

COVAX



The COVAX facility

Global procurement
for COVID-19 Vaccines

Investment opportunity

COVID-19 has, in the course of six months in 2020, upended economic and social progress in all parts of the world. No region has avoided this highly contagious pandemic. From a slow creeping start in January, cases continue to grow globally past 10 million infections. While individual countries have taken strong measures and made progress in containing the spread – and better diagnostics and treatments are urgently needed – this is not a lasting solution and the disease is now re-emerging in places thought to have contained the spread. Developing and deploying a safe and effective COVID-19 vaccine is essential to restoring anything remotely resembling normal economic activity and should be the highest priority in all countries.

Some countries have taken steps to protect their populations by directly securing supplies of vaccines. The risk attached to such bilateral transactions with single manufacturers is high as the probability of success for any vaccine in early stage development is low. Pooling demand with other countries through a joint mechanism vastly increases the probability of success for each country and global success in stamping out a disease which does not recognise borders. Through the COVID-19 Vaccines Global Access (COVAX) Facility, countries have the opportunity to benefit from a portfolio of vaccine candidates so that their populations can have early access to effective vaccines. For Governments that do not have bilateral agreements, the COVAX Facility offers a reliable supply of safe and efficacious vaccines. For Governments that are making deals with individual manufacturers to supply vaccines, joining the COVAX Facility provides an insurance policy.



Overview

Effective vaccines against COVID-19 are urgently needed to protect populations and restart economies. Where they can, governments are funding the development of candidate vaccines and making bilateral agreements with vaccine manufacturers. Research suggests that historically, vaccine programmes that have not yet entered human trials have a 7% probability of succeeding, which rises to 17% once they enter human trials. Of the 130 candidates identified by WHO, only 15 are currently in human trials.

On 24 April, the World Health Organization (WHO) hosted the launch of the Access to COVID-19 Tools (ACT) Accelerator, a new global collaboration to accelerate development, production, and equitable access to COVID-19 diagnostics, therapeutics, and vaccines. Within the Accelerator, Gavi, CEPI, and WHO together with multinational and developing country vaccine manufacturers are working on the COVAX (vaccine) Pillar to develop the COVAX Facility. The Facility provides governments with the opportunity to benefit from a large portfolio of COVID-19 candidate vaccines using a range of technology platforms, produced by more manufacturers across the world, with a bigger market to provide security of demand – often with greater scope than governments or regional groups can support on their own. Even where governments already have access to a portfolio of candidate vaccines, it acts as an insurance policy through economies of scale and portfolio diversification.

Through CEPI's portfolio which will be transferred to the COVAX Facility, the Facility benefits from a growing number of COVID-19 vaccine candidates and manufacturing capacity. The Facility is also open to and seeking agreements with candidates from manufacturers around the world that have not been financed by CEPI. For Governments that are making deals with individual manufacturers to

supply vaccines and where there is uncertainty that these deals may not lead to a viable vaccine, this provides an insurance policy. For Governments that do not have bilateral agreements, it offers a reliable supply of successful vaccines.

The Facility also contributes to a global scale-up of vaccines and therefore to controlling the pandemic. In its first phase up until the end of 2021, the Facility aims to secure 2 billion doses of vaccines. The second phase from 2022-2025 will see additional supply availability.

The Facility is reinforced by the Gavi COVAX Advance Market Commitment (AMC) which provides funding for vaccines for lower income countries, creating scale and therefore making the Facility more attractive to manufacturers who will benefit from an orderly market, as well as creating the opportunity to tackle the pandemic around the world.



How the facility works

The Facility will have access to doses of vaccine candidates through agreements that Gavi will conclude with vaccine manufacturers on behalf of the Facility. The Facility aims to procure 2 billion doses by the end of 2021. Gavi on behalf of the COVAX Facility will:

1. Provide manufacturer-specific contingent volume guarantees to procure vaccines that meet WHO's Target Product Profile to de-risk and incentivise timely investment in expansion of manufacturing capacity. Gavi's agreements on behalf of the COVAX Facility are supported by a range of arrangements with key stakeholders:
 - a. The agreements are supported by research and development agreements that CEPI has made with the developers and manufacturers of 9 vaccine candidates. The candidates use a range of technology platforms and are being developed in multiple countries, including Australia, China, Europe, and the US. Gavi, on behalf of the COVAX Facility, has signed an MoU with AstraZeneca, one of the manufacturers supported by CEPI, which provides the pathway to an agreement that will commit 300 million doses to the Facility. COVAX Facility partners are in discussion with developers and manufacturers of additional candidates that will be part of the Facility.
 - b. The Bill and Melinda Gates Foundation is entering agreements with manufacturers in support of the COVAX Facility.
 - c. Gavi and UNICEF have asked for expressions of interest in working with the COVAX Facility from developers and manufacturers, and will seek agreements with respondents.

2. Offer a market-wide demand guarantee, which could provide continued incentives and assurances to manufacturers to expand production capacity and to bring products to market faster and at greater quantities and meeting e.g. preferred characteristics of the WHO target product profile (TPP) or with enhanced characteristics based on country needs.

Decisions about which candidates to support will draw upon the expertise available within the COVAX Pillar of ACT-Accelerator and will be based upon experience of a range of factors that make vaccines accessible, including how easily manufacturing can be scaled for a given technology.

Approximately 10% of doses produced will be held by the COVAX Facility to be available as a buffer for acute outbreaks and humanitarian use.



The offer



Governments are invited to join the COVAX Facility. Countries participating in the Facility will benefit from the assurance that the Facility can supply them with enough vaccine doses to immunise 20% of their country's population¹. As doses from successful candidates become available, they will be allocated to all participating countries at the same rate until all countries have received sufficient doses through the Facility to ensure coverage of 20% of their populations. Countries will have discretion on how to use their allocated doses based upon their own situation and guidance from national bodies.

For countries that wish to procure vaccines for more than 20% of their population, additional doses will be allocated based on expert guidance from WHO, drawing on the latest and best evidence regarding public health need, disease epidemiology, and understanding of transmission and risk until the point in time where the supply of vaccine is adequate to fully meet demand.

¹ Early provision of doses will be subject to the success of one or more of the Facilities' initial portfolio of vaccine candidates.

How to join the facility

Self-financing governments

1. Self-financing governments are requested to submit a non-binding Expression of Interest letter at COVAX@gavi.org by 10 July. Governments may notify as groups of governments if the groups are authorised to do so.
2. Those that have submitted EOIs will be invited to a Country Consultation in mid-July on the design and operating principles governing the Facility.
3. Self-financing governments will then be invited to provide by 31 August:
 - a. A binding commitment to procure sufficient doses to immunise 20% of their population with successful vaccine candidate(s) through the Facility.
 - b. An upfront payment of a proportion of the total cost of procurement, with the exact percentage to be defined in the coming weeks.

Gavi COVAX AMC-supported governments

1. Potential AMC-supported governments are invited to an initial consultation on 21 or 22 July. These governments are also welcomed to submit a non-binding Expression of Interest letter at COVAX@gavi.org on a voluntary basis.
2. Gavi will convene a follow-up consultation with the governments to discuss details around the AMC and the Facility more broadly.
3. After this point, potential AMC-supported governments will be required to submit an application in the fall.

The structure of the commitment will be subject in part to the discussions from the country consultations. A Governance structure for the Facility is under development and will be a topic of discussion during both sets of country consultations.

