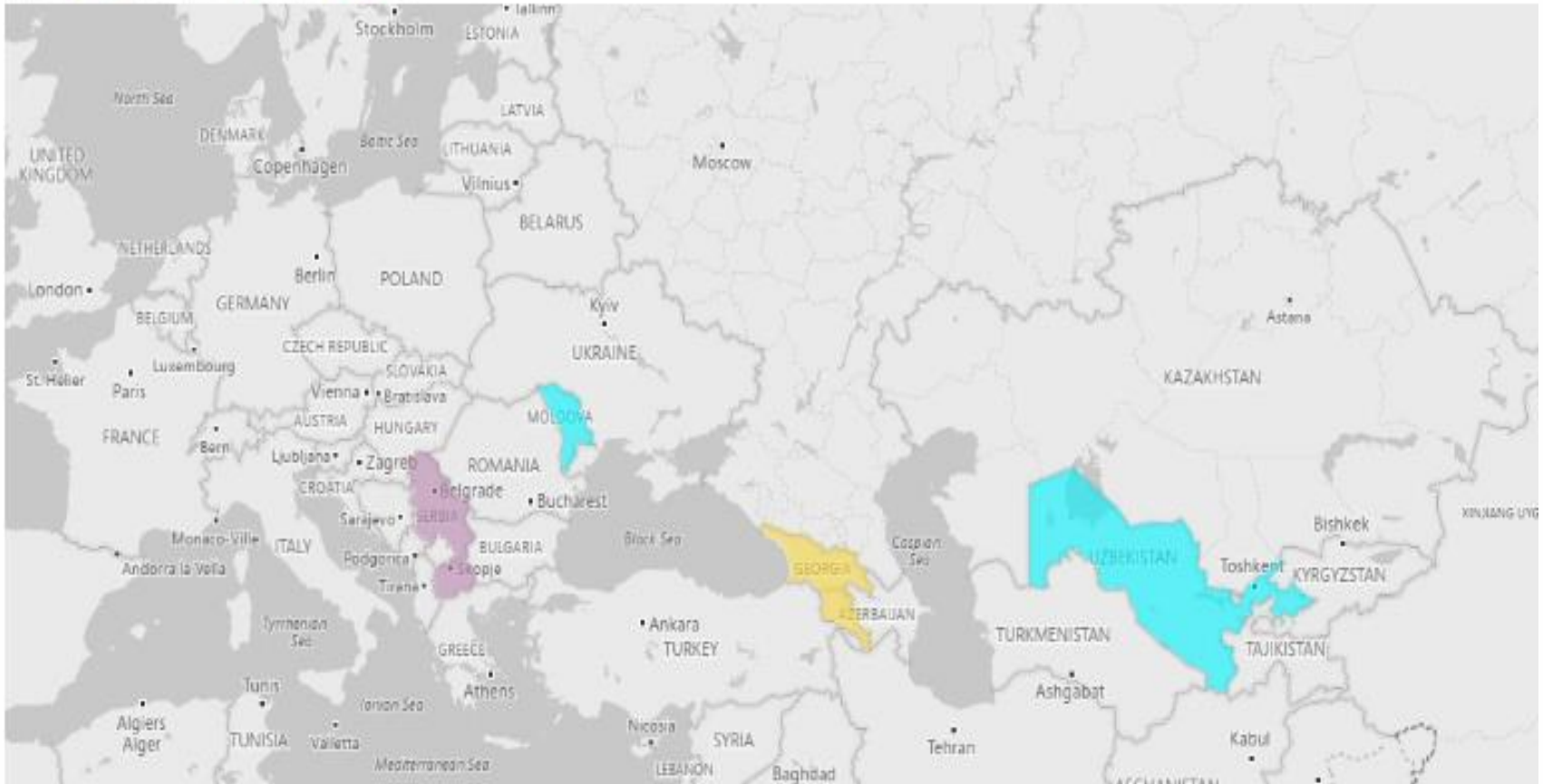
- Vaccines are biological products.
- Requirements for quality and risk aversion

Country's needs and capacities

- Epidemiological profile and priority needs
- Vaccine prices, budget for vaccines and country fiscal space

Contextualization of the procurement options

MODALITY ● Mix-procurement ● Self-procure ● UNICEF



Lessons learnt

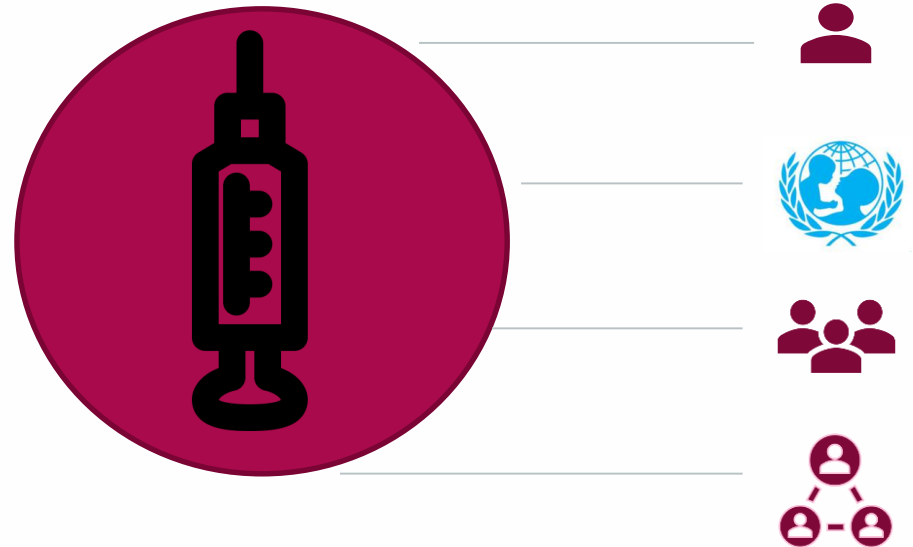
PROGRAMME	FINANCE	SUPPLY	REGULATION
Target population	Annual and multiyear budget	Public procurement laws	Regulatory framework
Immunization schedule	Access to hard currency	Sources of vaccines	NRA functionality
Vaccine preferences	Release of funds	Selection of suppliers	Registration process
Vaccination strategies	Financial management	Contracting approaches	Lot release
Planning/forecasting	Payment modalities	Tender procedures	Quality control
Vaccine management	Taxes	Market intelligence	Lab capacities
Monitoring		Price info and benchmarking	

Procurement modalities

Highlight of the trade-offs of each modality

Which levers can be activated to better control your procurement system?

- Self-procurement
- UNICEF Procurement Services
- Pooled procurement
- Partial self-procurement



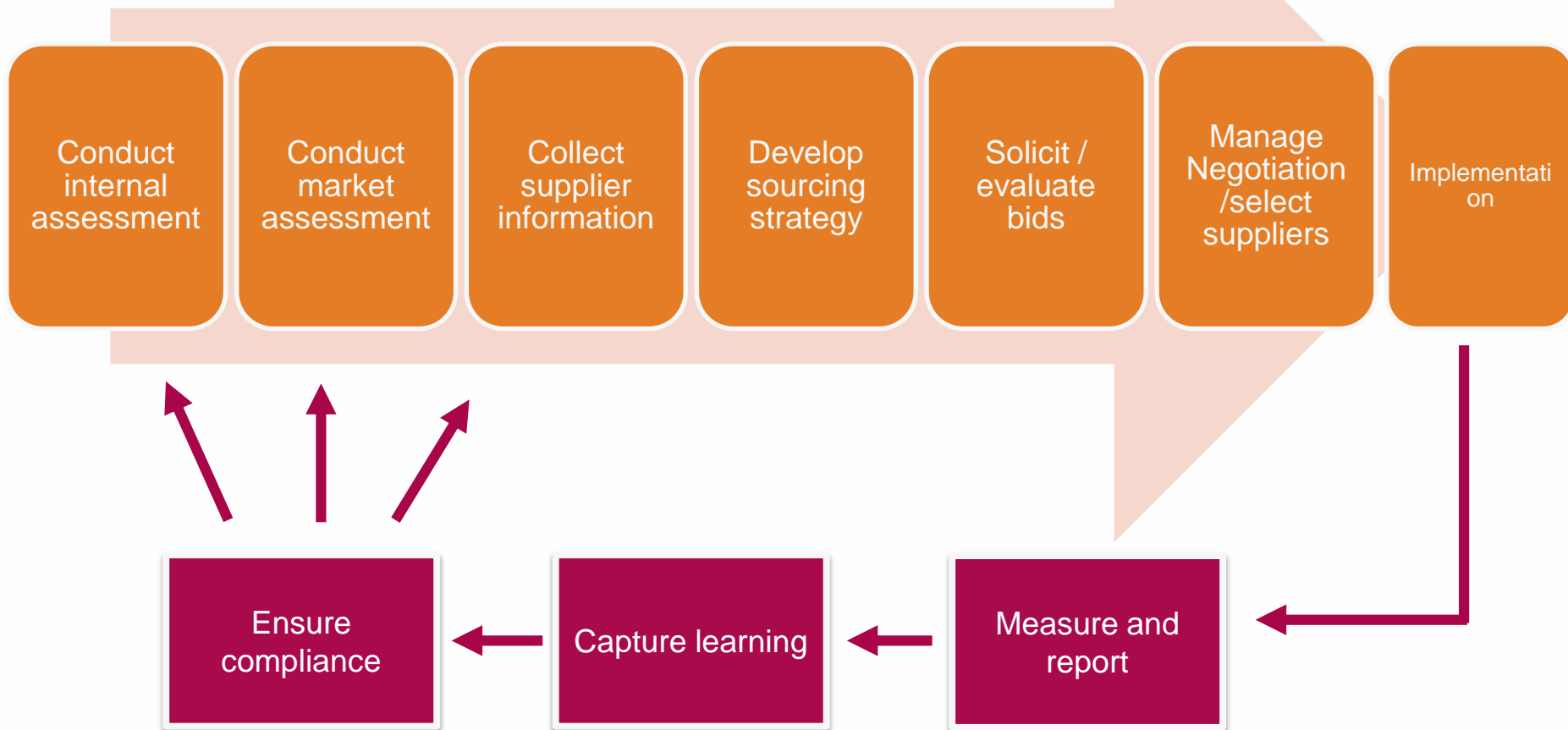
Strategic procurement

Strategic purchasing ?
an institutional
procurement process
that continuously
improves and re-
evaluates the
procurement
performance

- Assessment of current spending (what is bought, where, at what prices? Satisfaction degree?).
- Assessment of the supply and market (who offers what?).
- Total cost analyses (how much does it cost to provide those vaccines and/or services? Total cost per presentation preferences,.).
- Identification of suitable suppliers (direct, UNICEF,..)
- Development of a sourcing strategy (where to purchase, considering demand and supply situations, while minimizing risk and costs) for all or for each product
- Negotiation with suppliers (products, service levels, prices, length of contract, payment Terms, adjustments, etc.).
- Implementation of new supply structure.
- Track results and restart assessment (**Continuous cycle**)

Strategic procurement

Strategic Sourcing Information Flow



Country group Work

Vaccine Procurement Challenges and Options – Country Group Work

- 1. What levers could you activate to better control your procurement system?** (regulatory, forecasting/ planning, contracts, finances)
- 2. What would be the advantages and disadvantages of pursuing another procurement modality?**
- 3. What is the level of flexibility of your procurement/ legal system to face exceptional situations such as emergency crisis ?**