

Call for Expression of Interest (CEI)

Invitation to local manufacturers of liquid oxygen to submit an Expression of Interest (EOI) for financial support to improve access and affordability of liquid and medical oxygen in sub-Saharan African (SSA) countries.

Frequently Asked Questions

Submission procedure

Q1. How do I submit a proposal?

Please follow the instructions in the CEI document. Proposals should be submitted to Unitaid-proc@who.int

Q2. Is there a template for submission?

Please follow the format presented in the Appendix of the CEI. If any section of the form is not applicable for the proposal, business model or operations of the Company, please make a note, and provide the requested information in a more appropriate format.

Q3. How will I know that my submission has been received?

An acknowledgement of receipt will be sent once your submission has been received.

Q4. How will I know if my submission is being considered?

You will be contacted directly if your proposal is selected for further consideration.

Q5. Can a single supplier submit several proposals?

Yes. However, if the proposals are complementary, a single proposal is encouraged.

Eligibility, project, and funding structure

Q6. Which companies are eligible to present a proposal under the CEI?

Companies operating in the supply of liquid oxygen and gaseous oxygen space, across production, distribution, and delivery activities. Companies must:

1) Be willing and able to expand production and/or distribution capabilities, and supply bulk liquid medical oxygen in domestic and/or regional markets, either within or outside sub-Saharan Africa. It is not required that Companies are currently supplying liquid oxygen in sub-Saharan Africa, but Companies must be willing to and have capacity to expand operations at either a national or regional level in this region.

- 2) Be able to supply, or have capacity to start supplying, bulk liquid oxygen with purity levels acceptable for medical use.¹ Only Companies that can meet this requirement, and demonstrate that they can meet this requirement, will be engaged.
- 3) Have a relevant track record as 1) a manufacturer of high-purity oxygen operating Air Separation Unit(s) with liquid and/or gaseous output for medical or industrial use; OR 2) a merchant supplier / distributor of liquid oxygen for medical or industrial use. The company must be able to clearly demonstrate that they are currently manufacturing, supplying or distributing liquid or gaseous oxygen.
- 4) Have a valid business trading license. Companies responding to the CEI must already be operating as a gas supplier and have all necessary requirements to operate as a business. Companies that do not have a valid business trading license for countries in the sub-Saharan Africa region, but outside this region and can meet all other eligibility criteria are still welcome to respond to the CEI
- 5) Meet the relevant quality assurance standards for their business activity. Companies must have the capacity to meet the required standards to supply medical grade oxygen in their local markets (and other relevant markets included in the EOI proposal).
- 6) Be willing to engage with MedAccess, Unitaid and O2 Taskforce partners to increase the availability and affordability of medical oxygen in domestic and/or regional markets, noting that technical and financial support could be made available to companies committing to these objectives. Companies will be required to commit to more affordable, sustainable pricing and see feasible pathways for achieving this desired outcome. At this stage, companies are required to indicate a willingness to commit to these conditions.

Q7. Will the CEI support early-stage or start-up companies?

Growth-stage or mature businesses are preferred. The CEI is looking for companies that have experience and relevant track record in their line of business, are looking to expand in SSA, can meet the relevant quality assurance standards to supply medical grade oxygen in the markets they supply (and are proposing to expand to), and are able to use their existing expertise to close the medical oxygen access gaps in the region.

Q8. What is the timeline for the project execution?

Expanded supply capacity in the next 12-24 months at a minimum, with the potential to supply up to 48 months. If possible, access to public procurers at more affordable prices as soon as funding for the project is approved.

Q9. How detailed are proposals expected to be?

¹ In accordance with the International Pharmacopoeia
<https://digicollections.net/phint/2020/index.html#p/home>

The aim of this CEI is for Unitaid and MedAccess to identify potential partners that are interested and able to execute strategic investments with the ultimate objective of increasing access to medical oxygen in sub-Saharan Africa.

This is an exploratory phase, so eligible proposals can be high-level, however the expectation is that selected Companies will have the capabilities to develop a more detailed investment proposal (in conjunction with MedAccess, Unitaid and O2 Taskforce partners) or respond to a Request for Proposals independently, execute the proposed project and ensure its viability.

Q10. What are the next steps after the proposal submission?

Unitaid and MedAccess will evaluate the proposal and determine whether there is engagement to launch a Request for Proposals (RFP) or to request Companies develop a more detailed plan (in conjunction with MedAccess, Unitaid and O2 Taskforce partners).

The next step, whether via an RFP or direct engagement, will involve assembling a more detailed investment proposal, including a clear funding structure, that would be viable both commercially for the Company and to achieve the intended objectives of the CEI. All proposals will be subject to due diligence and evaluation by both MedAccess Investment Committees, Unitaid and O2 Taskforce partners, and negotiation of documentation for final approval and funding.

Funding and available support

Q11. What type of support is available?

The funding structure will be tailored independently to each Company's proposal and business needs. Any investment by MedAccess and Unitaid will be time limited, with a clear start and end date. The aim is to facilitate a sustainable financing structure, achieving increased availability and affordability of medical oxygen in sub-Saharan Africa, while the Company remains commercially viable. Certain components are out of scope for funding, including ongoing operational expenditure (outside of working capital loan facilities). The financial instruments that are available for support are as follows:

Grants:

- to fund infrastructure for the expansion of distribution capabilities, and / or
- to fund technical assistance required by companies, such as financial planning capabilities, quality assurance, market intelligence, navigation of regulatory affairs and participation in tenders, etc.

Debt financing:

- loans at concessional interest rates to fund i) working capital needs, and / or ii) capital investments for supply capacity expansion.
- loan guarantees to improve financing terms with local lenders.

Volume guarantees:

- guarantee of minimum sales volumes over an agreed timeframe, in exchange for the Company's commitment to selling medical grade oxygen to public procurers at a ceiling price. The Company receives a shortfall payment if sales fall below the guaranteed level.

Q12. Does the CEI have expectations regarding pricing of the medical grade oxygen?

Specific price targets will vary according to the market(s) in scope for each submission and will be discussed in the next step, for the development of a more detailed investment proposal. A primary goal of the CEI is to establish supply at prices substantially below current market rates in geographies where investments are made, therefore pricing will be a consideration for eventually supporting any proposal, to identify the best option in terms of value for money and long-term sustainability.

The aim of this initiative is to mitigate risks of investing in expanded supply of medical oxygen in SSA, allowing for an adequate return of investment to suppliers, but also aiming at making oxygen more affordable for public procurers both in the short-term, but also over a longer period to ensure sustainable access and uninterrupted supply.

Product

Q13. Is the company expected to be already supplying medical grade oxygen?

Not necessarily. We are looking to identify companies that are supplying medical or industrial gases as their business activity and will have the ability to supply medical grade oxygen with the required quality assurance standards when the proposal is executed.

Q14. Does the company need to comply with relevant ISO or GMP standards before the submission of the proposal?

The expectation is that the Company complies with the quality assurance standards that are required for the current business activity in the markets where it operates. Please include the standard operating procedures for quality assurance in the proposal.

However, successful proposals will be required to comply with the relevant quality assurance standards to supply medical grade oxygen to health facilities in the markets in which the Company proposes to operate.

For additional information, please contact Unitaid-proc@who.int.

Responses to Submitted Questions

Q1. Is there an indication about the interest rate on the loan part?

The loans would be provided at concessional interest rates vs. commercial lenders.

Q2. In the proposed capital structure of the proposal, what proportion of the investment is the supplier expected to contribute, vs. Unitaid and MedAccess funding?

The financial proposal should solve for financial and impact sustainability. There should be an alignment of interests between the long-term commercial objectives of the Company and the desired health outcomes. It should also be feasible from an execution perspective and the repayment of the financing (if the proposal involves loans). In addition, the proposal should also consider the uses of each tool available for support - Please see the response to Question 12 of the FAQ.

Q3. Appreciating that this is a regional initiative, can partnerships be created across borders?

Proposals for national and regional expansion are welcomed, and the scale will depend on each Company's execution capabilities and expertise. A consortium approach may be considered, where regional partners are identified in the submission, and the proposal has a clear and strong lead organisation with overall responsibility for the project execution and implementation.

Q4. Would it be possible to enter into a Non-Disclosure Agreement with Unitaid and MedAccess, as the EOI requires confidential information on the businesses in each country in which my Company operates? This would ensure that all information my Company submits would be kept strictly confidential.

It will not be possible to enter into an NDA with Unitaid and MedAccess prior to submission of the EOI application. Applicants are encouraged to only include information they are comfortable sharing without an NDA in place. An NDA could be pursued in the future, if requested.

Any confidential information submitted in the EOI should be clearly marked as such by the Company on the completed form. Unitaid and MedAccess will take all reasonable measures to maintain the confidentiality of information marked confidential. Information marked confidential will not be shared with other entities or individuals outside Unitaid and MedAccess, including their O2 Taskforce partners, without the Company's written authorization. Please see the section on confidentiality in the CEI.

Q5. My Company is very interested in expanding into other geographies in countries where it currently does not have a presence but would be willing to establish a local presence in that country or with a suitable partner (such as other local companies which have an established presence in the industrial and specialty gas industry and which conforms to the same international standards and operational principles as my Company). Would Unitaid and MedAccess be willing to support such an initiative?

The activities described do align with the scope of the CEI. Please see the response to Question 12 of the FAQ.

Q6. Are Unitaid and MedAccess willing to invest in assets which will be located within my Company's facilities agreement or investing in bulk tankers and cylinder trucks and other equipment which will be operated and maintained by my Company in the specific countries under a long term service level?

Support to fund infrastructure is included in the scope of the CEI. Please see the response to Question 12 in the FAQ.

Q7. Are Unitaid and MedAccess planning to visit Company facilities to obtain first-hand information on their manufacturing and distribution capability, resourcing, documentation and certification as part of this CEI?

There is potential to conduct site visits in the future as part of the development of investment proposals in the next stage, however this is not currently planned as part of the CEI process.

Q8. How will this information session that Unitaid and MedAccess are planning for 20 July 2022 be arranged? Would it be an online meeting where all participants who have submitted clarification questions are invited, or will this be with the individual companies themselves to discuss the clarification questions raised?

The information session will be an online session held over Zoom. The link to join the webinar has been posted on Unitaid's website and is available here: <https://unitaid.org/news-blog/invitation-to-local-manufacturers-of-liquid-oxygen-to-submit-an-expression-of-interest-eoi-for-financial-and-technical-support-to-improve-access-and-affordability-of-liquid-and-med/>

The webinar will provide additional background on the CEI and the submission process. Questions submitted in advance will be answered live.

Q9. In section B, where do I write my production capacity and current production? Do I put my production capacity under liquid oxygen and current production under gaseous?

Yes, this would be fine. Please make a note of how you are reporting the information in your submission.

Q10. In section B about Prices cylinders, under the column where it asks compressed gas volume (kg), is it per month?

Not necessarily per month. This field requests to detail the minimum gas volume that the Company requires to offer the price requested in the adjacent field (price / kg) assuming lower price/kg is offered for larger volumes).

If the Company requires monthly orders, please add a description in the space labeled "Prices – conditions."

Q11. In section B about Prices cylinders - Price (at location) to public sector procurers delivery distance begins from 50 km, do we mention any delivery under 50 km?

Yes please, if it is relevant.