

Overview of UNICEF's Procurement of LLINs in 2009 and Key Challenges

UNICEF LLIN Suppliers' Meeting
UNICEF SUPPLY DIVISION
23 October, 2009

unite for
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Procurement of bednets by UNICEF

- Distribution and promotion of use of insecticide treated nets (ITNs) is a key malaria reduction strategy intervention supported by UNICEF.
- UNICEF is one of the major buyers of Long Lasting Insecticide Treated Nets (LLINs).
- Since the introduction of LLINs, UNICEF has worked with manufacturers to ensure quality and timely availability
- UNICEF works with donors and partners, UNITAID, World Bank, Global Fund, Government of Japan, USAID, EU and others.



Managing the procurement process

1. Accurate forecast and planning of requirements (including funding needs) is the first step to ensure availability of LLINs
 2. A procurement strategy that considers needs of programme requirements and capacity of industry enables greater efficiency
- ❖ UNICEF is committed to work with countries and industry to reduce the bottlenecks in the supply chain

Procurement of LLINs in 2009

- ❑ UNICEF used the forecast and updated information from countries to establish the best options for procurement with LTA holders
- ❑ Introduction of LTAs with target allocations was a major shift in strategy for 2009 procurement
- ❑ UNITAID LLIN Scale-up Project contributed greatly towards timely and efficient planning and efficient procurement

Procurement of LLINs in 2009

- ❑ The flow of information is still not optimal - unplanned requirements
- ❑ Focus on bottlenecks in the supply chain to increase the efficiency of the procurement process
- ❑ Importance of Quality Assurance

WHAT SHOULD BE CONSIDERED FOR SUPPLY & LOGISTICS ASSISTANCE?

**Right
Supplies**



**Right
Place**



**Right
Time**



**Right
Quantity
&
Quality**



**Cost-
Effective**

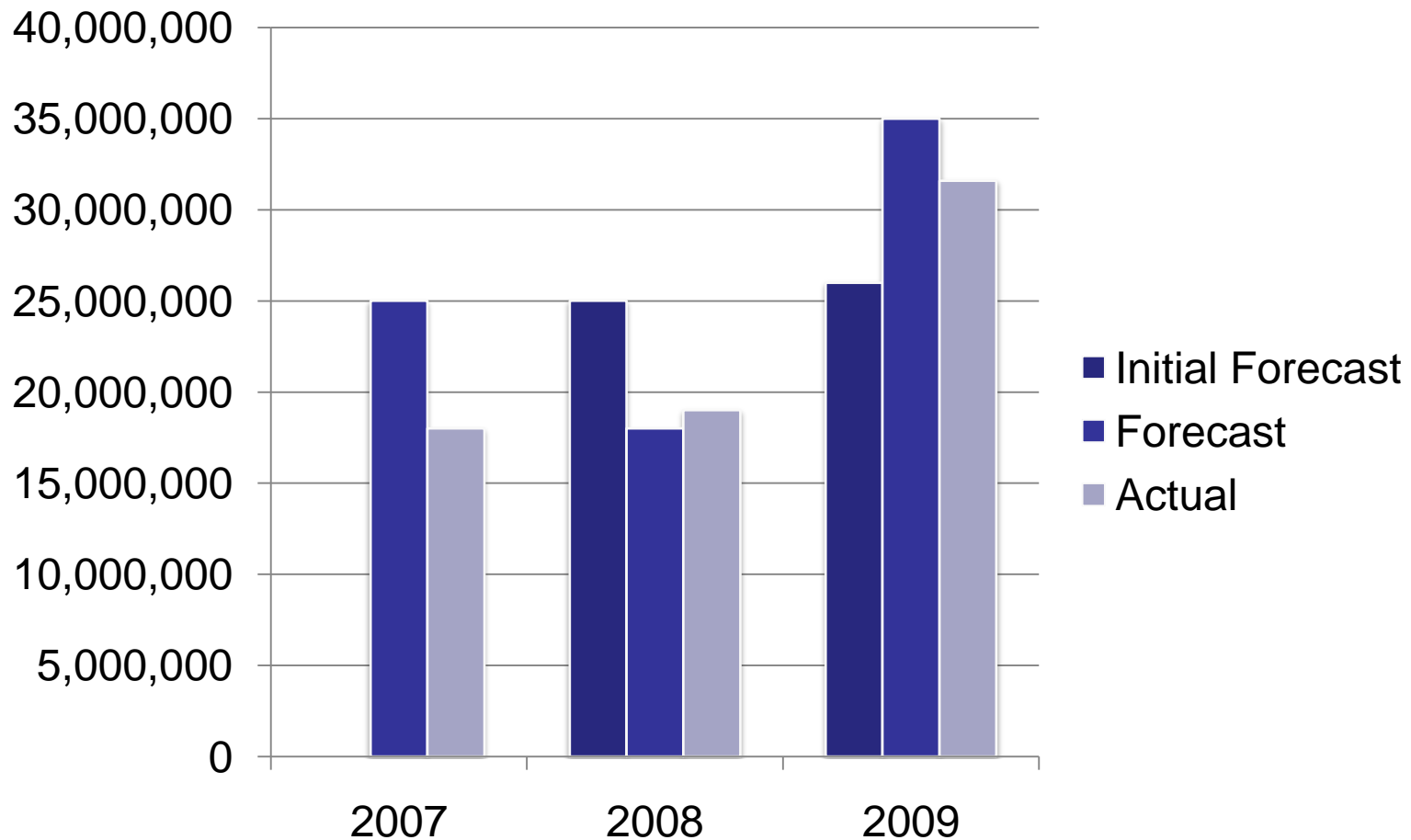


**S&L
Balancing
Act**

Forecast

- UNICEF relies on the information received from countries and partners to establish the forecast that is communicated to industry.
- The accuracy of country forecasts depends on many factors.
- Ensuring that information is updated and communicated to industry is a challenge, but it is a key priority to enable availability to best meet demand.

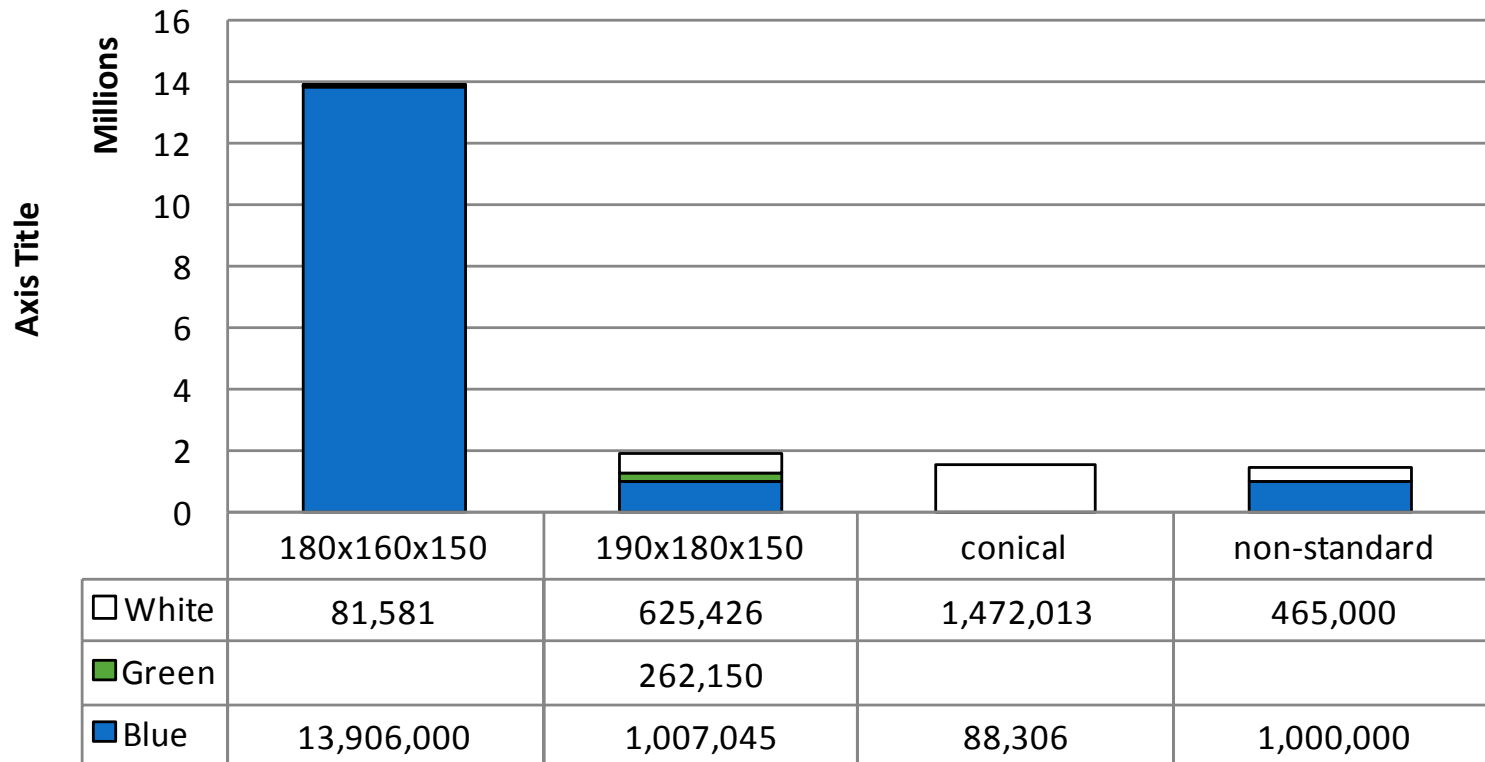
Forecast



Regular updates of the forecasts are essential.

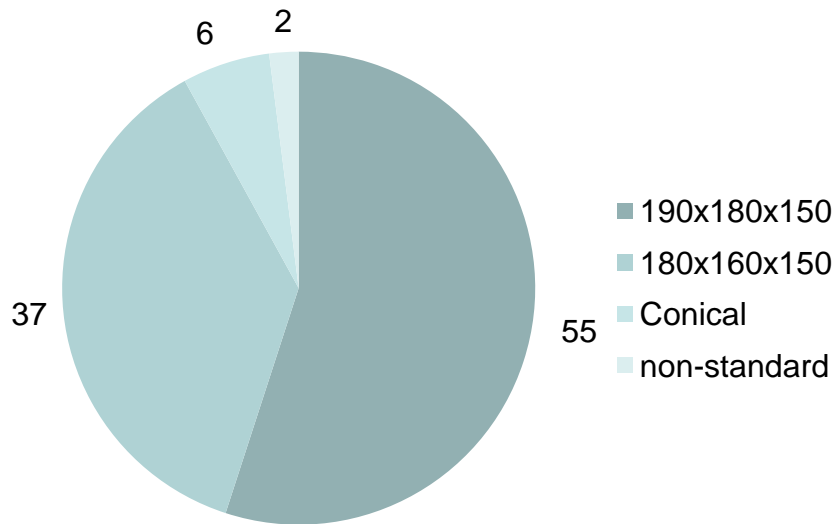
Forecast for quantities to be covered under current LTAs (2009)

**Forecast for remaining quantities in current LTA
(including increase for 15.5M nets)**

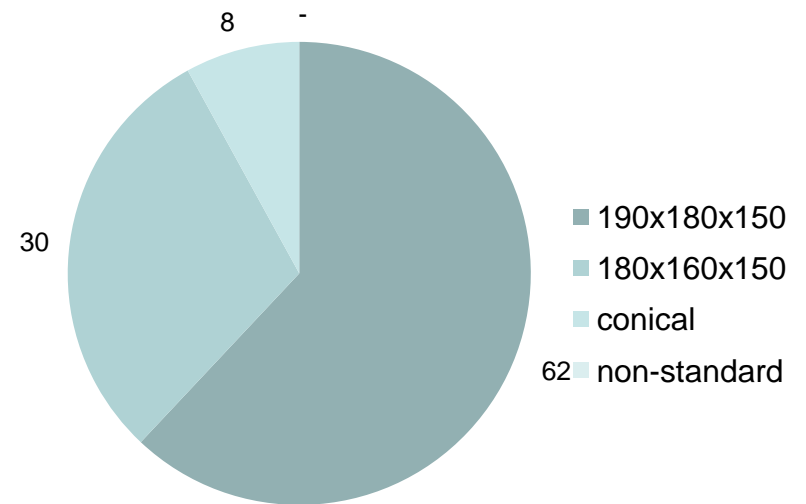


2009 Forecast vs Actual – Dimensions

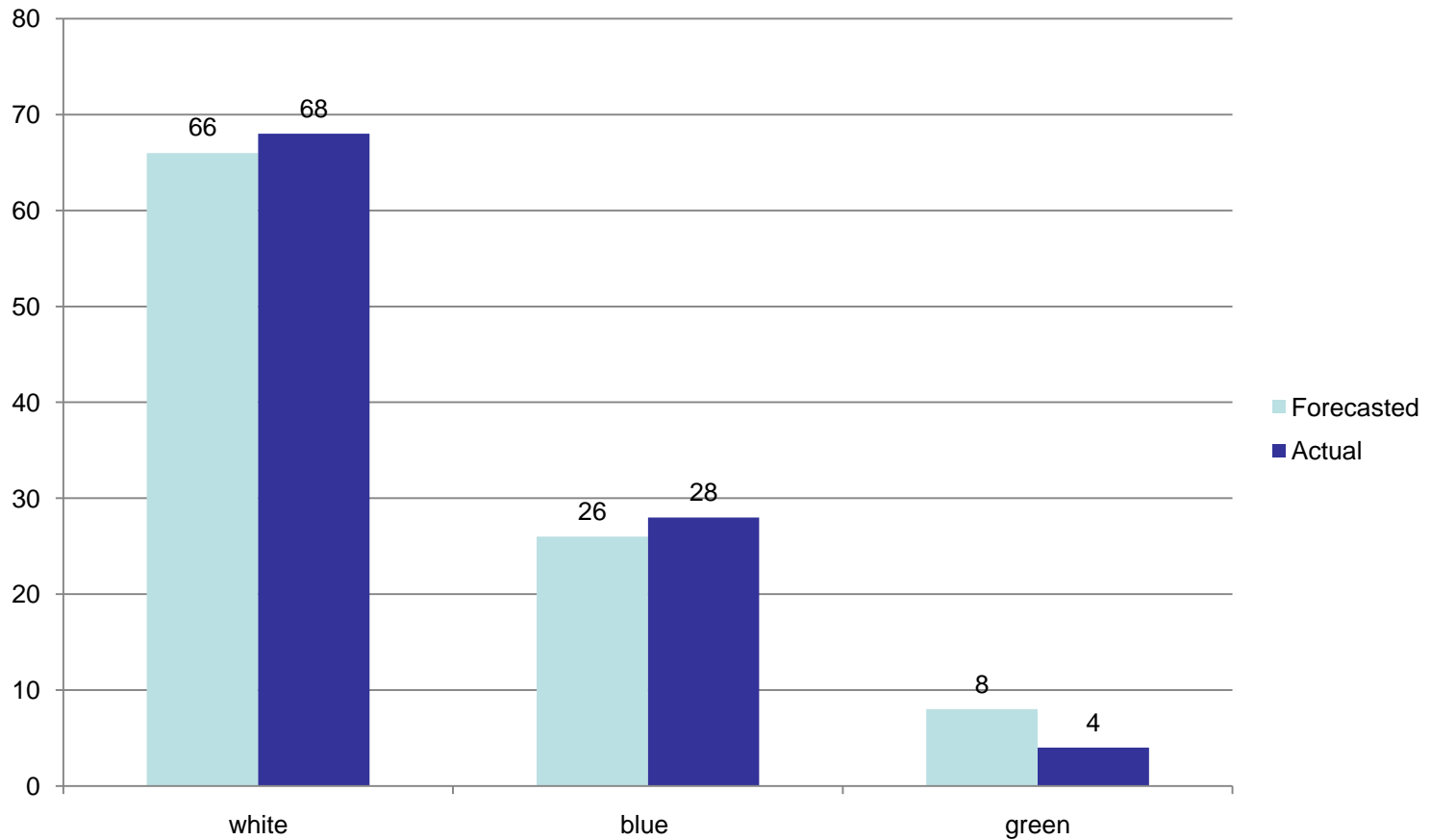
Forecasted



Actual

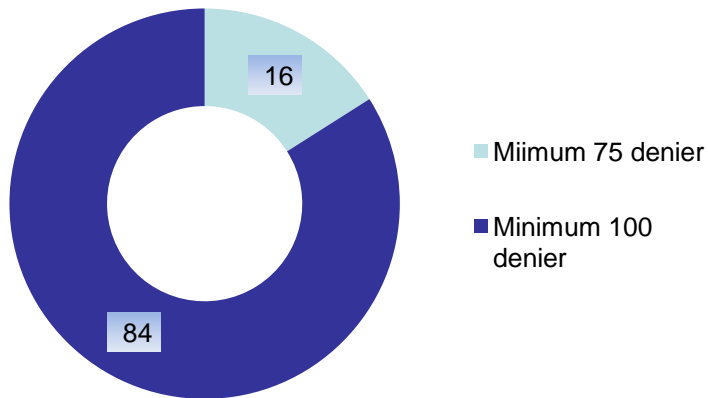


2009 Forecast vs Actual – Colour

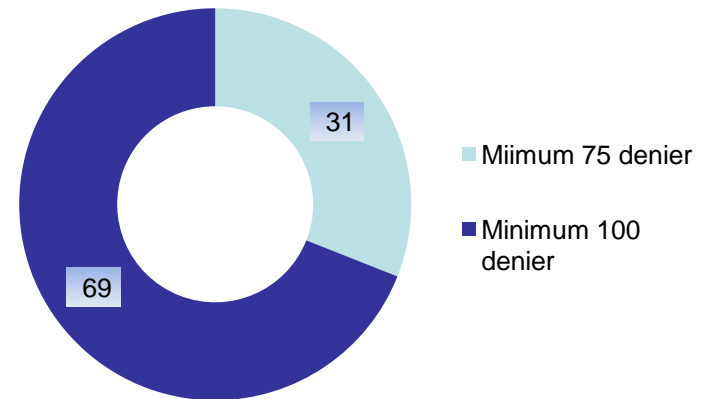


Forecast vs Actual - Denier

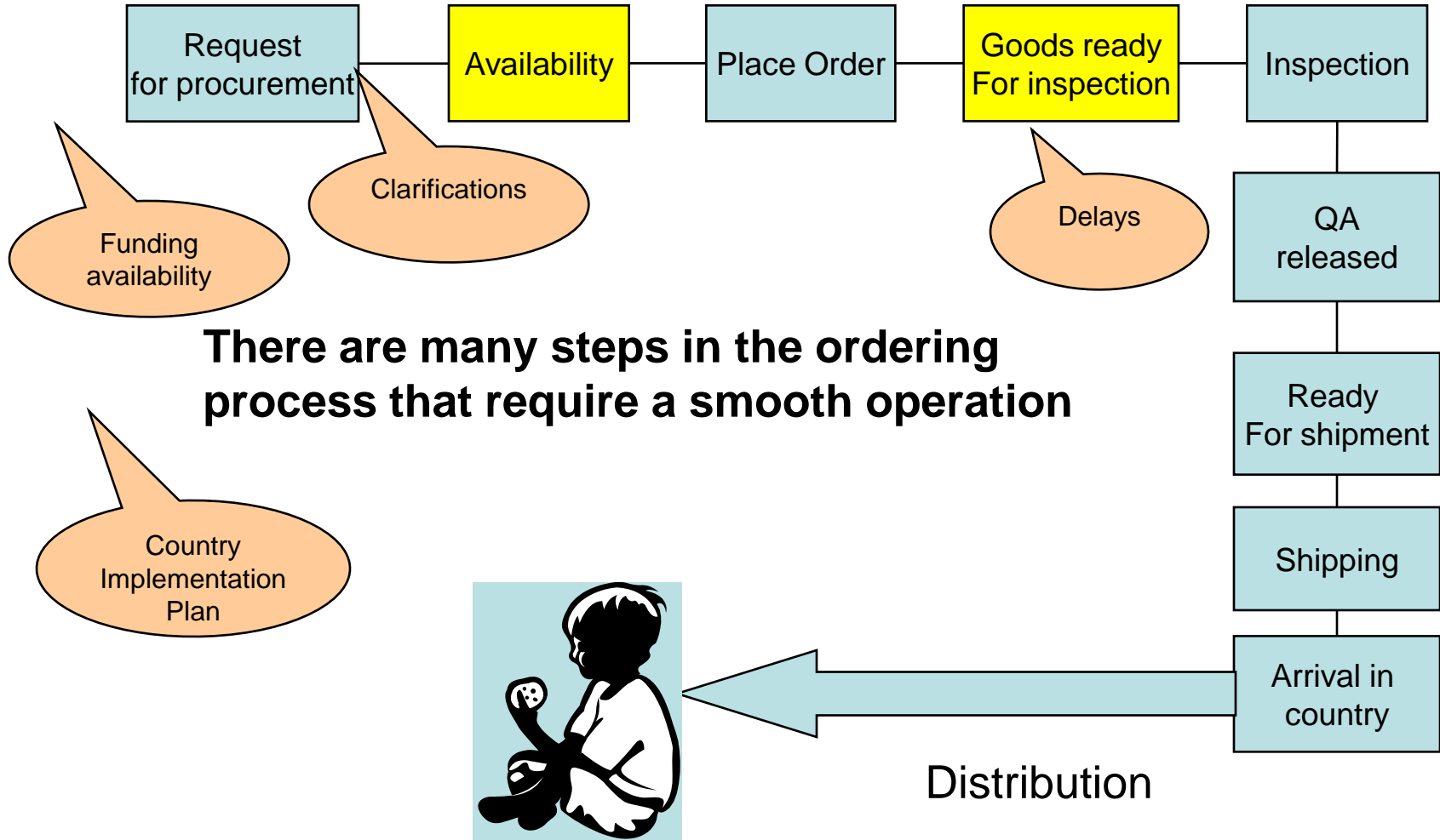
Forecasted



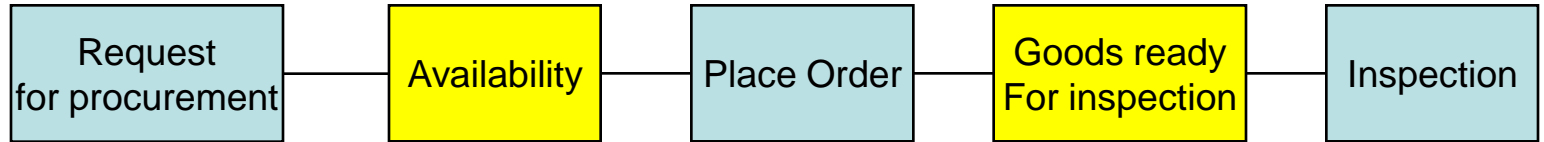
Actual



Order and Delivery



Order and Delivery. What can improve?



Visibility of demand (better flow of information on requirements and funding availability)

Visibility of availability (stocks and production)

A better process for QA inspection

Improved coordination with forwarders

OPTIMAL COMMUNICATION



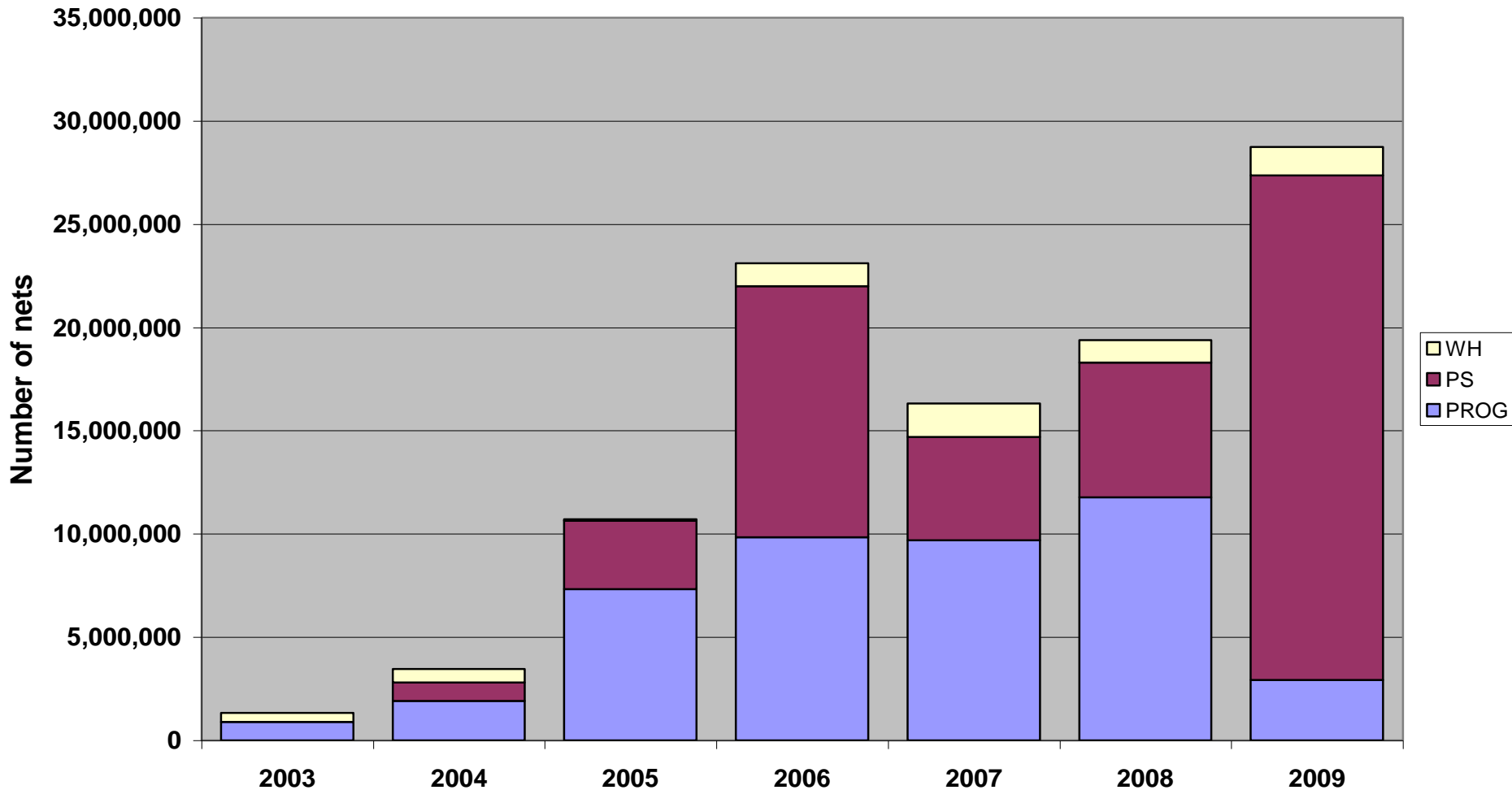
Distribution

Major Challenge

- **Meeting demand and availability:**
 - **Reliability of country forecasts;**
 - **Certainty level of funding and its timing;**
 - **Timelines of country implementation;**
 - **Complex logistics in-country;**
 - **Long shipment times;**
 - **Accurate data on availability and production capacities.**

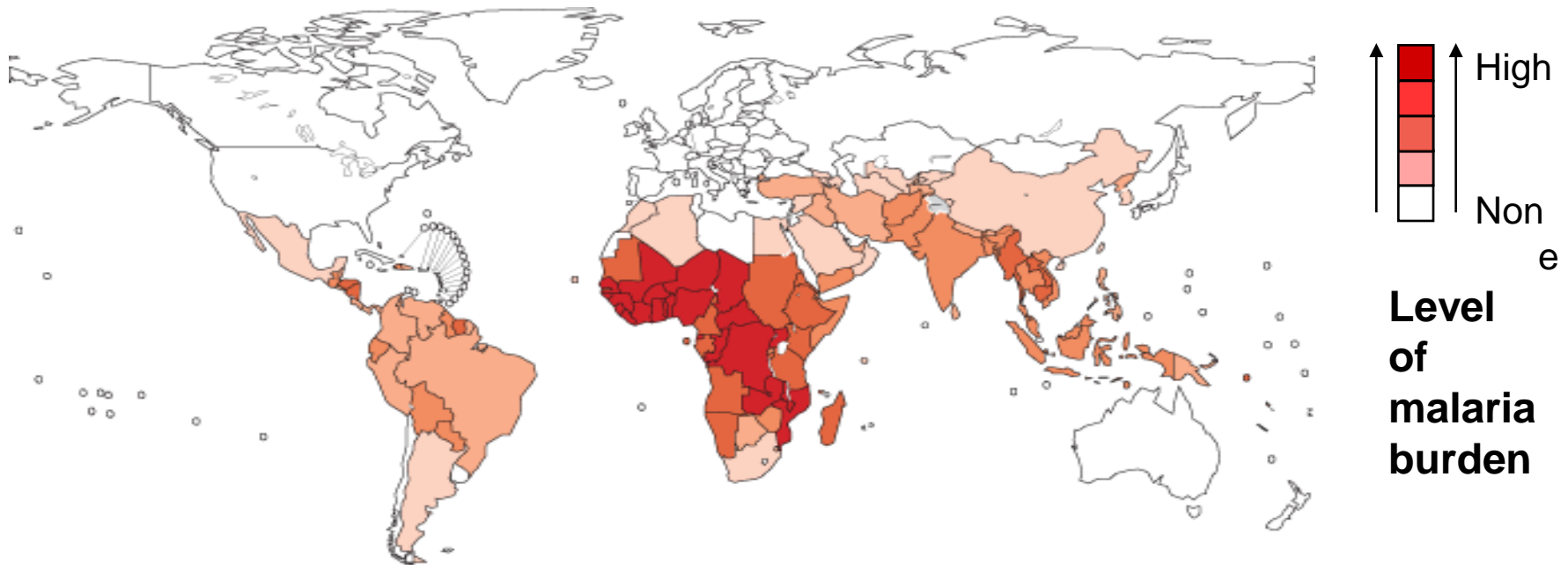
LLINs Procured by Funding Type

Procurement of bednets 2002-2009 (up to Aug)



Significant portion of UNICEF programme funded procurement

Malaria imposes a staggering worldwide burden



Death toll

- At least 1 million deaths annually; one child every 40 seconds

Incidence

- **190 to 330** million cases worldwide in 2006

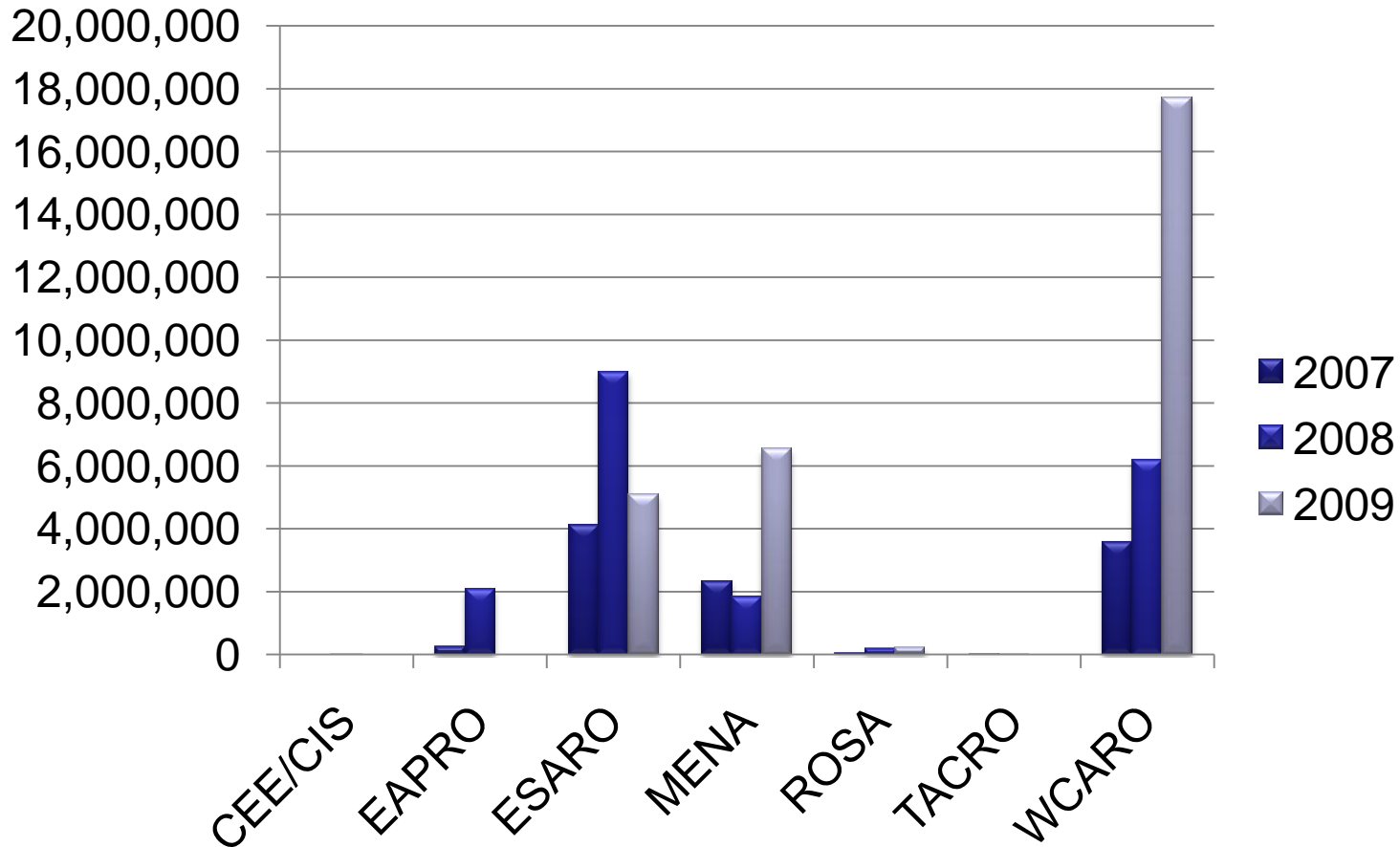
Health impacts

- Debilitating fevers, low birth weights, anemia, epilepsy—and death

Economic impacts

- Reduced current productivity resulting from days and often weeks of missed work, reduced foreign direct investment and tourism
- Constraints on future growth resulting from reduced investments in human capital (missed schooling, higher fertility rates)

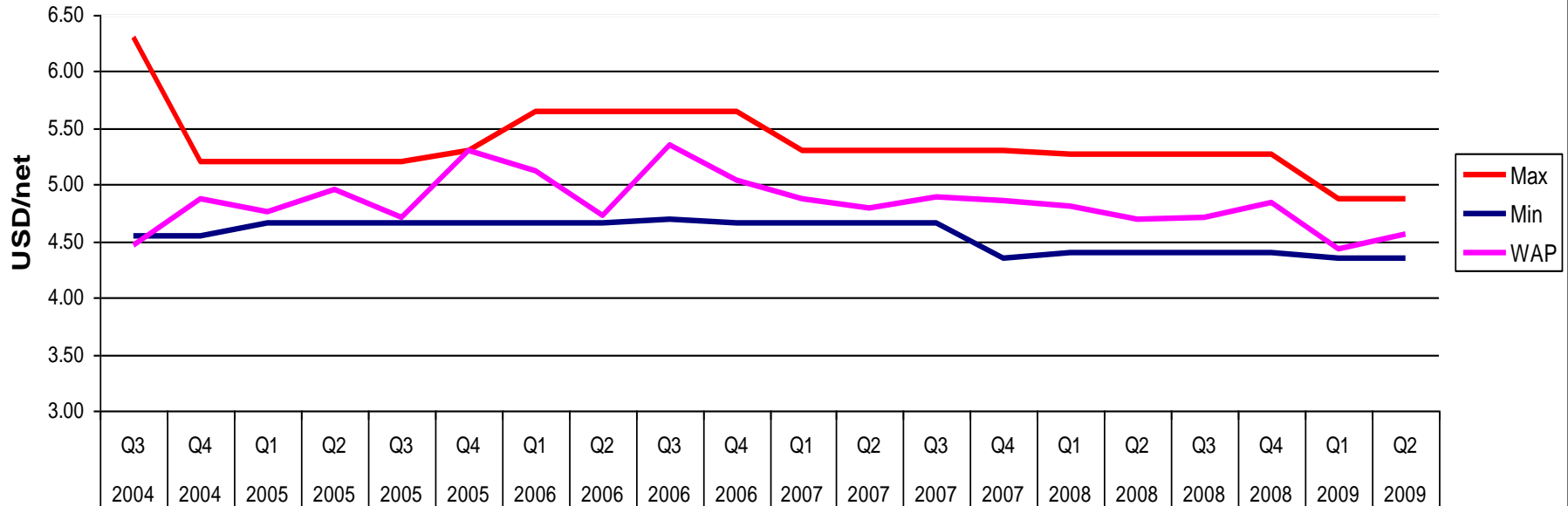
Procurement by Region



Majority of procurement for sub-Saharan Africa

PRICE STABILITY

Price evolution of LLIN (white, 190x180x150)



- **Continued increase in demand and entrance of new manufacturers is enabling a more competitive market.**
- **Prices in 2009 lower than in the previous years, but no dramatic decrease**
- **UNICEF AIMS AT FURTHER REDUCTION THROUGH A PURCHASING STRATEGY THAT AIMS AT PROVIDING PROJECTION OF QUANTITIES TO BE PURCHASED AND ALLOCATION OF SAME AMONG SUPPLIERS.**

UNITAID Project: ACCELERATING SCALE-UP OF LONG LASTING INSECTICIDE-TREATED NETS (LLINS)

Goals of the Collaboration

1. Eight African Countries;
2. 20 million LLINs in 2009 to fill the immediate LLIN gap
3. Introduce stability to the global LLIN market

RESULTS:

- ❖ Procurement: Timely planning and development of procurement strategy
- ❖ Country Implementation: Development of realistic plans

UNITAID - Status of Delivery and Implementation

Country	Quantity	Delivery Status	Implementation schedule
Angola	850,000	Fully delivered	Routine activities, tbc
Central African Republic	1,100,000	Fully delivered	November 2009 campaign, dates tbc
Congo - Brazzaville	470,000	Fully delivered	August 2009 campaign
Democratic Republic	5,500,000	Fully delivered	November 2009, integrated campaign, Maniema and Orientale Provinces
Guinea	1,300,000	82% arrived, remaining due 31/10	integrated campaign, initially scheduled for November, 2009 (tbc)
Nigeria	3,623,800	78% delivered, rest by mid November	Integrated campaign in two states planned for 20 November 2009
	2,876,200	Scheduled for timely delivery	Integrated campaign, 1st quarter 2010 in two states, tbc
Sudan (North)	850,000	Fully delivered	May 2009, ACSD Days
	1,400,000	Fully delivered	November 2009, ACSD Days
Southren Sudan	1,600,000	Fully delivered	November – December 2009 (tbc)
Zimbabwe	430,000	Fully delivered	Mass distribution campaign, completed August, September 2009
GRAND TOTAL	20,000,000		

UNITAID – LLINs ON THEIR WAY



Thank you !

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