



Ministero dell'Economia e delle Finanze
Dipartimento del Tesoro

Advance Market Commitments for Vaccines

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Vaccines and neglected diseases

- More than 7 million people a year die, mostly in poor countries, from infectious diseases like pneumococcus, malaria and HIV/AIDS.
- Vaccines: the most effective and efficient solution to address this problem, but unfortunately, they are not available.

Market failures and AMC

- Global resources invested in finding new vaccines are far below the social optimum
 - Uncertainty and market failures in vaccine development
 - Slow investment in production capacity to serve the world
- AMC establishes a market where one is currently missing

Attracting private investments to fund the vaccine pipeline for vaccines for poor countries is essential.

Funding the pipeline

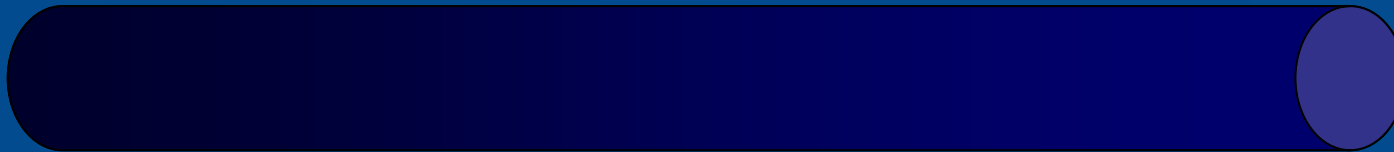
Discovery & Research

Early Development

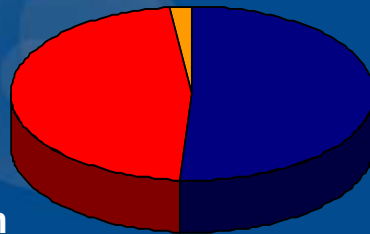
Late Development

Capacity Investment

Licensure



Health R&D for wealthy countries \$106 billion



Public funds Private funds

Private investment to complete the pipeline

A new tool in the fight against poverty

- AMC are an innovative tool
 - Market-based
 - Results-based
- Potential to save millions of lives by accelerating the development and supply of vaccines
- Widespread support for AMC

How does the market-based incentive AMC work

- Create a market (not a purchase guarantee)
- Donors commit upfront
- An Independent Assessment Committee determines if a vaccine meets the target specifications (effectiveness, public health impact)
- Country demand: donors subsidize the purchase of the new vaccine and recipient countries provide co-payment.
- Post-AMC predictable supply and pricing

AMC steps



Why is AMC appealing?

With an AMC donors commit to buy vaccines:

- if and when they are available (donors' money disbursed only “against delivery”)
- if they are demanded by developing countries (compatible with recipient countries' systems and priorities)

From academia to political agenda

- Idea of AMC for vaccines put forward some years ago in the academia
- Italian Finance Minister, with the support of Gordon Brown, presented the AMC concept to his G8 colleagues, who expressed interest in the idea
- 2 December 2005 - the Report on AMCs prepared by the Working group led by Italy is presented to G8 Ministers who welcome the Report and agree on the idea to launching a pilot project by 2006.
- Six candidate diseases: HIV-AIDS, Malaria, Rotavirus, Tuberculosis, Pneumococcus and Human Papillomavirus.

The pilot project

- Work for the preparation of the pilot project with the support of an Independent Expert Committee, chaired by Dr Ntaba.
- Choice of Pneumococcus (more than 1.6 million deaths a year, nearly 1 million children under 5), for the first AMC.
- Recommendation of malaria for the second AMC.
- July 2006 - Proposal to launch the pilot project for a vaccine against pneumococcus by 2006.

The technical group meetings

- Representatives from 15 countries and a range of public health and development institutions

Rome meeting

- Review of the work undertaken on the legal, technical, institutional and financial aspects of an AMC pilot
- Agreement to carry out additional technical work

London meeting

- The Working Group assessed the concrete proposal for a pneumococcus pilot developed by the World Bank and GAVI

Rome, 9 February 2007

- Launch of the first pilot AMC for pneumococcal vaccines