

Deutscher Bundestag

Ausschuss f. Gesundheit
UA GlobG

Ausschussdrucksache

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TOP 2b) 25. Sitzung des UAGlobG
am 10. Juni 2024

05.06.2024



GERMAN SUB-COMMITTEE FOR GLOBAL HEALTH

Financing sustainable local production in Africa – The African Vaccine Manufacturing Accelerator (AVMA)

Dem Ausschuss ist das vorliegende Dokument
in nicht barrierefreier Form zugeleitet worden.

There is political momentum for Regional Manufacturing - Gavi's AVMA responds to these calls

There case for African vaccine manufacturing

Strong policy commitments

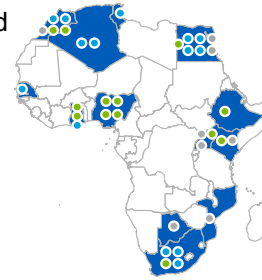


+ Broad international support from a wide range of global leaders as well as donor commitments



+ **>30** Announced projects

- installed
- planned
- in discussions



Building on the strong momentum and challenges faced by manufacturers, Gavi developed a new Regional Manufacturing Strategy in 2022 –

focusing on where Gavi can add value to this complex ecosystem

However, there are significant challenges for manufacturers

Higher initial costs compared with incumbent manufacturers ...

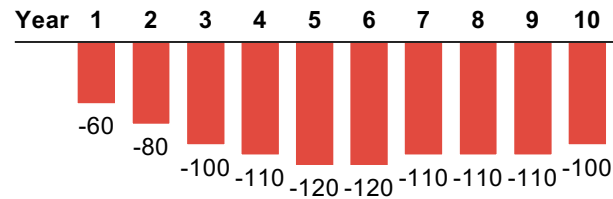
+20%
operating costs

+50%
capital expenditures

+40%
labor costs



... resulting in protracted negative cashflows without targeted support



Cumulative cashflows for the Measles-Rubella (MR), Drug Substance (DS) archetype, in US\$ M

Gavi's Regional Manufacturing Strategy is deeply linked to the AU's PAVM Framework for Action – with AVMA as the financial pillar

Gavi has provided support to African countries on immunization over the last 20 years:

- Working with **40** countries
- Vaccinating against **18** diseases
- Disbursing **>US\$ 11.9bn**
- African countries co-financing **>US\$ 941.8m**
- Reaching **438m** children with routine immunisation
- Averting **11.1m** future deaths in Africa

The COVID-19 pandemic highlighted global vaccine inequities, leading to calls for greater regionalization of vaccine manufacturing



PAVM Framework for Action

- **Market design & demand intelligence**
- **Access to finance**
- Regulatory strengthening
- Technology transfer and IP
- Research & Development
- Talent development
- Infrastructure development
- Agenda-setting and coordination



Regional Manufacturing Strategy

- **Pillar 1:** Aggregate and communicate market insights
- **Pillar 2:** Adapt Gavi product menu criteria to accommodate regional diversity of manufacturers
- **Pillar 3:** Build regional solidarity and predictability around demand
- **Pillar 4:** 'African Vaccine Manufacturing Accelerator' (AVMA) to provide early-years financial support to African vaccine manufacturers

Details next

AVMA is a \$1billion 10-year financial instrument with two objectives

AVMA objectives

Two main objectives:

Objective A

A sustainable, African vaccine manufacturing base that is contributory to healthy global vaccine markets



Objective B

Improved African pandemic and outbreak vaccine supply resilience



AVMA incentive payments

Two distinct payment systems to support vaccine manufacturers on the African continent:

Milestone Payment

- Payment for an **AVMA priority vaccine or on a priority platform** with **WHO PQ**
- Payments from **\$10 M** up to **\$25 M**

AVMA

\$250 M

in total for Milestone Payments

Accelerator Payment

- **Top-up payment per dose** following award in UNICEF tender
- Between **\$0.30** and **\$0.50** per dose

AVMA

\$750 M

in total for Accelerator Payments

AVMA key targets

With a set of cautious, evidence-based, and reasonable key targets:

At least 4

Vaccine manufacturers

>0.8 bn

Doses supported

3 or more

technologies

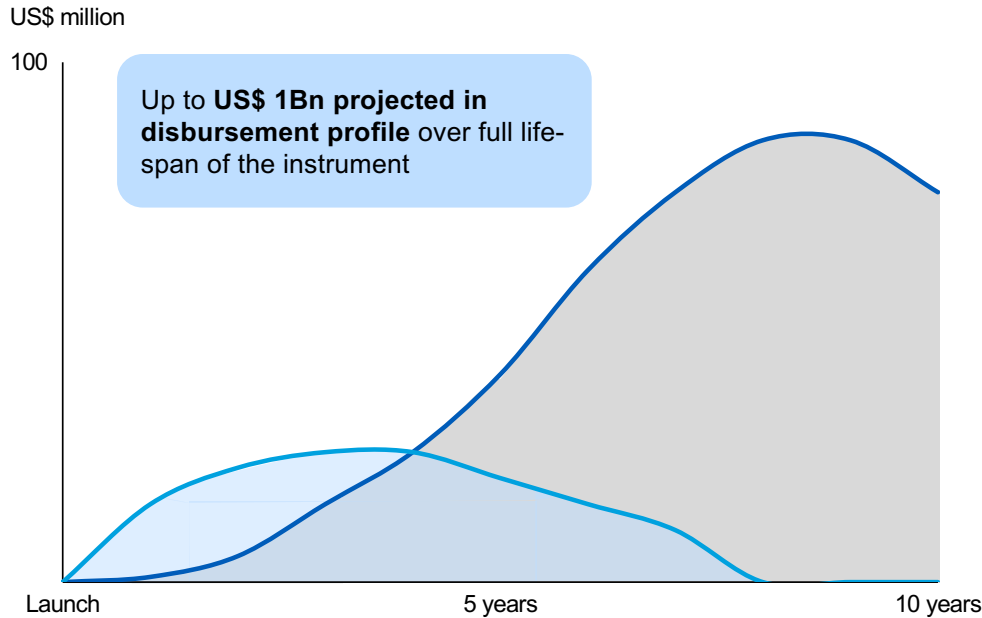
>0.7 bn

of capacity in a pandemic

To unlock AVMA's full \$1 billion, it will be key to secure demand from African countries and take action across the ecosystem

Projected AVMA payments to Manufacturers in US\$ million by year

— Accelerator payment — Milestone Payment *ILLUSTRATIVE NON-CUMULATIVE*



Note: Based on AVMA model with conservative timelines, building on existing announcements only. Please note that disbursement profile is here smoothed over the lifespan of the instrument, and payments are expected to continue after 10 years for ongoing UNICEF tenders.

To unlock the full potential of AVMA's \$1 billion funding, coordinated actions across the ecosystems are needed



Demand from African countries for African vaccines



Trade Policy



Infrastructure



Access to Finance

AVMA is one actor in a large ecosystem

AVMA is a necessary but not sufficient condition for success: It is dependent on other partners, presenting shared risks

Support to the manufacturing ecosystem



Commitment across ecosystem stakeholders, e.g. Africa CDC's Pooled Procurement Mechanism

US\$ 3+ billion in early-stage financing instruments
MAV+ (€1.1 billion), EIB and BMGF (€500 million), DFC (\$ 2 billion)

G7 donors and BMGF investing US\$ 110+ million in African Medicines Agency and NRA regulatory strengthening

\$110+ million in the establishment of partnerships & initiatives through e.g. WHO Technology Hub, Wellcome Trust, International Vaccine Institute (IVI)

BMGF and CEPI in partnership with Africa CDC investing US\$ 100+ million in African R&D, Mastercard Foundation investing US\$ 45 million in talent development

Investment across Africa to meet its infrastructure funding gap

Africa CDC leadership



Market design & demand intelligence

Access to finance

Regulatory strengthening

Technology transfer & IP

R&D and talent development

Infrastructure development

Gavi's Regional Manufacturing Strategy



Market insights through Pillar 1 support demand materialisation and help inform manufacturer choices

Financial incentives to de-risk new investments with the AVMA to "tip the business case"

Creates a space for **stakeholder discussions across the ecosystem** through the Manufacturer forum

De-risk costs of initiating tech transfers for the licensee, and the risk for the licensor

Labour market signalling and high-skill talent development, as well as the upfront costs of expat labour

Strengthens the case for investment in necessary infrastructure

Gavi's Day Zero Financing Facility for Pandemics responds to G7 and G20 calls for surge financing to be made available from day zero in a future pandemic

Gavi is engaged in all major PPPR¹ discussions...



G7

- *Strengthening the Global Health Architecture and Prevention, Preparedness and Response to future pandemics*



G20 Joint Finance and Health Task Force

- *Improving the assessment of risks arising from pandemics to prioritize policy responses*



Medical Countermeasures Platform for Pandemics

- *Global Coordination Mechanism on MCM*



UN High Level Meetings on PPPR

- *Political declaration to improve government capacity for pandemic response*



Intergovernmental Negotiation Body

- *Pandemic Accord*

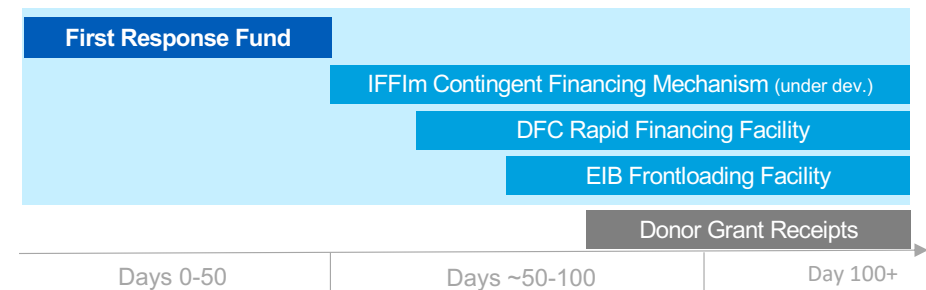


Pandemic Fund

- *Implementing Entity, Board Observer and collaborating on 2nd Call for Proposal*

... working to be ready for the next pandemic

Gavi's Day Zero Financing Facility



Key Programmatic Parameters of the First Response Fund

Duration	7 years until end of December 2030
Geographic Scope	Core Gavi-eligible countries
Eligibility Criteria	Restricted to the highest levels of public health emergencies with a two-stage eligibility process
Use of Funds	<ul style="list-style-type: none"> • Rapid vaccine access including procurement of doses • Accelerate the delivery of vaccines • Targeted support to maintain routine immunisation and protect healthcare workers

¹ Pandemic Prevention, Preparedness and Response

**Vielen
Dank**

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