Phase 2 of the COVAX Allocation Mechanism: Demand driven allocation for AMC-91 participants with a focus on supporting lower coverage participants

Updated in February 2022

Executive summary

As of February 2022, COVAX, the ACT-Accelerator Vaccines Pillar has made possible the allocation of about 2Bn COVID-19 vaccines doses for 149 participants through Phase 1 of the Allocation Mechanism. As of February 2022, 1.2Bn doses have been shipped to 144 participants, including 1.1Bn doses to 86 AMC participants. Nonetheless, wide differences in vaccination coverage between High-Income Countries (HICs) and Low-Income Countries (LICs) remain, and the need for vaccine allocation persists.

The circumstances of the pandemic have evolved, leading the WHO-UN 2022 Global Vaccine Strategy to set a 70% vaccination coverage target in service of both disease and transmission reduction, and the COVAX partnership to adapt to a changing environment. In order to reflect these changes, the COVAX facility has laid out its 2022 Strategy, with two main goals:

1. Support countries’ individual targets and ambitions to control the disease and reopen society as of 2022;
2. Contribute to vaccination coverage goals countries set for themselves, in view of the WHO global vaccination targets and considering supply beyond COVAX.

Given the context, the COVAX vaccines allocation mechanism will evolve into a Phase 2, which incorporates four main shifts in approach:

- Allocation to be mainly driven by participant demand as supply constraints ease, with countries able to submit demand with supply allocated in response;
- Account for all sources of supply to establish country population coverage and enhance equity;
- Long-term rolling allocations and ranges to reflect uncertainty on the demand and supply side;
- A more predictable and regular process for collection of demand information from participants.

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1 Fair allocation mechanism through the COVAX Facility: [https://www.who.int/publications/m/item/fair-allocation-mechanism-for-covid-19-vaccines-through-the-covax-facility](https://www.who.int/publications/m/item/fair-allocation-mechanism-for-covid-19-vaccines-through-the-covax-facility)
Rationale for a new approach for Phase 2

The first round of Phase 1 allocation was launched in February 2021. Since then, the allocation mechanism has been adapting, including through an Interim Phase as of July 2021, which was intended to bridge to Phase 2. There have been three shifts from the original intent in response to the evolving equity landscape and country constraints:

1. Dedicated supply was reserved for participants with lower coverage from all sources of supply, i.e., supply secured by participants through COVAX and outside COVAX
2. Absorption capacity was increasingly taken into account in allocation starting in Q4 2021 as volumes rapidly grew, enabling participants to make their maximum monthly demand explicit
3. Shipment sequencing was adapted to reflect threat and vulnerability of participants, considering epidemiological data (e.g., case rate or mortality rate)

Phase 1 principles applied in light of the scarce supply situation

1. **No doses should remain idle** – doses should not be ‘stockpiled’ before allocation
2. **The allocation serves all participants willing to receive doses** – excluding any limitations based on deals
3. Only products that have EUL, PQ, or in some cases SRA approval can be allocated
4. **Time gap between first and last participant** receiving COVAX doses should be minimized
5. Participants are allocated a **maximum number of products based on indicated preferences** throughout where possible
6. Participants receive products in line with their preferences where possible

In addition, the learnings from the COVID-19 Pandemic have steered the proposed evolution of the allocation mechanism towards Phase 2. In parallel, the global supply of COVID-19 vaccines has increased considerably and will continue to grow as a wider portfolio of products becomes available. Hence, the overall understanding of the pandemic has evolved, and has led to updates in recommendations on vaccine use, policy and global strategy to end the acute phase of the pandemic. For example, case surges among the unvaccinated have been shown to occur in all coverage settings, albeit with a differing percentage of the total population at risk depending on coverage. Furthermore, once a disease surge is underway, rapid vaccine scaling alone was found to be insufficient to interrupt rising case numbers, or substantially dampen health impacts. Therefore, while vaccine scaling is beneficial for protection against the next surge, allocation is unlikely to be the lever to address acute surges in cases.

**Allocation design for Phase 2**

The principles and objectives of Phase 2 allocation aim to ensure equitable access to Covid-19 vaccines.

The two principles defining Phase 2 allocation are to:

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4 Overview of allocation rounds available on the IAVG website: [https://www.who.int/groups/ivag](https://www.who.int/groups/ivag)

5 For AMC Participants and Committed Purchase participants
1. Move from a push, supply-driven approach to a pull, demand-driven approach
2. Continue to enhance equity by accounting for all sources of supply and prioritizing participants with lower coverage towards achieving self-defined targets, up to their limits.

In line with these principles, Phase 2 allocation has four objectives:

1. Improve supply security maintaining diversity in the COVAX portfolio, and the use of available supply.
2. Provide greater predictability to participants and enhance understanding of the allocation for participants.
3. Enhance flexibility to adapt to uncertainty and changing circumstances and reduce transaction costs.
4. Guarantee continuity of supply and support tailored portfolio approach, to enhance program implementation in line with SAGE recommendations.

The scope of Phase 2 is focused only on donor-funded, facilitated and donated doses for AMC participants, as cost-sharing, Self-Financing Participants (SFPs) and ancillaries (e.g., syringes and diluent) are managed through separate processes. Furthermore, 5% of the COVAX donor-funded supply continues to be available for the Humanitarian Buffer, with doses corresponding to Humanitarian Buffer applications which are already in the pipeline to be set aside in each allocation round.

In line with the objectives laid out, Phase 2 allocation design is structured in three steps (see Figure 1), aiming to become a predictable monthly process for rolling allocation of long-term supply providing a 6-month outlook to AMC-91 participants.

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6 Advance Market Commitment – Eligible Participants: https://www.gavi.org/vaccineswork/gavi-covax-amc-explained - India is served through a separate process
7 Information on cost-sharing for AMC Participants: https://www.gavi.org/sites/default/files/covid/covax/Briefing_Note_COVAX_AMC_Cost-Sharing.pdf
9 The COVAX Humanitarian Buffer explained: https://www.gavi.org/vaccineswork/covax-humanitarian-buffer-explained
1A. AMC participants provide demand information
AMC Participants set their own vaccination targets and overall vaccine needs from all sources, based on their COVID-19 vaccination goals and strategy. They are invited to share their COVID-19 vaccine demand to COVAX for 6 months with monthly and product breakdowns, which they update on a monthly basis to reflect changes in preferences and strategy.

COVAX partners also offer guidance to support participants in their demand planning process. Policy guidance is provided through the SAGE policy recommendations and prioritization roadmaps, which are adapted to local context by Regional and then National Immunization Technical Advisory Groups (RITAG/NITAG) to advise government policies. The WHO-UN Global Strategy serves as a lighthouse to focus collective efforts, with guidance tools and country-specific technical assistance made available to define context specific goals. Countries also have access to programmatic support through guidance tools and country-specific technical assistance used by more than 100 countries to develop their National Deployment & Vaccination Plan (NDVP). Resources are available as a toolkit on acceptance and demand forecasting for COVID-19 vaccines, including “how to” guides, Excel templates, and videos\(^\text{10}\).

1B. COVAX gathers supply information
In parallel, each month, COVAX will update their consolidated 6-month supply forecast and combine data from manufacturers and donors as an input into the allocation process, aiming for monthly and product break-down to classify supply, including by level of certainty.

In Phase 2 allocation, supply information from all sources will be taken into account, including COVAX supply (i.e., Advance purchase agreements, donations and facilitated doses) and non-COVAX supply (i.e., bilateral deals, regional deals, donations and domestic production). The non-COVAX supply is compiled by the COVID-19 Vaccine Global Market Assessment (GMA), which incorporates capacity and production information from partners and publicly available data to

forecast monthly production volumes for release and distribution. A selection of public Dashboards provides supply visibility to countries and other stakeholders.\textsuperscript{11}

2. COVAX aggregates demand and matches it with supply
On a regular basis, the COVAX Facility will aggregate all demand and preferences, and compare it with the projection of supply available. If there is sufficient supply to meet all demand and all preferences, all participants would receive what they requested. However, if there is insufficient supply to meet all demand and/or all preferences, prioritization can be applied following rules aligned with the principles and objectives of Phase 2.

The prioritization rules aim to do the following:
1. Prioritize supply for allocation based on certainty
2. Ringfence a minimum allocation to all Participants to ensure continuity and consistency of programs
3. Prioritize Participants with lower population coverage from all sources in terms of allocated volumes, certainty of allocated supply, product shelf-life and respect of product preferences
4. Fulfil other Participants’ requested volumes respecting product preferences as much as allowed by available supply
5. Offer excess supply (beyond requested volumes) to all Participants if available

3. COVAX provides long-term allocation and updated outlook
Each month, the COVAX facility will aim to provide participants a 6-month rolling allocation, potentially with ranges to reflect uncertainty on supply - in the past, allocations were triggered when additional supply became available. Participants would be invited to accept the supply allocated. The upcoming volumes for delivery would then be confirmed in close dialogue with country and manufacturers and shipped, and the monthly process would start over.

Governance
The environment in Phase 2 is expected to be less supply-constrained and the pace at which countries receive vaccines depends on country demand, which drives the allocation processes.

In view of the above shift, the Independent Allocation Validation Group (IAVG), consisting of independent experts whose role was to approve vaccine allocations from COVAX in Phase 1, will transition to a role of strategic advice and monitoring of global and COVAX vaccination equity. The main tasks of the IAVG will be to perform regular reviews of COVAX’s allocations against principles and objectives of Phase 2 allocation and to provide strategic guidance on potential areas for improvement and on policy decisions relating to the allocation of COVID-19 vaccines. The IAVG might also support additional functions if circumstances change significantly (e.g.

approval of certain specific allocations in case of supply constraint).

The Joint Allocation Taskforce (JAT) will remain responsible for running the allocation tool using all inputs provided to match supply and demand and preparing vaccine allocation decision as part of the COVAX Facility end-to-end process, from demand collection to shipment. Moreover, the JAT would act as secretariat to the IAVG in their new monitoring and strategic advice role.