



Agenda item 16.4, Global Vaccine Action Plan

Médecins Sans Frontières (MSF) welcomes the opportunity to speak with your government on the challenge of unaffordable vaccines in advance of the 2015 WHO World Health Assembly. The high price of new vaccines – such as pneumococcal conjugate vaccine (PCV), rotavirus vaccine and human papillomavirus vaccine (HPV) – is a significant challenge to MSF in meeting the medical needs of our patients. Findings from our recently published report, *The Right Shot: Bringing down barriers to affordable and adapted vaccines*, show that the price to immunise a child has increased significantly over the past 13 years, and many “middle-income” countries are unable to afford to introduce new vaccines into the national programme. Through our conversations with governments, we understand that vaccine affordability is also a challenge for many countries. At the World Health Assembly in 2014, over 20 countries spoke out about the high prices of vaccines and the lack of transparency for vaccine prices. Many countries also raised this issue at the 2015 WHO Executive Board meeting.

Addressing unaffordable vaccines is aligned with the post-2015 Sustainable Development Goals which includes a proposal that recognizes the need for access to affordable vaccines under Goal 3 “Ensuring healthy lives and promote well-being for all at all ages.” The same proposal also includes adequate access to affordable vaccines as a way to achieve Universal Health Coverage (UHC).¹⁰ In advance of this year’s WHA, MSF wishes to discuss proposals with your government on vaccine affordability.

New MSF publication, *The Right Shot: Bringing down barriers to affordable and adapted vaccines* (January 2015, 2nd edition)

MSF released the 2nd edition of its report, *The Right Shot*, in January 2015. The publication brings together ~1,500 vaccine price data points from UNICEF, the Pan American Health Organization (PAHO), governments, vaccine manufacturers and MSF’s own supply centres. The report analyses price information on 16 key vaccines across 13 countries. Key findings from *The Right Shot* include:

- Over the past decade, the **price to fully vaccinate a child has increased dramatically**. Between 2001 to 2014, with the introduction of new vaccines, the price of the WHO-recommended vaccines has risen by 6,700%. This is using *lowest global prices* (eg Gavi price), which are not available to most countries. The newest vaccines – including those against pneumococcal and diarrhoeal diseases, and cervical cancer – account for 86% of the price of the full EPI package.
- Gavi, The Vaccine Alliance, has reduced the overall cost burden on low-income governments through donor subsidies; as a result, new vaccines have been rapidly introduced in low-income countries. **However, today entire parts of the world (especially “middle-income countries”, where an estimated 75% of the world’s poor live) are challenged with the price of new vaccines.** Governments have been raising their concern on high vaccine prices for a number of years at the WHA. In particular, many “middle-income countries” that have never been eligible for donor assistance, and find themselves left out of various mechanisms designed to reduce the price of vaccines, struggle to introduce new and expensive vaccines. As well, many of the world’s most vulnerable people, living in refugee camps or other crisis

¹⁰ <https://sustainabledevelopment.un.org/sdgsproposal>

contexts, are effectively shut out of the benefits of new vaccines by high prices, since humanitarian actors, such as MSF, are unable to access the lowest global price.

- **No data on vaccine prices, no transparency on real costs:** The lack of information makes it difficult for countries to have informed expectations about what to pay. The vaccines market is one of the most opaque market sectors -- price secrecy is a common practice, and it keeps countries and other purchasers in the dark when negotiating with pharmaceutical companies.
- **High revenues made by pharmaceutical companies:** Pharmaceutical companies charge very different prices in different markets for the same product. In theory the highest prices are set for higher income countries and relatively lower prices are set for lower income countries. However, when looking at the limited available data, the prices charged to countries by pharmaceutical companies follow no clear rationale. For example, prices for PCV vaccines (Prevnar13, Pfizer) in Morocco (US\$ 63.74 per dose), Tunisia (US\$ 67.30), Lebanon (US\$ 78), and Hungary (\$ 61.50) are more than in France (\$58.40). (See Graph 5).
- **Lack of competition:** The market for the newest and most expensive vaccines – against pneumonia (PCV), diarrhea (rotavirus), and cervical cancer (HPV) – is dominated by two multinationals each. These companies – GlaxoSmithKline, Merck, and Pfizer – have been able to keep prices high and shut out competition from other manufacturers. Companies do need to recoup their investment in the development of new products, but with blockbuster revenues already raised from these products, their costs have been long recovered. For example, the PCV vaccines have cumulatively earned the pharmaceutical companies over US\$ 36 billion in revenues (Wyeth, Pfizer, GlaxoSmithKline).

Global Vaccine Action Plan (GVAP): how to improve vaccine affordability

The Global Vaccine Action Plan was adopted by the 2012 WHA as resolution WHA 65.17. As part of the GVAP resolution, member states are to report annually on their progress towards the GVAP objectives. Each year, the global GVAP report is reviewed by WHO's immunisation policy body, The Strategic Advisory Group of Experts (SAGE). The SAGE makes recommendations to the WHA for improving progress towards the GVAP objectives.

After reviewing the 2014 GVAP annual report, the SAGE wrote¹:

Vaccine affordability is crucial. Vaccines can only be provided to all who should benefit if they can be sustainably purchased, but at a price that also provides sufficient reward and incentive for industry. **There has been particular concern about the affordability of newer vaccines for middle-income countries that do not receive Gavi funding** (because they are ineligible for it, or because they were previously eligible but have now graduated from Gavi support). **There is concern that for some countries and certain vaccines, price may be the main barrier to introduction**, and that for other countries, vaccine procurement costs may take too great a bite out of the overall healthcare budget and therefore not be sustainable.

Information on vaccine prices (complemented by other data) is key to assessing affordability and market dynamics. Both UNICEF and the PAHO Revolving Fund now make price information available for the vaccines that they buy through pooled procurement. Many countries finance and procure vaccines on their own, though, and price information for these countries is sparse.

To address this, recent global efforts have tried to collect vaccine price information from countries. There have been two main initiatives: the Vaccine Product, Price and Procurement (V3P) database, and a pilot in two regions of WHO/UNICEF Joint Reporting Form. (In future, the V3P database will be the main mechanism for reporting and recording price data from countries and the Joint Reporting Form will provide a link to this.) To date, only 17 countries have provided information to the V3P - and in just one case is this data validated and cleared for public sharing. Another 27 countries provided information through the pilot Joint Reporting Form mechanism, but it was far from comprehensive. **In short, there is a real shortage of information about how much countries are paying for vaccines.**

Because vaccine pricing is not transparent, the affordability of vaccines for countries cannot be properly evaluated. Why the lack of transparency? The price collection mechanisms are relatively recent, so countries may not yet be fully aware of them or their importance. It is also known that some countries accept confidentiality clauses with manufacturers, in exchange for perceived preferential pricing, but it is unclear to what extent this may impact reporting.

It is vital that greater transparency be brought to this important area. This is crucial to evidence-based assessment of the scale and scope of market imbalances, and will allow solutions to be developed once the problems are understood. **It will enable open and fair discussions about appropriate levels of financing for procurement, and how vaccine pricing differs among countries.**

Self-procuring countries may believe they hold little power in vaccine markets that are often dominated by very few firms, and in which they may lack market knowledge and deep expertise in procurement and negotiation. But countries can exercise more control over these issues than they may realize, particularly if they commit to sharing information and working together. Solutions that meet their needs can be facilitated by others, but should be driven by their input. This begins with, but is not limited to, price information.

THE SAGE RECOMMENDS THAT:





- Technical agencies conduct urgent assessments of (i) the extent to which the reported national-level stockouts are affecting local vaccine supply and delivery, and (ii) the root causes of these stockouts.
- **Countries are requested to change the rules of the game on vaccine affordability, to create transparency which is in their interest. They can do this by making pricing information publicly available, and by collaborating with WHO and all technical agencies to develop solutions.**
- Technical partners support countries to improve the transparency of vaccine pricing. Technical agencies themselves should do everything possible to share pricing data.

1. <http://www.who.int/wer/2014/wer8950.pdf?ua=1>

MSF recommendation: time for more action on affordable vaccines

Médecins Sans Frontières believes that it is time for more concrete action to bring about **more affordable vaccines for all countries**. In line with the WHO SAGE recommendations (above), we encourage governments to take active steps in advance of this year's WHA to call for more affordable vaccines.

What are the potential solutions?

-  Manufacturers and governments should **make the prices they negotiate for vaccines public**. By being able to compare prices, governments will be in a better position to negotiate with companies.
-  **Governments should combine their vaccine orders** (pooled procurement) with other countries to achieve greater negotiating power with manufacturers through larger vaccine demand.
-  The **monitoring of vaccine prices** should be reinforced to effectively track price variations, opening up more choices for vaccine purchasers and encouraging fairer pricing through price comparison.
-  **The entry of new manufacturers**, particularly those with lower manufacturing costs, needs to be accelerated through transfer of technology and access to licenses. Only through real competition between multiple manufacturers will prices drop sustainably.

MSF is keen to support your government to prepare for the 2015 WHA Global Vaccine Action Plan agenda item in calling for more affordable vaccines.