

# The Vaccine Ecosystem policy briefing paper: procurement, pricing and finance

## Responsive procurement models and greater sustained investment in immunisation programmes are essential for providing equitable worldwide protection from vaccine-preventable diseases.

Diseases do not recognise national borders, therefore a concerted global effort is necessary for controlling the spread of communicable diseases, particularly those that can be prevented through vaccination. In the past, vaccination procurement, pricing and finance has been a slow and uneven process. To address the public health impact resulting from SARS-CoV-2, we reviewed the existing situation for procurement, pricing and finance and considered ways to improve future response efforts.

We have conceptualised the ecosystem as five inter-related pillars, as outlined in our framework report *Towards a stronger Vaccine Ecosystem: building resilience beyond covid-19*.<sup>1</sup> Based on our report and a roundtable discussion with experts in the field, this briefing paper presents the key actions needed to improve the third pillar: procurement, pricing and finance. This document is a broad overview of a complex topic, and more work is needed to address these and other issues in greater detail. While all five pillars are inter-dependent, the procurement, pricing and finance pillar, in particular, requires a high level of foresight and planning to maximise the long-term investment needed throughout the entire vaccine ecosystem.

### Key policy takeaways

For more effective coordination of vaccine procurement, pricing and finance, the following actions are required from specific stakeholders:

- **National and sub-national leaders:** securing increased, sustainable investment in immunisation programmes, including infrastructure and systems that can deliver services. Utilising procurement and contracting models that secure reliable, affordable supply of vaccines and ancillary supplies for routine and emergency use.
- **International, national, sub-national bodies:** implementing policies that ensure equitable, timely access during public health emergencies, including differential pricing, advanced purchase commitments, open trade policies, and resilient supply chains.
- **Private sector companies:** working with governments and other procurement bodies to strengthen long-term forecasting and planning to build durable approaches for vaccines and ancillary supplies, and to support contracting and pricing solutions that address affordability and equitable, reliable supply.
- **Health ministries and public health bodies:** communicating the evidence to demonstrate the full economic and health value of investing in routine and emergency vaccinations. Building enduring support with finance ministries and political leaders showing that vaccinations are important and a valued priority for national budgets.
- **International development financing institutions:** earmarking capital and financial instruments to support immunisation systems and infrastructure improvements that will enhance effective, efficient, and equitable distribution and delivery of routine services and outbreak response.

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### Addressing challenges posed by disease prevention

All interventions to improve procurement, pricing and finance must take into account both routine vaccinations and public health emergencies:

- Focusing on balanced procurement, pricing and finance interventions that influence and support routine vaccinations, emerging infections and public health emergencies.

### Coordinating procurement and distribution of vaccines and ancillary supplies during public health emergencies and routine vaccination campaigns for use throughout life

To ensure equitable, timely access during an outbreak or for preventing endemic diseases, global coordination of procurement and financing of vaccines and ancillary supplies is essential. Additionally, policies and practices such as differential pricing, advanced purchase commitments, and open trade should be leveraged to support equitable, timely access of vaccines during an outbreak and to inhibit endemic diseases, avoiding nationalistic hoarding of vaccines. Global procurement of these products can be achieved in the following ways:

- Modeling and improving on the lessons learned from COVAX to strengthen international and organisational coordination.
- Promoting differential pricing models based on value and health economic assessments.
- Ensuring that vaccines are not preferentially supplied to countries that conduct R&D or manufacture vaccines at the expense of epidemiological evidence.

### Educating governments and the public

The framework report<sup>1</sup> emphasises why an understanding of the vaccine ecosystem is important for both governments and individuals in order to improve procurement, pricing and finance. One of the key aspects involves:

- Working closely with stakeholders to help shape vaccine procurement, promotion, and planning agendas at the earliest stages. Ensuring that governments and policy-makers understand the processes involved in procuring sufficient supplies of vaccine to meet future public health requirements.

### Collaborating with international development financing institutions

Building on the role of key institutions such as Gavi, UNICEF, the World Bank, and the Asian Development Bank, development institutions can play an important role in helping strengthen immunisation systems and infrastructure (e.g., cold chain, data systems) in low- and middle-income countries (LMICs) through financing and technical support. The approach of international development financing institutions to achieving this goal can be improved by:

- Prioritising mechanisms for improving vaccine logistics and delivery systems, and the training of health professionals and vaccination centre personnel.

- Reorienting funding and support to strengthen health systems and to encourage countries to build capacity and sustain domestic financing (because health is an integral part of economic development).

### Fostering public-private and intergovernmental partnerships

It is essential to promote public-private partnerships for procuring vaccines and ancillary supplies. Purchasing power can be increased and costs reduced in several ways, including:

- Pre-ordering vaccines, which in some cases can ensure that an adequate supply is available at a lower cost. This should be done ethically: this means that pre-ordering should prevent countries from procuring vaccine supplies at the expense of other countries with a greater epidemiological need.
- Developing methods to reduce complexity with purchasing complexity when purchasing simplifying delivery and reducing transportation and storage costs.

### Building resilient health systems

Interventions in procurement, pricing and finance are most effective when they build the overall resilience of a health system:

- Creating resilient health systems will ensure that procurement, pricing and finance interventions are more effective and sustainable.
- Fostering resilient health systems improves vaccination campaigns whether they target immunisations for routine disease or public health emergencies.



<sup>1</sup>The Economist Group. *Towards a stronger Vaccine Ecosystem: building resilience beyond covid-19*. The Economist Group; 7 October 2021. Available from: [vaccineecosystem.economist.com/the-vaccine-ecosystem--framework-report/](https://vaccineecosystem.economist.com/the-vaccine-ecosystem--framework-report/).