

Subject African Vaccine Manufacturing Accelerator (AVMA)

Background

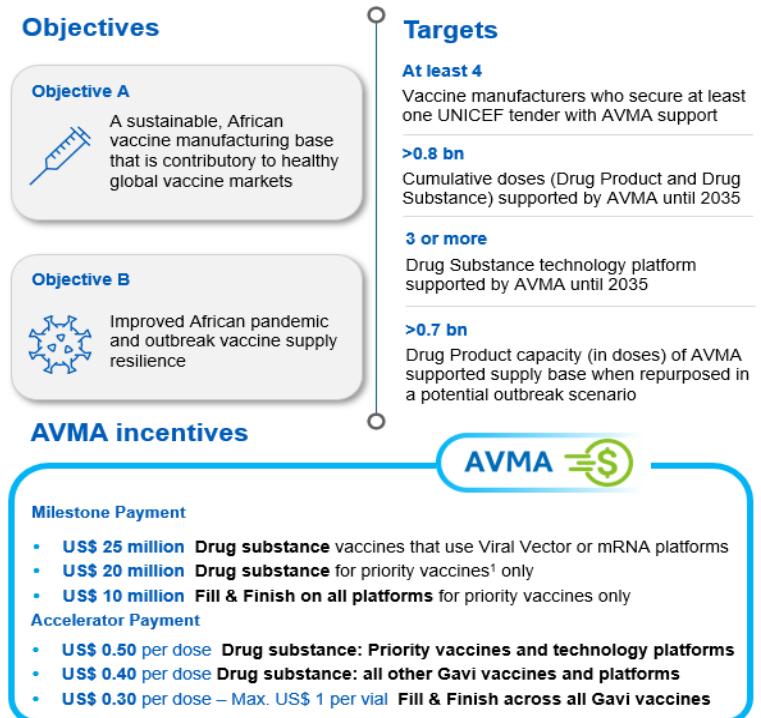
As COVID-19 demonstrated, equitable access to vaccines is a cornerstone of Pandemic Preparedness, Prevention and Response (PPPR) and a critical component to vaccine sovereignty. Diversified regional vaccine manufacturing plays a key role. The African continent is a particular priority. With Africa accounting for less than 0.1% of the world’s vaccine production, yet 20% of its population, a minimum level of pandemic supply resilience is some distance away. The African Union (AU) have set out an ambitious strategy to ensure that 60% of the vaccines required by the continent are produced locally by 2040. This ambition has been supported by G7 members who have pledged technical assistance and upstream financing in the billions of dollars. This includes strong leader-level commitments across the last four G7 presidencies and has opened unique new opportunities to partner with the AU.

Gavi’s African Vaccine Manufacturing Accelerator (AMVA)

Over the past 18 months, **Gavi, The Vaccine Alliance** has led a broad and inclusive process with the African Union (including Africa CDC), G7 members and many other stakeholders to design a long-term financial incentive to support the sustainable development of manufacturing on the continent.

AVMA is designed to de-risk the investments made by African businesses, their investors and financing partners, including the G7, by providing carefully determined financial incentives when African manufacturers vaccines receive regulatory approval from the WHO (‘milestone’ payments) and when they win a Vaccine Alliance tender (‘accelerator’ payments). By providing this strong, long-term, 10-year signal to the market, AVMA also aims to facilitate the convergence of the wider enabling environment behind its goals.

Fig 1. AVMA Overview - \$1billion, 10-year facility for sustainable manufacturing in Africa



AMVA has also been designed to help shape the African vaccine market by offering extra levels of incentives for vaccine markets in need of new suppliers (like Malaria, Cholera and Ebola) as well as for vaccines produced using platforms that offer more resilience in a pandemic (like mRNA or Viral Vector). Despite 30-plus manufacturing announcements made in Africa post-pandemic, the reality is, without the long-term financial incentives provided by AVMA, few manufactures have the chance to become competitive against low-cost incumbent producers. High risk-perception, scarce capital, and early-stage production costs, all present substantial barriers.

Modelling led by Gavi, in conjunction with the African Union and other partners, and based on our experience with other long-term vaccine financing projects (such as the successful Advanced Market Commitment for the Pneumococcal Vaccine initially championed by the G7) indicated that there is a clear pathway for a smaller number of commercially viable manufacturers in Africa in the medium to long-term. The higher initial costs (+50% for capital, +40% for labour) could be overcome by careful adoption of new technology, vaccine selection, and time-limited financial support from the incentives set out within AVMA. AVMA opens the door for Africa-based manufacturers to benefit from a projected increase in vaccine demand from 1.3 billion doses currently, to over 2 billion doses by 2040, by which point the market could represent over US\$ 5 billion annually. A sustainable local industry would provide the continent with supply security in normal times, and ability to pivot during a future pandemic.

Next steps and role of the G7

AVMA was approved by the Gavi Board in December 2023. To be successful, AVMA, which is envisaged as a US\$ 1 billion, 10-year facility, will require continued support from a wide range of partners in the vaccine manufacturing ecosystem, particularly to crowd-in additional investment for international partners to help facilitate the technology transfers and scale-up required for long term sustainability.

The G7 have a critical role to play. The continuity of leadership and investment provided so far - including under Italy's presidency - by donor governments, technical institutes and Development Finance Institutions is tipping the balance from aspiration to action. Further coordination and support to African manufacturing, with AVMA helping to underpin economic viability and local leadership provided by Africa CDC offers the opportunity for a transformational decade – leading to significant economic, health and health security benefits for the continent.

On June 20th at an event co-hosted by Gavi, the African Union, and France, in addition to the official global launch of AVMA, Gavi will unveil its Investment Opportunity for 2026-2030. Gavi's 6.0 strategy will strengthen health systems in lower-income countries – many across Africa – which will boost levels of vaccination, build vaccine demand, and pave the way for exciting new vaccines against diseases like Malaria, HPV and TB. This will play a key role in helping to create future markets in Africa for African-made vaccines, whilst simultaneously saving millions of lives, and boosting global health security.