EVALUATION OF UNICEF’S SUPPLY FUNCTION
The purpose of the report is to examine how well UNICEF is placed to improve children’s access to essential commodities and to strengthen national capacity to make them available by testing the relevance, efficiency, effectiveness (including cost-effectiveness) and impact of the UNICEF supply process. The evaluation has reviewed the complete supply cycle, documented and assessed the supply systems and capacity for UNICEF to supply the right goods to right place at the right time and price.

The contents of the report do not necessarily reflect the policies or views of UNICEF.

The text has not been edited to official publication standards and UNICEF accepts no responsibility for errors.

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This evaluation report represents the views of the evaluation team from ADP, whose members were:

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Julian Gayfer, Director of the Performance Assessment Resource Centre, provided support to the impact assessment methodology and development sector expertise.

This challenging exercise represents the first evaluation of the UNICEF supply function as a whole. It is a significant contribution to the organizational review process. Management follow-up will be considered in the context of the overall improvement measures emanating from the Organizational Review.

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<td>ADP</td>
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<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<td>AWP</td>
<td>Annual Work Plan</td>
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<td>CAEC</td>
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<td>CCA</td>
<td>Country Common Assessment</td>
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<td>CPAP</td>
<td>Country Programme Action Plan</td>
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<td>DFAM</td>
<td>Department of Finance and Administration</td>
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<tr>
<td>EDI</td>
<td>Electronic Data Interchange</td>
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<td>ERP</td>
<td>Enterprise Resource Planning</td>
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<td>EPRP</td>
<td>Emergency Preparedness and Response Plan</td>
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<td>FLS</td>
<td>Finance and Logistics System</td>
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<td>GAVI</td>
<td>Global Alliance for Vaccines and Immunization</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GFATM</td>
<td>Global Fund for HIV/AIDS, Tuberculosis and Malaria</td>
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<tr>
<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<td>IAPSO</td>
<td>Inter Agency Procurement Services Office (UNDP)</td>
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<td>ICRC</td>
<td>International Committee of the Red Cross</td>
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<td>IEC</td>
<td>Information Education and Communication</td>
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<td>IFRC</td>
<td>International Federation of the Red Cross and Red Crescent Societies</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>KPI</td>
<td>Key Performance Indicator</td>
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<td>LTA</td>
<td>Long Term Agreement</td>
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<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MDG</td>
<td>Millennium Development Goal</td>
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<td>MICS</td>
<td>Multi Indicator Cluster Surveys</td>
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<td>MoU</td>
<td>Memorandum of Understanding</td>
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<td>MTSP</td>
<td>Medium Term Strategic Plan</td>
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<td>NatCom</td>
<td>UNICEF National Committee</td>
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<td>WES</td>
<td>Water and Environmental Sanitation</td>
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<td>WFP</td>
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EXECUTIVE SUMMARY

Purpose
This report sets out the key findings and recommendations of a global evaluation of the UNICEF supply function. The evaluation set out to assess:

(i) the efficiency, effectiveness and added-value of the Supply Division’s ‘business offering’ including Procurement Services and the management, organization, capacity and resourcing of the UNICEF supply function at the country, regional (including regional hubs) and Headquarters/Copenhagen levels;
(ii) the impact on children’s access to essential goods through supplies to programme countries and the capacity building of governments.

The evaluation focused on five pre-selected categories of supply products:

(i) vaccines and immunization supplies for polio eradication and child survival;
(ii) anti-retrovirals and HIV/AIDS diagnostics for control of paediatric HIV/AIDS;
(iii) Anti-malarial Combination Therapies and Long Lasting Impregnated Nets for malaria reduction;
(iv) education supplies and construction materials for girls’ education; and
(v) water and sanitation supplies (including school latrines for girls’ education and child survival).

Methodology

Country Case Selection Country case studies were selected to be illustrative rather than representative. The evaluation was not designed to provide a global analysis of the impact of UNICEF supplies or supply function performance but rather to highlight trends and examples and provide a methodology for future assessments. The evaluation intentionally focused on countries and supplies where UNICEF has been providing strategic supplies ‘at scale’. Eight country cases were selected for the evaluation by the evaluation steering group as follows:

Supply performance and impact of supplies
(i) Viet Nam (pilot case)
(ii) Niger
(iii) Ethiopia
(iv) India

Supply performance only
(v) Yemen
(vi) Malawi
(vii) Tajikistan
(viii) Indonesia

To support the supply performance assessment, the regional supply hubs in Dubai and the regional supply centre in Nairobi (Kenya) were also visited.

Supply performance was analysed using Supply Chain Capability Assessment and Time Analysis, and by querying datasets drawn from UNICEF’s Enterprise Resource Planning (ERP) system and provided by the Supply Division.

In all some 250 semi-structured interviews were conducted at all levels of the organization, with government officials, United Nations and non-government organization (NGO) partners, and with UNICEF suppliers and freight forwarders.
Six ‘exemplars’\textsuperscript{1} from four countries (Viet Nam, India, Niger and Ethiopia) were undertaken to assess the impact and benefits of one of UNICEF’s strategic supply commodities/commodity groups\textsuperscript{2}. Tools developed to support the Impact Assessment Component included Benefits Trees and Input-Output-Outcome Models.

The evaluation included online surveys of country offices, partners and offshore and local suppliers.

\textbf{Context}

\textbf{Growth and globalization} The growth of the global economy, the increase in globalization and the changes to global trade patterns have contributed to increased availability of supplies within many developing countries and the emergence of large supply centres in China and India. Growth is set to continue in these locations with increased availability of higher value products.

\textbf{Technology} The growth and application of information technology (IT) and e-commerce has greatly facilitated the creation of new business models (e.g. Dell Computer and Amazon) principally by redefining their supply chain and maximizing the use of e-commerce. For example, online ordering to deliver improved service and lead time at lower cost.

\textbf{Corporate Social Responsibility} There has been a noticeable growth in corporate social responsibility and philanthropic donations from many private sector organizations and individuals who are looking for opportunities to contribute to and participate in the delivery of aid either through the donation of funds or through in-kind assistance in the form of supplies or services.

\textbf{Paris Declaration} The 2005 Paris Declaration on Aid Effectiveness emphasized supporting the capacity of recipient governments to manage resources. There has also been a substantial increase in Official Development Assistance, and donors are increasingly concerned with the effective management of supply chains by aid recipients. Some governments will not have the capability to, nor choose to, procure essential supplies and will turn to external partners to provide supplies to support the delivery of national programmes.

\textbf{New Actors} There are important new actors in the sector (e.g. Clinton Foundation and Gates Foundation), which will be looking to utilize the services and expertise of the leading actors in supply chain management. These external customers are likely to demand improved supply performance, especially as investments increase to accelerate the pace of change in pursuit of the Millennium Development Goals (MDGs).

\textbf{United Nations Reform} In June 2006 the United Nations General Assembly considered a wide-ranging set of management reforms and decided to implement initial measures to effect changes requested at the 2005 World Summit, including the establishment of a Chief Information Technology Officer to oversee the integration of Secretariat-wide information and communications technology systems; approval of the implementation of a next-generation ERP system to replace existing older systems; and authorization to proceed with the improvement of the procurement system. In December 2006 the High Level Panel on System-Wide Coherence delivered its recommendations on the streamlining of the organization’s activities and operations. This will also have implications for the way UNICEF operates in the future, though these are unclear as yet.

\textsuperscript{1} An exemplar is a model case study on which future such studies can draw.

\textsuperscript{2} The five types of UNICEF essential supply products and the countries in which they were assessed were:

- Vaccines and immunization supplies for polio eradication and child survival (Niger);
- Anti-retrovirals and HIV/AIDS diagnostics for control of paediatric HIV/AIDS (Viet Nam);
- Anti-malarial Combination Therapies and Long Lasting Impregnated Nets for malaria treatment and control (Ethiopia);
- Education supplies and construction materials for girls’ education (Ethiopia); and
- Water and sanitation supplies, including school latrines for girls’ education and child survival (India).

In addition, an assessment of the impact of supplies was conducted in India, focusing on the tsunami.
Internal Context  UNICEF supply volume has grown more than 50 per cent since 2001. UNICEF supplies are not evenly distributed between countries. In 2005, more than half the country offices had a supply component of less than US$1 million, amounting to only three per cent of supply expenditure, while 10 countries had a combined supply expenditure of 57 per cent of the total supply expenditure. Most supply demand is generated by Africa and South Asia.

Definitions

UNICEF Supply Function
ADP defined ‘supply function’ as a series of core business processes – planning, procurement, logistics, monitoring and evaluation (M&E), and capacity building.

Essential and Strategic Supplies
Essential supplies are those required for the survival and development of children, but for which UNICEF plays no special role in the market place (for example, a school exercise book). Strategic supplies are also essential but here UNICEF plays a strategic role in one or more of the following:

- stimulating demand and production;
- standard setting and specification;
- seeking funding streams for research and development (normally by others); and
- making supplies readily available to those without access.

Summative Assessment
UNICEF’s work on essential supplies is highly relevant to the needs of children and an important component of UNICEF programming. Essential commodities supplied by UNICEF are providing a range of benefits for children although it is not clear that UNICEF is targeting the poorest of the poor through its supply function. Led by the Supply Division, UNICEF has successfully increased its focus on strategic supplies and now has well developed competencies in a range of strategic supplies. The UNICEF supply chain has become increasingly efficient in recent years but significant weaknesses remain especially in supply planning and in on-time delivery. The organization has not taken advantage of new IT-based business models now widely adopted in the commercial, and increasingly in the not-for-profit sector. The current business model employs a highly decentralized country-based programme function with a locally managed supply function. In general, supply transactions are not clearly visible beyond the country office and there is no supply performance monitoring. As a result, it is difficult to effectively manage or oversee the whole UNICEF supply chain and to deliver significant performance improvements. The supply activities in country offices are largely administrative and relatively inefficient. Supply staff outside the Supply Division are relatively isolated and in need of a networked community from which they can learn and through which their career progression can be better planned. UNICEF is likely to receive more requests for supply capacity building assistance in the future and in response will need to dedicate more resources and revise its approach. UNICEF procurement services are appreciated by customers, are well-focused on essential supplies and have potential for carefully managed growth, supported by a more transparent fee structure. UNICEF is not equipped to properly assess and understand the difference made by supplies, reflecting UNICEF’s under-investment in M&E.

Key Findings

UNICEF supply function organization  The UNICEF supply function is spread across a dispersed network comprising the Supply Division, Regional Supply Officer/Advisers based in the UNICEF regional offices in Bangkok, Dakar and Nairobi; and 157 country offices. The supply function is strongly decentralized, with responsibility for various elements spread amongst UNICEF programme and other managers. Oversight of UNICEF procurement rests with the Director of the Supply Division. There are approximately 600 supply-related staff employed across the network of which the Supply Division employs approximately 230 in Copenhagen and 15 in New York.
Performance of Supply Division  

The Supply Division, based in Copenhagen, plays a central role in ensuring the availability of supplies; 76 per cent (by value) of supplies are managed by the Supply Division and the remaining 24 per cent (by value) are managed through UNICEF’s seven regional and 157 country offices. There is general acceptance that the Supply Division’s performance has improved over recent years and there is generally positive recognition for the technical assistance and advice provided by the Supply Division.

Key supply chain improvements  

Positive developments in the supply chain since 2001 have included:

- a stronger focus on the management of essential supplies; essential supplies have risen from 75 per cent to 92 per cent of programme spend;
- an increase in global Long Term Agreements (LTAs) with suppliers; the LTA expenditure on essential supplies rose from 55 per cent to 75 per cent between 2001 and 2005, with LTA expenditure on supporting supplies growing from 7 per cent to 51 per cent during the same period;
- investments in the systems used in the Copenhagen warehouse and the links to the suppliers and freight forwarding agencies;
- a reduction in Supply Division warehouse stock items from 1100 to 700;
- good response by the Supply Division in the initial rapid response to emergencies; and
- performance improvements despite little strategic investment in IT systems to support improved operations and the delivery of supplies.

UNICEF supplies make a difference  

UNICEF’s essential supplies are benefitting women and children in development and emergency contexts in many ways, ranging from immediate and life saving impacts to helping to drive catalytic change over the longer term. Examples of the latter include reduced incidence and more effective treatment of malaria in Ethiopia, and increased levels of enrolment and attendance at the primary school level, especially for girls, in Niger. Supply interventions have led to positive changes in hygiene practice and power/gender dynamics of communities. In both Viet Nam and India, UNICEF’s support for water and sanitation has resulted in wider, catalytic change in national structures and systems and significantly increased coverage rates for safe water and improved sanitation.

Right focus but not always well executed  

The UNICEF supply function is focused on providing supplies that support the survival, development, protection and participation of children and women in the realization of their rights. While ‘doing the right things’, there are many areas of the supply function where UNICEF is not always ‘doing it in the best way’.

Growth with proliferation  

The volume and value of supply assistance provided through UNICEF programmes and Procurement Services, as well as the number of countries covered, continues to increase. There is a proliferation in the range of supplies and supply-related services provided and the portfolio of strategic supplies needs to be refocused. The portfolio has grown in an uncontrolled manner and there are now more than 3000 standard supplies in the UNICEF catalogue.

Contribution of supplies to the MDGs  

In countries that are ‘off-track’ to meeting the MDGs on child health, education and child survival, UNICEF has a comparative advantage in supply, based on its mandate, the scale and reliability of its global operation, and the relationships it has established with governments and partners. This is reflected in the requests from partner governments for UNICEF to take a leading role on procurement services in certain sectors.

On-time supply performance a major challenge  

The supply function suffers from poor on-time delivery performance. Long lead times delay the receipt of essential supplies by women and children, especially crucial in humanitarian situations. Internal customer surveys and interviews with country offices revealed that a step change in delivery performance is needed. Supply Division data shows that performance in meeting target arrival dates is not meeting the Supply Division’s own target, which is itself modest by industry standards. Stock levels for some categories of supplies may need to be raised to allow predictable delivery times.
Supply in country offices often not strategic Country office programme teams often do not regard supply as a strategic service to build better programmes and increase impact. Supply chain activities are often not taken seriously by programme staff and there is limited collaboration between programme and supply staff overall.

Poor supply planning is problematic Supply planning is weak and 35 per cent of all field offices do not provide a supply plan. Supply requests are received PGM by PGM and are procured on this basis. Country offices tend not to review their total demand for supplies, or to determine how to procure the items requested. Supply plans developed by country offices can be poor and as a result Supply Division does not base its planning on these plans. This contributes to long supply lead times and poor on-time service delivery. Even though Emergency Preparedness Response Plans (EPRPs) are developed by most country offices, not all EPRPs are completed and approved.

Local procurement significant but relatively inefficient Twenty-four per cent of supplies by value are procured locally within country. The requirements are defined by the programme, while many requests are for non-standard items which go unchallenged by the country office supply office. Local procurement was found to be a manual, time consuming and relatively inefficient process.

Limited options for supply Supply Division is seen as the ‘mandated supplier of choice’ for essential supplies. There are many restrictions placed on the country offices, which are obliged to requisition items from and through Supply Division. Country offices feel they lack alternative supply options even when they are not satisfied with Supply Division performance.

Targeting the poorest The evaluation did not find evidence that UNICEF consistently targets improvements to the poorest and most marginalized children through its supply role. This reflects the ‘broad-brush’ poverty reduction strategies many countries have adopted.

UNICEF is flexible but not always strategic UNICEF has successfully adapted the type of supply support provided to fit changing country contexts, for example, moving to support the entire in-country health logistics systems in Ethiopia. However, we found no evidence of UNICEF systemically taking a strategic view on national capacity building nor was it clear that this was an area in which UNICEF had a comparative advantage.

The UNICEF supply chain model needs revision The growth of UNICEF’s supply work, coupled with the historical under-investment in integrated supply chain systems and tools (e.g. online catalogues and ordering, e-procurement and track and trace systems), is lowering the overall efficiency and cost effectiveness of UNICEF’s supply function. A redefinition of the UNICEF operating model and introduction of new supply chain tools are required to improve efficiency and effectiveness.

Commodity assessment has not been widely used UNICEF has made limited progress on assessing and monitoring the accessibility and affordability of a range of key commodities, especially for marginalized groups. The Country Assessment of Essential Commodities (CAEC) tool has been applied in just five countries and is not well integrated into the wider programme planning and monitoring cycles.

Availability of supplies is not enough to ensure take-up Access to and availability of essential supply items does not necessarily equate to use or consumption. Supplies appear to be more effective when delivered in combination with other supplies and supported with appropriate and well sequenced programmatic interventions; when innovation and customization make them more applicable to the specific context; and when delivered in parallel with Information, Education and Communication (IEC).

New sources of leverage The significant increase in available funding via the emergence of global funds in recent years (for example the Global Alliance for Vaccines and Immunization – GAVI – and the Global Fund for HIV/AIDS, Tuberculosis and Malaria – GFATM) could be further leveraged to channel increased financial support to the supply-related activities of government-led national programmes (whether via UNICEF, or not). UNICEF can be a strategic partner by offering an integrated basket of support (global procurement services plus in-country programmes), set within the target results of the UNICEF country programmes, the United Nations Development Assistance Framework (UNDAF) or the national Poverty Reduction Strategy.
UNICEF has limited capacity in impact assessment  UNICEF’s current M&E capability does not support systematic evaluation or impact assessment of supply-related programmes. There were examples of integrated and often quite sophisticated M&E plans to track delivery and impact of the Master Plan of Operations but little evidence of results analysis guiding strategic and operational planning. While situation monitoring through Multi-Indicator Cluster Surveys, Demographic Health Surveys and Devinfo provides valuable information on the situation of women and children across a range of sectors, these surveys by themselves do not enable impact assessment.

Potential benefits of impact assessment  At this time of Organizational Review, UNICEF has a strategic choice to make concerning the level of impact assessment capability it needs to develop and use on a systematic basis. Investing in impact assessment capability will provide a significant return in terms of increased understanding of the causal relationship between supply inputs and programme outcomes and a solid evidence base to drive better investment decisions, including in essential supplies.

Information Technology  Local investments in IT have been made to improve the local systems as the core systems do not support business needs, e.g. spreadsheets for monitoring in-country stocks. Supply Division has led an initiative to enable country offices to track their deliveries via the web, using the three track and trace systems of the freight forwarding companies. To improve information sharing and minimize data errors, Supply Division has also implemented Electronic Data Interchange (EDI) to share information electronically between UNICEF suppliers and freight companies. UNICEF could provide a user-friendly ‘online shopping’ solution to review, select, requisition, track and receive supplies through a single user interface. There are no standard database solutions for monitoring supply delivery or end use data – where this data is collected, it tends to be left isolated in spreadsheets or documents.

Some initiatives on United Nations common services but reform remains slow  While the evaluation did find examples of shared services, United Nations reform has proceeded slowly with only isolated examples of active cooperation between United Nations agencies. However, there is potential for consolidated, integrated, United Nations supply activity.

Supply Planning

What is working well  UNICEF has standard tools for strategic planning including CAEC and the Supply Manual (the GBook)\(^3\) published by Supply Division. In some countries, the supply component of the strategic planning process is well embedded in programmatic planning, sometimes with a cross-sector approach. The multi-year country programme action plan allows for a longer term view of programme and supply requirements.

What is not working well  Supply planning remains weak. There is limited integration between supply and programme in the planning process, whilst the processes themselves tend to be inconsistent, including in emergency planning. Long-term demand forecasting is not included in the UNICEF planning process. There is limited coordination between country offices, regional offices, Supply Division and other United Nations agencies in the emergency planning process. The value and benefit of CAEC is not widely understood; CAEC is considered a ‘supply’ activity with a lack of real ownership at the programme level. Countries often lack the planning skills required, delegating supply planning to planning assistants who are not properly trained.

Procurement

What is working well  UNICEF’s procurement function has global reach, with several benefits for UNICEF’s internal and external customers. Relationships with suppliers are generally good, though suppliers would like more feedback. UNICEF has a structured approach for sourcing strategic supplies and has a growing number of LTAs with suppliers. By aggregating demand across global markets, UNICEF achieves competitive prices. Supply growth has been successfully managed; while supply expenditure has grown, staff numbers have not changed much. The growth in Procurement Services

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\(^3\) For the GBook Supply Manual see http://www.intranet.unicef.org/Policies/DHR.nsf/Manual%20%5CBook%20%5CG%20%5CSupply%20%5CManual?OpenView
demonstrates customer confidence in UNICEF, while internal and external sources indicate that overall, UNICEF demonstrates a socially responsible and ethical approach in its procurement activities.

**What is not working well**  There is no effective management of the various suppliers and the range of supplies that are purchased. There is no understanding of the total cost to perform procurement across UNICEF. The majority of procurement decisions are taken on behalf of the countries and there is a limited role for the countries, regions or other players. For country offices, there is no international bidding or tendering in neighbouring markets for supplies, and all offshore procurements are managed through Copenhagen; there is limited region-wide procurement. There is little understanding of how to improve efficiency in procurement processes and inadequate focus on ‘value for money’.

**Logistics**

**What is working well**  The Copenhagen warehouse is a modern facility managing the majority of the supply throughput, with over $80 million throughput in 2005 and average stock worth $26 million. Warehouse facilities in Dubai and Panama provide additional capacity for emergency situations. UNICEF has a good understanding of the storage requirements for supplies; stock holding is used to mitigate supply delays and to build stocks of supplies to support campaigns. Local arrangements are made in-country to consolidate supplies into kits or transport loads before providing the supplies to counterparts. UNICEF is implementing UNITRACK, a simple warehouse management system for country offices. LTAs have brought reduced transport rates and a guaranteed level of service. UNICEF is using EDI to integrate the UNICEF and freight forwarders supply systems, and freight forwarders track and trace systems have been used by country offices. In-country, UNICEF operates beyond its obligations in the cooperation agreement to ensure that supplies are received and used; UNICEF recognizes that its obligations are only partially met when supplies arrive in-country.

**What is not working well**  There is no systematic classification and management of standard stock items. The range of supplies has very different demand patterns, which are not appropriately planned. There is a considerable tail to the supply portfolio for the warehouse inventory. UNICEF has been reluctant to address the issue of in-country inventory. Sixty per cent of the stock is not ‘visible’ to management and there is no on-going global coordination of inventory management. Pre-positioned and buffer inventory is done largely in isolation by each country office. In-country logistics management and operations are uncoordinated and are not part of the CAEC. There appears to be a shortage of professional logisticians and their career model is unclear. UNITRACK is not integrated with ProMS, data fields are missing from the pilot, and UNITRAK stock reports cannot be ‘rolled up’. There are instances where expensive air freight has been used to cover up poor planning. In-country logistics is not appropriately recognized or funded.

**Monitoring Supplies**

**What is working well**  Some governments have information systems that provide data on the distribution of supplies, which they share with UNICEF. UNICEF field reports are used to record receipt of supplies, while ProMS has the ability to hold field-based supply data. UNICEF field visits to government warehouses are used to check on supplies. In humanitarian situations, UNICEF distributes the supplies directly to the point of need.

**What is not working well**  There is often no supply monitoring. Monitoring responsibilities between programme and supply staff are not clear.

**Capacity Building**

**What is working well**  UNICEF has the experience in developing countries to know what supply systems are required and this knowledge is viewed positively by governments. UNICEF is seen to be pragmatic and to understand the strategic and essential supply needs of women and children. UNICEF understands public procurement principles and is seen not to have hidden motives for recommending capacity building activities to governments.
What is not working well  While the Supply Division supports capacity building, its resources to do so are limited. UNICEF has no consistent approach to supply capacity building, and country programme plans do not include supply capacity building in general. Often, there is no joint United Nations approach to capacity building at the country level.

Supply Performance Measurement

What is working well  Supply Division uses a scorecard to manage supply performance. Through SAP, a variety of management and operational reports are available. The country office monthly reports contain some key supply measures. The Briefing Book is available to most supply staff. This book allows users to develop and customize reports to local needs. The latest ProMS release includes most of the core supply reports in a single application, while Cognos cubes hold all global supply data, including spend analysis, budgets and donor reports, fed from the Finance and Logistics System (FLS) and ProMS.

What is not working well  There is no clear end to end accountability and mechanism to manage and report on the overall supply performance. There are limited supply Key Performance Indicators (KPI) used in the country offices and no common scorecard. There is no automated standard set of supply reports used by all supply officers. There is a lack of trust in ProMS data and no link between supply performance and personal performance. Actual delivery performance cannot be tracked from the system, as the key activities are not recorded in the system, and many country office reports are produced manually based upon the data in ProMS. In-country inventory is not held in the UNICEF systems. Most measures are aimed at ensuring that the money has been spent within the allocated time rather than on working capital tied up in supplies. There are no improvement measures, for example, to bring about total cost reduction in the supply chain.

Supplies for Humanitarian Response

What is working well  In 2005, UNICEF responded to 317 emergencies in 93 countries of which eight were large-scale, requiring an organization-wide response. Most offices have an EPRP. UNICEF has cluster leadership for water and sanitation and nutrition, and leads the coordination of the supply baskets. The profile of UNICEF supplies is increasing as a result of these new roles (but so are expectations). UNICEF is committed to working with the United Nations Humanitarian Response Depots including those in Brindisi, Panama, Dubai, Ghana and Malaysia. UNICEF collaborates with the World Food Programme and other operational agencies through the United Nations Joint Logistics Centre.

What is not working well  UNICEF is not adequately coordinated across the different emergency-related functions. Emergency preparedness is not supported with appropriate internal funding to implement plans. EPRP is felt to be onerous and is not always finalized. There is no simple mechanism to determine the quantities of supplies required for potential emergencies. Coding errors can impact UNICEF’s ability to track and monitor emergency supplies, though Supply Division has attempted to address this. Emergency supply orders are not always well classified and the current budget coding structure does not accurately account for all emergency supplies. In 2006, Supply Division’s rapid response emergency supply delivery was nine days on average for supplies from the warehouse, and 23 days for non-stock items. Stock levels held in the Copenhagen warehouse and at suppliers may be inadequate to respond quickly to emergencies.

Procurement Services

What is working well  Procurement Services has global reach and a clear focus on essential supplies for women and children. The work performed by Procurement Services is valued by governments, donors and NGOs. Procurement Services is seen as a secure mechanism to provide continued access to essential supplies for women and children at good market prices. Procurement Services supplies are supporting the achievement of national objectives and global MDGs, and these supplies can strengthen the programme work of UNICEF where they are closely coupled with UNICEF-led programmes. Supplies procured via Procurement Services were felt to be of an appropriate quality.
What is not working well  There is lack of clarity within the organization relating to the purposes of Procurement Services.  Procurement Services activities are not normally accompanied by capacity building. The handling fee levied is questioned by all parties; partners would like to see a smaller handling fee and greater transparency. Cost estimates are inaccurate, the payment process is subject to currency fluctuations that can cause delays to shipments, and lead times for some catalogue/standard items are unacceptably long. Managing government relationships for Procurement Services from Copenhagen creates complications.  Decision making for Procurement Services is not always clear and the contracts can pose a risk to UNICEF.  Procurement Services customers often saw Supply Division as being difficult to work with.

Human Resources
What is working well  UNICEF staff is highly committed. UNICEF Supply Division staff appears to have a good knowledge of supplies and global supply markets while country office supply staff has a good understanding of the local challenges. At the community level, Supply and Programme work well together. Staff members work around problems to ensure supplies reach the end user. UNICEF staff is well-perceived by many suppliers, who enjoy good working relations with UNICEF. UNICEF is considered to be an attractive employer in developing countries. A series of competency frameworks have recently been developed for different Supply career paths.

What is not working well  Forty-nine out of 600 staff members working in supply are due to retire in the next five years and there are few new junior recruits. Retired employees are being used to fill key vacant posts yet temporary contracts can have repercussions for operational efficiency over the longer term. The recruitment process is long and complex.  Supply work in country offices is not valued as a strategic capability. The current organizational structure does not empower Regional Supply Officers to fully execute their mandate. This situation is not helped by the fact that the Regional Supply Officer reports to the Regional Director rather than to the Director of Supply Division. There is a mismatch between the current supply skills base and the skills required to support an increased focus on capacity building as set out in the Medium Term Strategic Plan 2006-2010. There is no supply curriculum and no formal career management framework. Automatic incremental salary increases are given year on year, and rather than addressing core performance issues, poor performers are rotated to other positions.

Information Technology
What is working well  Each country office has a common and integrated set of applications to support most of the core supply function business requirements. The IT systems enable a common business process to be followed across all country offices. The recent upgrade to ProMS v7 supports improved supply processes. EDI has been recently implemented in Supply Division, linking UNICEF and the freight forwarders to improve supply management. User group forums meet to review and approve requests for changes to the IT systems and IT system changes are implemented in system releases, which is a best practice approach.

What is not working well  UNICEF systems are still predominantly paper-based and UNICEF’s IT systems are several years behind the market. There are multiple supply systems, creating a complex and complicated user interface. UNICEF has not taken advantage of the ‘technology revolution’ to drive a more efficient and effective end to end delivery of supply service. Limited governance and fragmented ownership of IT have resulted in a lack of clear leadership for strategic technology changes. IT investments tend to be small and operational and deliver minor, incremental improvements. The working relationships between IT and business appear to be adversarial. The available IT supply chain solutions have not improved supply performance and there are few supply staff with knowledge of how IT could improve supply performance. ProMS is an in-house developed application that is 10 years old and which may be due for replacement.

In-Kind Assistance and Private Sector Division
What is working well  UNICEF has a clear policy on in-kind assistance that is used by all country offices and National Committees (NatComs). Supply Division has a defined process to review the quality of in-
kind assistance; the Copenhagen facility is seen by NatComs as a selling point for UNICEF. The Private Sector Division (PSD) provides a range of gifts of high quality that meet the latest market needs and are ethically sourced. PSD and NatComs are working to implement an online web shop to increase sales; PSD and the NatComs are also working together to target supplies as a way of fund raising. UNICEF continues to receive in-kind donations from the corporate sector.

What is not working well  The timing of the PSD supply ranges updates do not meet all market requirements. Improvements in the PSD IT systems have not kept pace with market-driven demand, due to which online web ordering and fulfilment have been outsourced; NatComs are concerned that UNICEF may be diluting its standards in order to attract more donor assistance. The slow approval of audits of donated supplies leads to frustration. Some supplies are more expensive than those provided by UNICEF’s competitors, which stifles sales opportunities. The global category approach also means that UNICEF is not responsive to niches in individual markets.

United Nations Joint Working and United Nations Reform

What is working well  The evaluation found positive examples of United Nations joint working, including agreements on tax and duty exemption on imported and in-country procured supplies; harmonization of cash transfers to government; mandated supplier payments through bank accounts; elimination of cash transactions; and use of UNDAF. Procurement working groups were the most prevalent form of joint working. Other examples included joint local salary reviews; United Nations global marketplace for the registration of United Nations suppliers; shared offices and services; collaboration on United Nations Humanitarian Response Depots in Brindisi, Panama, Dubai, Ghana and the new facility in Malaysia; and a joint logistics training programme. In Viet Nam, the United Nations is moving into a single United Nations office by end 2006 under ‘one plan, one budget, one office’.

What is not working well  There is little evidence of United Nations reform with regard to Supply. The joint working groups lack visible leadership and senior sponsorship. There is no clear articulation of the benefits for the individuals involved, and there is also a fear of jobs being lost. No examples were found of shared United Nations agency back office capabilities. There is competition between United Nations agencies and mandate creep to obtain funding. The evaluation team encountered suspicion and a lack of openness when meeting United Nations agencies as part of the evaluation. Significant barriers to United Nations reform include lack of an organization change programme that articulates the benefits, and lack of drive on the part of some Resident Coordinators to implement United Nations reform. In addition, United Nations agencies do not share the same centres for regional offices, they have separate IT systems, are reluctant to share facilities and have limited collaboration on in-country logistics. United Nations agencies may collaborate on humanitarian response, but not routinely.

Key Recommendations

Actions following from the recommendations are inter-dependent and will need to be sequenced. (Please refer to the Recommendations section of the main report for more detail and to the main text for the rationale behind the recommendations).

- **Focus on essential supplies**  UNICEF operates with 22,825 suppliers across 304 sub-categories. There should be a drive to reduce the number of suppliers and sub-categories and focus on essential supplies; this is the core business of UNICEF in which UNICEF already has and can further develop deep programme and supply experience. There is a need to update the supply catalogue and use this to define the standard range of supplies and then reduce the number of suppliers.

- **Be a world leader in the procurement of essential supplies**  The UNICEF Procurement Organization should be seen as a world leader in the technical procurement and understanding of strategic and essential commodities for children and women and in improving access to and affordability of such supplies. UNICEF should continue to aim to influence innovation, informed by knowledge built up and retained within the organization and based upon UNICEF programme experience and end-user feedback.
• Revise the UNICEF supply chain strategy and operating model To improve the reliability and availability of supplies and reduce the total cost of delivering supplies UNICEF should:

• Segment the supply chain strategies for the types of supplies Lead time, costs and service levels should be established for each set of products, while different supply categories require different supply chain strategies, for example:
  o make to forecast, e.g. vaccines
  o supply from UNICEF stock, e.g. School in a Box
  o supply from consignment stock, e.g. blankets
  o make to order, e.g. cold chain equipment

• Reduce lead times and introduce common KPIs Standard lead times and service-level responses should be defined and agreed upon for each of the ranges of supplies and captured in a Service Level Agreement. Performance measures should be implemented to monitor and report on performance with one set of KPIs across programmes. These performance measures should be included in the individual performance plans of the appropriate programme and supply staff.

• Outsource the procurement of supporting supplies Strong consideration should be given to outsourcing the procurement and supplier management of all supporting supplies to another agency, preferably within the United Nations. Options include the United Nations Office for Programme Services, United Nations Procurement Service and Inter Agency Procurement Services Office. Each option should be tested for feasibility. The new arrangements should include online requisitioning of supporting supplies.

• Create regional procurement centres Regional supply teams (virtual or co-located, and not necessarily corresponding to current UNICEF regions) should be created to perform regional and local procurement. This will increase the sourcing of supplies closer to the point of need, and Copenhagen will become only one of several supply centres with a reduced share of total supply throughput.

• Conduct international bidding in the regions UNICEF should implement international bidding for local and regional procurement to take advantage of improved access to varied and quality supplies as globalization proceeds.

• Implement e-commerce UNICEF should adopt e-commerce to eliminate time consuming and unreliable paper-based systems, reduce costs, speed up procurement, improve compliance, and improve management information for global supply management. In time, all country offices should have access to the UNICEF ERP solution.

Create a virtual global supply organization for UNICEF The Director of the Supply Division is accountable for the management of the global supply chain, a responsibility s/he cannot fulfill under the current structures. The Director should oversee a single organization responsible for the supervision of all supply chain activities, including procurement spend and the management of supply staff deployed in regional and country offices. While this does not coincide with the current strong decentralization structure and culture of UNICEF, it has many benefits including: coordinated management of the supply chain personnel, process and systems; reduced total cost of UNICEF supply; improved procurement through improved sourcing decisions; improved management of suppliers; integrated view of supply performance and targets for improvements; reduced staff numbers involved in buying activities; and increased compliance. (Decision depends on the outcome of the Organizational Review.)

Create a UNICEF global supply chain community The supply chain community should be used as the basis for education, training and development. A supply human resources lead should be appointed for all supply staff, and career progression and learning budgets should be centralized. This will provide opportunities for knowledge sharing and create a sense of community and professional belonging which is currently lacking.

Manage country office supply within Programme A resolution of how to integrate supply more fully into Programme is long overdue. With the bulk of procurement sourcing decisions moving to regional procurement centres, the requisitioning function should remain at the country level and should be
performed by Programme. This will allow for better supply planning and updating of forecasts during the year as this is the responsibility of Programme, along with supply distribution and monitoring. Under these proposals, supply staff will only be deployed to support country office capacity-building programmes and supply activities agreed in addition to those defined in the basic cooperation agreement.

**Focus on the access and affordability of essential supplies in programme countries** UNICEF should embed the CAEC within the Country Programme Action Plan (CPAP) process and the Mid-Term Review and lobby and agree with United Nations Development Group for the incorporation of CAEC in UNDAF.

**Generate a solid evidence base to drive investment decisions** Use end-user monitoring and impact assessment to improve investment returns for supplies and programme interventions in general; to provide an evidence base for understanding the relationship between inputs and outcomes; and to raise the profile of UNICEF as a knowledge-driven organization with recognized leadership and expertise in supply intensive programming.

**Increase the level of benefit generated by supplies** Generalizing across the exemplars, we conclude that the impact of supplies can be enhanced as follows:

- bundle supplies in more sophisticated ways to tackle root causes of premature death and morbidity;
- better capitalize on existing channels as an effective means of increasing coverage rates for key supplies, especially amongst isolated and nomadic communities;
- explore greater use of incentives to increase the reach of supply-dependent interventions;
- increase the focus on investment and venture capital opportunities to encourage in-country production and manufacturing facilities;
- leverage new technologies to encourage the development of sustainable models of development over the longer term; and
- increase the delivery of IEC activities along with supply interventions to secure behaviour change and generate long-term sustained improvements in well-being.

**Pre-position stocks for emergencies** Evidence suggests that, on balance, some risk-prone countries can respond faster to emergencies when they have contingency stocks available in-country. UNICEF should consider a reversal of policy to allow for the carefully planned placement of contingency stocks. At the same time, UNICEF should maximize the potential for joint United Nations emergency stockpiles or shared facilities, building on current initiatives to reduce cost overall and create a more integrated United Nations and inter-agency approach to emergency response.

**Build national capacity in supply planning, procurement and in-country logistics** Governments are increasingly aware of the need to improve their supply capabilities. In the changing aid environment, donors and global funds want to see recipient government supply chains functioning well. There is likely to be more demand on UNICEF to provide or source capacity-building services and UNICEF needs a revised strategy to meet this need. UNICEF should make every effort to move from substituting for government capacity to strengthening capacity. Capacity building plans should be included in the CPAPs and Annual Work Plans as part of a joint United Nations approach to national capacity building. UNICEF should outsource parts of this role to specialist partners.

**Increase the reach of essential supplies through Procurement Services** The evaluation has seen the powerful multiplier effect of Procurement Services when aligned with UNICEF programme strategy. UNICEF should allow Procurement Services to expand under carefully managed principles and some important changes to the way business is done, including: integrating programme and Procurement Services strategy at the country level; making the Representative responsible for managing Procurement Services relationships, with support from Supply Division; restating rules to allow Procurement Services to be actively promoted but not used competitively; clarifying and justifying the handling fee; removing confusion about Procurement Services as a ‘money maker’ for UNICEF by reinvesting surpluses into capacity building rather than into UNICEF central funds; and aiming for added value and not just lowest cost.
RÉSUMÉ ANALYTIQUE

But
Ce rapport présente les principaux résultats et les principales recommandations d'une évaluation mondiale de la fonction d'approvisionnement de l'UNICEF. L'évaluation porte sur :

(iii) l’efficience, l’efficacité et la valeur ajoutée des activités de la Division des approvisionnements, notamment les services d'approvisionnement ainsi que la gestion, l’organisation, la capacité et le renouvellement du personnel de la fonction d’approvisionnement de l’UNICEF aux échelles nationale et régionale (y compris les plates-formes régionales) et au siège social de Copenhague;

(iv) l’impact des approvisionnements aux pays participant au programme et du renforcement de la capacité sur l’accès des enfants aux biens de première nécessité.

L'évaluation a porté sur cinq catégories de fournitures sélectionnées à l'avance :

(vi) vaccins et fournitures apparentées pour l’éradication de la polio et la survie des enfants;
(vii) antirétroviraux et diagnostics du VIH/SIDA pour le contrôle du VIH/SIDA chez les enfants;
(viii) polythérapies antipaludiques et filets avec enduits de longue durée pour la réduction de la malaria;
(ix) fournitures éducatives et matériaux de construction pour l'éducation des filles;
(x) fournitures relatives à l'eau et aux services sanitaires (y compris les latrines d'école pour l'éducation des filles et la survie des enfants).

Méthodologie

Sélection de pays – La sélection des études par pays se voulait illustrative plutôt que représentative. L’évaluation ne visait pas à proposer une analyse mondiale de l'impact ou du rendement de la fonction d'approvisionnement de l'UNICEF, mais visait plutôt à faire ressortir les tendances et les exemples ainsi qu'à définir une méthodologie pour les évaluations futures. On a fait volontairement porter l'évaluation sur les pays auxquels l'UNICEF a offert des fournitures « à grande échelle ». Le groupe directeur de l'évaluation a ainsi sélectionné huit pays :

Rendement des activités d'approvisionnement et impact des approvisionnements
(ix) Vietnam (projet pilote)
(x) Niger
(xi) Éthiopie
(xii) Inde

Rendement des activités d'approvisionnement seulement
(xiii) Yémen
(xiv) Malawi
(xv) Tadjikistan
(xvi) Indonésie

En complément à l’évaluation du rendement des activités d'approvisionnement, on a aussi visité la plateforme régionale de fournitures de Dubaï et le centre d'approvisionnement régional de Nairobi (Kenya).

Cette analyse a été effectuée au moyen d'une évaluation de la capacité et une analyse des temps pour la chaîne d'approvisionnement et en interrogant des ensembles de données du système de planification des ressources de l'UNICEF (enterprise resource planning : ERP), données fournies par la Division des approvisionnements.

En tout, on a mené 250 entrevues semi-dirigées à tous les niveaux de l'organisation, avec des représentants des gouvernements, des Nations Unies et des organisations non gouvernementales (ONG) ainsi qu'avec des fournisseurs et des expéditeurs de l'UNICEF.

L'évaluation comprenait aussi des enquêtes auprès des bureaux de pays, des partenaires et des fournisseurs locaux et étrangers.

Contexte

Croissance et mondialisation – La croissance de l'économie mondiale et les changements associés à la mondialisation et la transformation des échanges commerciaux mondiaux ont contribué à la plus grande disponibilité des fournitures dans de nombreux pays en développement et à l'apparition de grands centres d'approvisionnement en Chine et en Inde. La croissance devrait se poursuivre dans ces pays avec la disponibilité grandissante de produits de plus grande valeur.

Technologie – La croissance et l'application de la technologie de l'information (TI) et du commerce électronique ont grandement facilité la création de nouveaux modèles d'entreprise (p. ex., Dell Computer et Amazon); en redéfinissant leur chaîne d'approvisionnement et optimisant l'usage du commerce électronique. Les commandes en ligne permettent, par exemple, d'améliorer le service et le délai d'approvisionnement à moindre coût.

Responsabilité sociale des entreprises – De nombreuses personnes et organisations du secteur privé ont pris conscience de leur responsabilité sociale. Ces personnes et entreprises cherchent des occasions d'apporter leur contribution et de participer à la prestation des programmes d'aide, en faisant des dons philanthropiques ou des dons de services et de produits.

Déclaration de Paris – La Déclaration de Paris de 2005 sur l'efficacité de l'aide a fait ressortir la nécessité de soutenir les gouvernements bénéficiaires dans leur gestion des ressources. L'aide publique au développement s'est aussi accrus considérablement et les donateurs se préoccupent de plus en plus de la façon dont les bénéficiaires gèrent les chaînes d'approvisionnement. Certains gouvernements, qui ne pourront ni ne voudront fournir de produits de première nécessité, se tourneront vers des partenaires de l'extérieur pour assurer la mise en œuvre de leurs programmes nationaux.

Nouveaux intervenants – Le secteur comprend maintenant d'importants nouveaux intervenants (la Clinton Foundation et la Gates Foundation p. ex.) qui voudront tirer parti des services et de l'expertise des principaux intervenants de la gestion de la chaîne d'approvisionnement. Ces clients externes exigeront des services d'approvisionnement plus performants, du fait en particulier que les investissements se font plus substantiels pour suivre le rythme accéléré du changement qu'imposent les objectifs du Millénaire pour le développement (OMD).

Réforme des Nations Unies – En juin 2006, l'Assemblée générale des Nations Unies a examiné un large éventail de réformes de la gestion et a décidé de prendre des mesures initiales pour produire les changements réclamés lors du Sommet mondial de 2005, entre autres la création d'un poste de chef des services des technologies de l'information qui supervisera l'intégration des systèmes de technologies de l'information et des communications de l'ensemble du Secrétariat; l'approbation de la mise en œuvre du

4 Un exemple de référence est un modèle d'étude de cas capable d'inspirer d'autres études du même type.
5 Les cinq types de fournitures essentielles de l'UNICEF et les pays où ces fournitures ont été évaluées sont :
   - vaccins et fournitures apparentées pour l'éradication de la polio et la survie des enfants (Niger);
   - antirétroviraux et diagnostics du VIH/SIDA pour le contrôle du VIH/SIDA chez les enfants (Vietnam);
   - polythérapies antipaludiques et filets avec enduits de longue durée pour le traitement et le contrôle de la malaria (Éthiopie);
   - fournitures éducatives et matériaux de construction pour l'éducation des filles (Niger); et
   - fournitures relatives à l'eau et aux services sanitaires, y compris les latrines d'école pour l'éducation des filles et la survie des enfants (Inde). De plus, on a mené une évaluation de l'impact des fournitures en Inde en se penchant plus spécifiquement sur le tsunami.


Définitions

Fonction d'approvisionnement de l'UNICEF
ADP définit la « fonction d'approvisionnement » comme une série de processus opérationnels fondamentaux : planification, approvisionnement, logistique, suivi et évaluation ainsi que renforcement de la capacité.

Fournitures de première nécessité et fournitures stratégiques
Les fournitures de première nécessité sont les fournitures qui assurent la survie et le développement des enfants, mais pour lesquelles l'UNICEF ne joue aucun rôle particulier sur le marché (un manuel scolaire, par exemple). Les fournitures stratégiques sont tout aussi essentielles mais, dans leur cas, l'UNICEF joue un rôle stratégique dans l'un ou plusieurs des domaines suivants :
- Stimulation de la demande et la production;
- Établissement de normes et des spécifications;
- Recherche de voies de financement pour la recherche et développement (effectuée normalement par d'autres);
- Permettre l’accès aux fournitures disponibles pour ceux qui n'y ont pas accès.

Évaluation sommative
Le travail de l'UNICEF se rapportant aux fournitures de première nécessité est très pertinent aux besoins des enfants et constitue une composante importante de sa programmation. Du point de vue des enfants bénéficiaires des produits essentiels fournis par l'UNICEF, il n'est pas certain que cette dernière cible les plus pauvres d'entre les pauvres par l'intermédiaire de sa fonction d'approvisionnement. L'UNICEF, par l'entremise de sa Division des approvisionnements, est parvenu à mettre l'accent sur les fournitures stratégiques et à développer des compétences dans ce domaine. La chaîne d'approvisionnement de l'UNICEF s'est révélée de plus en plus efficace au cours des dernières années, mais présente encore des failles importantes, en particulier en ce qui a trait à la planification des approvisionnements et aux délais de livraison. L'organisation n'a pas tiré parti des nouveaux modèles d'entreprise fondés sur les TI, adoptés par la majorité des entreprises privées et par un nombre croissant d'organismes sans but lucratif. Le modèle actuel fonctionne selon un programme très décentralisé, propre à chaque pays, dans lequel la fonction d'approvisionnement est gérée localement. De manière générale, on ne peut prendre connaissance des transactions d'approvisionnement que dans les bureaux de pays, non à l'extérieur, et il n'existe aucune surveillance du rendement des services d'approvisionnement. Par conséquent, il est difficile de gérer et de superviser efficacement toute la chaîne d'approvisionnement de l'UNICEF et d'améliorer le rendement de façon significative. Les activités d'approvisionnement des bureaux de pays sont surtout administratives et relativement inefficaces. Les employés qui ne font pas partie de la Division des approvisionnements sont relativement isolés; un réseau d'intervenants leur permettrait d'apprendre et de mieux planifier leur carrière. À l'avenir, il est probable que l'UNICEF recevra plus de demandes d'aide au renforcement des capacités d'approvisionnement; Elle devra donc y consacrer plus de ressources et
revoir son approche. Les clients apprécient les services d'achat de l'UNICEF qui se concentrent sur les fournitures de première nécessité et qui, grâce à une grille tarifaire intelligible, ont le potentiel de gérer soigneusement la croissance. Du fait de son manque d'investissement dans le suivi et l'évaluation, l'UNICEF n'a pas les outils qui lui permettraient d'évaluer et de comprendre les problèmes d'approvisionnement.

Principales constatations

L'organisation de la fonction d'approvisionnement de l'UNICEF – La fonction d'approvisionnement de l'UNICEF forme un réseau dispersé qui comprend la Division des approvisionnements ainsi que des agents et conseilleurs régionaux de l'approvisionnement basés dans les bureaux régionaux de l'UNICEF de Bangkok, Dakar et Nairobi ainsi que dans 157 bureaux de pays. Fortement décentralisée, la responsabilité des divers éléments de la fonction d'approvisionnement est répartie entre les programmes de l'UNICEF et d'autres gestionnaires. La surveillance de la fonction d'approvisionnement de l'UNICEF revient au directeur de la Division des approvisionnements. Le réseau de l'approvisionnement compte environ 600 employés; la Division des approvisionnements emploie environ 230 employés à Copenhague et 15 employés à New York.

Rendement de la Division des approvisionnements – La Division des approvisionnements, basée à Copenhague, joue un rôle fondamental en s'assurant de la disponibilité des fournitures; elle gère 76 p. cent (en termes de valeur) des fournitures, tandis que les 7 bureaux régionaux et les 157 bureaux de pays gèrent les autres 24 p. cent. On reconnaît généralement que le rendement de la Division des approvisionnements s'est amélioré au cours des dernières années. De la même façon, on apprécie l'aide technique et les conseils qu'elle fournit.

Principales améliorations de la chaîne d'approvisionnement – Depuis 2001, la chaîne d'approvisionnement a connu des améliorations, notamment :
- la gestion des fournitures de première nécessité occupe une place plus grande; les fournitures de première nécessité sont passées de 75 p. cent à 92 p. cent des dépenses totales du programme;
- les accords à long terme (ALT) avec les fournisseurs sont plus nombreux; les dépenses des ALT pour les fournitures de première nécessité sont passées de 55 p. cent à 75 p. cent entre 2001 et 2005; durant la même période, les dépenses des ALT consacrées au soutien de la fonction d'approvisionnement sont passées de 7 p. cent à 51 p. cent;
- on a investi dans les systèmes utilisés à l'entrepôt de Copenhague et dans les liens avec les fournisseurs et les agences d'expédition de fret;
- on a réduit de 1100 à 700 le nombre d'articles stockés dans l'entrepôt de la Division des approvisionnements;
- la Division des approvisionnements a réagi de manière rapide et efficace lors des situations d'urgence;
- on a constaté une amélioration du rendement, en dépit du peu d'investissement stratégique dans les systèmes de TI contribuant à l'amélioration des opérations et à la livraison des fournitures.

Les fournitures de l'UNICEF changent les choses – Les femmes et les enfants de pays en développement ou dans des situations d'urgence bénéficient des fournitures de première nécessité de l'UNICEF de nombreuses manières; ces fournitures satisfont des besoins immédiats, permettent de sauver des vies et sont un catalyseur de changement à long terme. Ainsi, on a pu réduire l'incidence de la malaria en Éthiopie et améliorer le traitement de cette maladie; on a aussi pu constater une augmentation du nombre d'inscriptions à l'école primaire au Niger, en particulier chez les filles. Dans les communautés, les interventions ont entraîné des changements positifs en matière de pratique d'hygiène, de dynamique de pouvoir et de dynamique entre les sexes. Au Vietnam et en Inde, l'aide de l'UNICEF au chapitre de l'eau et des services sanitaires a été un important catalyseur de changement des structures et des systèmes nationaux et a permis d'accroître de façon significative le nombre de gens ayant un accès à l'eau potable et à de meilleures installations sanitaires.

L'objectif est bon, l'exécution pas toujours – L'objectif principal de la fonction d'approvisionnement de l'UNICEF est la distribution de fournitures contribuant à la survie, au développement, à la protection et à la participation des femmes et des enfants qui peuvent ainsi mieux se prévaloir de leurs droits. Si l'on
« fait les bonnes choses », il reste de nombreux domaines de la fonction d'approvisionnement où l'UNICEF « ne s'y prend pas toujours le mieux ».

**Croissance et diversification** – Le volume et la valeur de l'aide fournie par les programmes et les Services d'approvisionnement de l'UNICEF ainsi que le nombre de pays visés continuent de croître. La gamme de fournitures et de services connexes se diversifie et le portefeuille de fournitures stratégiques doit être remanié. Le portefeuille de l'UNICEF a grossi de façon incontrôlée et comprend maintenant plus de 3000 fournitures standard.

**Contribution de fournitures et OMD** – Dans les pays qui ne parviendront pas à atteindre les OMD sur la santé, l'éducation et la survie des enfants, l'UNICEF a un avantage comparatif en matière d'approvisionnement, un avantage fondé sur son mandat, la taille et la fiabilité de l'ensemble de ses opérations et les relations établies avec les gouvernements et les partenaires. Cette situation se reflète dans les demandes des gouvernements partenaires qui souhaitent voir les services d'approvisionnement de l'UNICEF jouer un rôle de premier plan dans certains secteurs.

**La livraison des fournitures en temps voulu pose un défi considérable** – Le rendement de la fonction d'approvisionnement en matière de délai de livraison est médiocre. De longs délais de livraison retardent l'accès des femmes et des enfants aux fournitures de première nécessité, particulièrement vitales lors de crises humanitaires. Des enquêtes internes et des entrevues menées auprès du personnel des bureaux de pays révèlent qu'un changement majeur s'impose au chapitre des délais de livraison. Les données de la Division des approvisionnements indiquent qu'on n'arrive pas à respecter les dates d'arrivée prévues par la Division elle-même, dont les objectifs demeurent modestes selon les normes de l'industrie. Pour respecter les délais de livraison prévus, il faudra peut-être augmenter les stocks de certaines catégories de fournitures.

**Vision stratégique pour les services d'approvisionnement souvent manquante dans les bureaux de pays** – Souvent, les équipes de programme des bureaux de pays ne considèrent pas l'approvisionnement comme un service stratégique permettant d'élaborer de meilleurs programmes et d'accroître l'impact. Souvent aussi, le personnel des programmes ne prend pas au sérieux les activités de la chaîne d'approvisionnement et, en règle générale, la collaboration entre le personnel des programmes et le personnel de l'approvisionnement reste limitée.

**La planification déplorable des approvisionnements est problématique** – La planification des approvisionnements laisse à désirer et 35 p. cent des bureaux régionaux n'élaborent pas de plan d'approvisionnement. Les demandes de fournitures sont adressées à chacun des programmes qui se procurent les fournitures individuellement. Les bureaux de pays ne sont pas portés à examiner leur demande totale de fournitures, ni à déterminer la façon dont on se procure les articles demandés. Les plans d'approvisionnement des bureaux de pays sont médiocres ce qui empêche la Division des approvisionnements de les utiliser comme base pour sa propre planification. Cette situation engendre de longs délais d'approvisionnement et de livraison. Même si la plupart des bureaux de pays ont élaboré des plans de préparation aux situations d'urgence et d'organisation des secours, ces plans n'ont été ni complétés ni approuvés.

**Bien qu'importants, les services d'approvisionnement locaux sont relativement inefficaces** – L'acquisition de 24 p. cent des fournitures (en termes de valeur) se fait à l'échelle locale, dans chacun des pays. Les exigences sont définies par le programme et de nombreuses demandes pour des articles non standard ne sont pas contestées par le Service d'approvisionnement du bureau de pays. Il s'avère que l'approvisionnement local est un processus manuel, prenant beaucoup de temps et relativement inefficace.

**Options limitées pour l'approvisionnement** – La Division des approvisionnements est considérée comme le « fournisseur autorisé privilégié » de fournitures de première nécessité. Les bureaux de pays sont soumis à de nombreuses restrictions et doivent passer par la Division des approvisionnements pour commander des articles. Ils trouvent qu'ils n'ont pas assez de solutions de rechange lorsqu'ils ne sont pas satisfaits du rendement de la Division des approvisionnements.
Cibler les plus pauvres – Les évaluateurs n’ont trouvé aucune indication que l’UNICEF, dans ses activités d’approvisionnement, s’emploie invariablement à améliorer le sort des enfants les plus pauvres et les plus marginalisés. Cela reflète les stratégies peu détaillées adoptées par de nombreux pays pour la réduction de la pauvreté.

L’UNICEF se montre flexible, mais pas toujours stratégique – L’UNICEF a réussi à adapter son soutien en matière d’approvisionnement aux contextes changeants de chacun des pays; en Éthiopie, par exemple, elle a décidé de soutenir l’ensemble des systèmes logistiques de santé du pays. Rien ne montre cependant que l’UNICEF aborde systématiquement le renforcement de la capacité nationale de façon stratégique envisage ou qu’elle détient un avantage comparatif en ce domaine.


La disponibilité des fournitures n’est pas garante de leur utilisation – L’accès aux produits essentiels et leur disponibilité n'est pas nécessairement équivalente à leur utilisation ou à leur consommation. Les produits semblent être davantage utilisés lorsqu'ils sont livrés avec d'autres fournitures dans le cadre de programmes appropriés et bien planifiés; lorsque la souplesse et l'innovation les rendent plus pertinents au contexte particulier; et lorsqu'on offre, en parallèle, des activités d'information, d'éducation et de communication (IEC).


La capacité d’évaluation des impacts de l’UNICEF est limitée – L’actuelle capacité de suivi et d’évaluation de l’UNICEF ne permet pas de réaliser une évaluation systématique des impacts des programmes d’approvisionnement. On a relevé des exemples de plans intégrés de suivi et d’évaluation, souvent sophistiqués au demeurant, visant à exercer une surveillance sur la prestation et l’impact du plan général des opérations, mais peu de résultats d’analyse capables de guider la planification stratégique et opérationnelle. Bien que le suivi de la situation au moyen d’enquêtes à indicateurs multiples, d’enquêtes démographiques et sanitaires et de la base de données DevInfo permet de rassembler de précieux renseignements dans plusieurs domaines sur la situation des femmes et des enfants, ce type d’enquêtes ne permet pas de procéder à une évaluation des impacts.

Les avantages que pourrait avoir l’évaluation des impacts – À cette étape de l’examen de l’organisation, l’UNICEF doit faire un choix stratégique quant à la capacité d’évaluation des impacts qu’elle doit développer et démontrer de façon systématique. Le fait d’investir en ce domaine permettrait de mieux comprendre la relation de cause à effet entre les intrants de fournitures et les résultats des programmes, en plus de fournir des données probantes qui permettraient de prendre de meilleures décisions en matière d’investissement, y compris en ce qui a trait aux fournitures de première nécessité.
Technologie de l'information – On a réalisé des investissements locaux dans les TI afin d'améliorer les systèmes locaux parce que les systèmes centraux ne répondent pas aux besoins des activités (p. ex., les feuilles de calcul électronique qui permettent de faire le suivi des stocks par pays). La Division des approvisionnements a lancé une initiative qui permet aux bureaux de pays d'assurer le suivi de leurs livraisons par Internet, au moyen des trois systèmes de suivi et de localisation des compagnies d'expédition de fret. Pour améliorer le partage d'information et minimiser le nombre d'erreurs dans les données, la Division des approvisionnements a aussi mis en place un réseau d'échange de données informatisées (EDI) qui permet aux fournisseurs et aux compagnies d'expédition de l'organisme de partager de l'information par voie électronique. Au moyen d'une interface-utilisateur unique et conviviale, l'UNICEF peut permettre aux acheteurs d'examiner les fournitures, de les sélectionner, de les commander, de les suivre et de les recevoir. Il n'existe aucune base de données standard qui permette de suivre la livraison des fournitures ou d'avoir accès aux données sur l'utilisation finale – le plus souvent, ces données demeurent sur les feuilles de calcul ou dans des documents, à l'endroit où elles sont collectées.

Certaines initiatives sur les services communs ont été mises en œuvre, mais la réforme des Nations Unies avance lentement – Bien que les évaluateurs aient relevé quelques exemples de services communs, la réforme des Nations Unies continue lentement avec seulement des cas isolés de coopération active entre les organismes des Nations Unies. Il est toutefois possible de consolider et d'intégrer les activités des Nations Unies relatives à l'approvisionnement.

Planification des approvisionnements

Ce qui fonctionne bien – L'UNICEF a des outils standard de planification stratégique, dont le CAEC et le Manuel des approvisionnements (Livre G) que publie la Division des approvisionnements. Dans certains pays, la composante approvisionnement du processus de planification stratégique est bien intégrée à la planification des programmes et elle s'accompagne souvent d'une approche multisectorielle. Le plan d'action pluriannuel des programmes de pays permet d'adopter un point de vue à long terme sur les exigences des programmes et des approvisionnements.

Ce qui ne fonctionne pas bien – La planification des approvisionnements reste déiciente. L'intégration entre les composantes approvisionnement et programme est limitée lors du processus de planification, et les processus eux-mêmes tendent à manquer de cohérence entre eux, y compris lors de la planification d'urgence. Le processus de planification de l'UNICEF ne comprend pas la prévision des demandes à long terme. Lors du processus de planification d'urgence, la coordination entre les bureaux de pays, les bureaux régionaux, la Division des approvisionnements et les autres organismes des Nations Unies reste faible. La valeur et les avantages du CAEC sont grandement incompris; au niveau des programmes, on considère le CAEC comme une activité ayant trait à l'approvisionnement et on se sent pas concerné. Les pays sont souvent dépourvus des compétences de planification nécessaires et confient la planification des approvisionnements à des collaborateurs n'ayant pas reçu de formation adéquate.

Achats

Ce qui fonctionne bien – La fonction des achats de l'UNICEF a une portée mondiale qui procure plusieurs avantages à ses clients internes et externes. Les relations avec les fournisseurs sont généralement bonnes, même si les fournisseurs aimaient avoir plus de rétroaction. L'UNICEF a adopté une approche stratégique pour acheter des fournitures stratégiques et conclut un nombre croissant d'accords à long terme avec les fournisseurs. En regroupant les demandes sur les marchés mondiaux, l'UNICEF atteint des prix concurrentiels. La croissance des approvisionnements a été bien gérée; bien que les dépenses aient augmenté, le nombre d'employés a peu varié. La croissance des services d'achats reflète la confiance que les clients font à l'UNICEF; des sources internes et externes indiquent que, dans l'ensemble, l'UNICEF a un comportement éthique et assume sa responsabilité sociale dans ses activités d'approvisionnement.

Ce qui ne fonctionne pas bien – La gestion des divers fournisseurs et de la gamme des fournitures achetées se révèle inefficace. On se sait pas quel est le coût total des activités d'achat pour l'ensemble de l'UNICEF. La plupart des décisions en la matière sont prises au nom des pays, et les pays, les régions et les autres intervenants n'y jouent qu'un rôle limité. Pour les bureaux de pays, il n'existe pas d'appels d'offres internationaux pour les fournitures sur les marchés limitrophes et le bureau de Copenhague gère toutes les acquisitions à l'étranger; le nombre d'acquisitions à l'intérieur d'une même région est restreint. On semble mal comprendre comment améliorer l'efficacité des processus d'achats et on ne met pas suffisamment l'accent sur l'optimisation des ressources.

Logistique

Ce qui fonctionne bien – L'entrepôt de Copenhague est une installation moderne où l'on gère le plus gros du volume de fournitures traitées, d'une valeur de 80 millions de dollars en 2005, et des stocks d'une valeur moyenne de 26 millions de dollars. Les entrepôts de Dubaï et de Panama offrent une capacité additionnelle pour les situations d'urgence. L'UNICEF comprend bien les exigences en matière d'entreposage de fournitures; la constitution de stocks permet de réduire les délais d'approvisionnement et de constituer des stocks de fournitures en vue des campagnes. Des mesures sont prises localement dans les pays pour assembler les fournitures en trousse ou en charges de transport avant leur livraison aux contreparties. L'UNICEF met actuellement en place UNITRACK, un système simple de gestion des stocks pour les bureaux de pays. Les accords à long terme ont permis de réduire les taux de transport et de s'assurer d'un certain niveau de service. L'UNICEF utilise l'EDI pour intégrer ses systèmes d'approvisionnement à ceux des transporteurs; les bureaux de pays ont utilisé les systèmes de suivi et de localisation des transporteurs. Dans les pays, l'UNICEF en fait plus que ce que ses obligations lui imposent pour s'assurer que les fournitures sont reçues et utilisées; l'UNICEF reconnaît que ses obligations ne sont que partiellement remplies lorsque les fournitures parviennent dans les pays.

Ce qui ne fonctionne pas bien – Il n'existe aucune classification ni gestion systématique des articles courants qui sont stockés. Il existe pour la gamme de fournitures de nombreux profils de demandes qui ne sont pas planifiés adéquatement. La traîne du portefeuille des approvisionnements est assez longue pour l'inventaire d'entrepôt. L'UNICEF a hésité à s'attaquer à la question des inventaires des pays. Soixante p. cent des stocks « échappent à la vue » de la direction et il n'existe aucune coordination mondiale permanente de la gestion des stocks. La constitution de stocks de réserve ou de stocks prépositionnés est surtout effectuée isolément, par chacun des bureaux de pays. La gestion et les activités logistiques ne sont pas coordonnées et ne font pas partie du CAEC. Il semble y avoir une pénurie de logisticiens professionnels et leur schéma de carrière reste obscur. UNITRACK n'est pas intégré à ProMS, des champs de données sont absents du programme-pilote et les rapports des stocks d'UNITRACK ne peuvent être regroupés. Dans certains cas, on a évoqué des dépenses élevées de transport aérien pour cacher le véritable problème – une planification médiocre. Les besoins logistiques des pays ne sont pas cernés et financés comme il faut.

Suivi des fournitures

Ce qui fonctionne bien – Certains gouvernements possèdent des systèmes d'information qui fournissent des données sur la distribution des fournitures, données qu'ils partagent avec l'UNICEF. Les rapports locaux de l'UNICEF servent à consigner la réception de fournitures, tandis que ProMS offre la possibilité de stocker localement des données sur les approvisionnements. Les visites faites par l'UNICEF à des entrepôts gouvernementaux servent à vérifier les fournitures. Lors de crises humanitaires, l'UNICEF distribue directement les fournitures là où on en a besoin.

Ce qui ne fonctionne pas bien – Le suivi des fournitures est souvent inexistant. En matière de suivi, la répartition des responsabilités entre le personnel des programmes et le personnel de l'approvisionnement n'est pas claire.

Renforcement de la capacité

Ce qui fonctionne bien – L'UNICEF a acquis suffisamment d'expérience dans les pays en développement pour savoir quels systèmes d'approvisionnement sont nécessaires et cette expérience est appréciée des gouvernements. On considère que l'UNICEF fait preuve de pragmatisme et qu'elle
comprend les besoins en fournitures stratégiques et de première nécessité des femmes et des enfants. Elle comprend les principes des marchés publics d'approvisionnement et on ne la soupçonne pas d'avoir des motifs cachés lorsqu'elle recommande des activités de renforcement de la capacité aux gouvernements.

**Ce qui ne fonctionne pas bien** – Bien que la Division des approvisionnements soutienne le renforcement de la capacité, ses ressources en ce domaine sont limitées. L'UNICEF n'a pas d'approche cohérente en matière de renforcement de la capacité d'approvisionnement et, dans l'ensemble, les plans de programmes-pays ne l'incluent pas. Au niveau des pays, les Nations Unies n'ont souvent pas de démarche conjointe dans ce domaine.

**Mesure du rendement des services d'approvisionnement**

**Ce qui fonctionne bien** – La Division des approvisionnements se sert d'une feuille de pointage pour gérer le rendement. Le SAP offre une gamme de rapports sur la gestion et les activités. Les rapports mensuels des bureaux de pays présentent des mesures importantes reliées à l'approvisionnement. La majorité des employés de l'approvisionnement ont accès au cahier d'information (*Briefing Book*). Grâce à ce cahier, les utilisateurs peuvent élaborer des rapports et les adapter aux besoins locaux. La dernière version de ProMS comprend les rapports de base en une seule application, tandis que les modules de Cognos contiennent toutes les données mondiales sur l'approvisionnement, dont l'analyse des dépenses ainsi que les rapports sur les budgets et les donateurs, alimentés par le FLS et ProMS.

**Ce qui ne fonctionne pas bien** – Il n'existe pas de solution claire de responsabilisation ni de mécanisme de bout en bout pour la gestion du rendement global des services d'approvisionnement et l'établissement de rapports afférents. Les bureaux de pays utilisent peu d'indicateurs de rendement clés (KPI) et ne disposent d'aucune feuille de pointage commune. Il n'y a pas d'ensemble de rapports automatisés utilisés par tous les agents d'approvisionnement. On fait peu confiance aux données de ProMS et il n'existe aucun lien entre le rendement des services d'approvisionnement et les rendements personnels. On ne peut effectuer le suivi du rendement à partir du système parce que les principales activités n'y sont pas enregistrées; de nombreux rapports de bureaux de pays sont produits manuellement à partir des données de ProMS. Les systèmes de l'UNICEF ne prennent pas en compte les inventaires des pays. La plupart des mesures prises visent à s'assurer que les fonds ont été dépensés dans les délais impartis plutôt qu'à investir dans des fournitures. Aucune mesure n'est prise pour améliorer la situation, par exemple des mesures pour réduire les coûts totaux associés à la chaîne d'approvisionnement.

**Fournitures pour les interventions humanitaires**

**Ce qui fonctionne bien** – En 2005, l'UNICEF est intervenu lors de 317 situations d'urgence dans 93 pays; huit de ces interventions étaient de grande envergure et ont nécessité une mobilisation de toute l'organisation. La plupart des bureaux ont un plan de préparation et d'intervention d'urgence. L'UNICEF est chef de groupe pour l'eau, les installations sanitaires et la nutrition; elle coordonne aussi les ensembles de fournitures. Ces nouveaux rôles ont affermi la réputation des fournitures de l'UNICEF et suscité de nouvelles attentes. Elle s'est engagée à travailler avec les entrepôts de fournitures humanitaires des Nations Unies, dont ceux de Brindisi, de Panama, de Dubaï, du Ghana et de Malaisie. L'UNICEF collabore avec le Programme alimentaire mondial et d'autres organismes opérationnels par l'intermédiaire du Centre logistique commun des Nations Unies.

**Ce qui ne fonctionne pas bien** – Les diverses fonctions de l'UNICEF reliées aux urgences manquent de coordination. Le financement interne de la préparation aux situations d'urgence ne suffit pas à la mise en œuvre des plans. On considère que les plans de préparation et d'intervention d'urgence coûtent trop cher et ils restent souvent inachevés. Aucun mécanisme simple ne permet de déterminer les quantités de fournitures nécessaires en vue des situations d'urgence éventuelles. Les erreurs de codage peuvent limiter la capacité de l'UNICEF à effectuer le suivi et l'évaluation des fournitures d'urgence, quoique la Division des approvisionnements ait tenté de résoudre ce problème. Les commandes de fournitures d'urgence ne sont pas toujours bien classées et la structure actuelle de codage ne rend pas exactement compte de toutes les fournitures d'urgence. En 2006, la Division des approvisionnements livrait des fournitures d'urgence dans un délai moyen de 9 jours à partir de l'entrepôt et de 23 jours pour les articles
non stockés. Les niveaux de stocks de l'entrepôt de Copenhague et des entrepôts des fournisseurs ne sont peut-être pas suffisants pour répondre rapidement en temps de crise.

**Services d'achat**

**Ce qui fonctionne bien** – Les services d'achat ont une portée mondiale et se concentrent sur les fournitures de première nécessité destinées aux femmes et aux enfants. Le travail des services d'achat est bien vu des gouvernements, des donateurs et des ONG. Les services d'achat sont considérés comme un mécanisme sûr permettant aux femmes et aux enfants d'avoir un accès constant aux fournitures de première nécessité à des prix avantageux. Les produits fournis par les services d'achat jouent un rôle dans l'atteinte des objectifs nationaux et des OMD ; là où elles sont étroitement liées aux programmes dirigés par l'UNICEF, ces fournitures peuvent favoriser l'application des programmes de l'organisme. On a estimé que les fournitures obtenues des services d'achat sont d'une qualité adéquate.

**Ce qui ne fonctionne pas bien** – Le rôle des services d'achat n'est pas défini clairement au sein de l'organisation. Les activités des services d'achat ne sont normalement pas accompagnées d'activités de renforcement des capacités. Toutes les parties mettent en question les frais administratifs imposés ; les partenaires souhaiteraient des frais administratifs moins élevés et une plus grande transparence. Les estimations de coûts manquent de précision, le processus de paiement est sujet aux fluctuations monétaires qui peuvent causer des délais de livraison et les délais d'approvisionnement pour certains articles du catalogue sont inacceptables. Le fait de gérer les relations entre les services d'achat et les gouvernements à partir de Copenhague crée des complications. Le processus de prise de décisions des services d'achat manque de clarté et les contrats peuvent poser des risques pour l'UNICEF. Les clients des services d'achat considèrent souvent qu'il est difficile de travailler avec la Division des approvisionnements.

**Ressources humaines**

**Ce qui fonctionne bien** – Les employés de l’UNICEF sont très engagés. Le personnel de la Division des approvisionnements de l'UNICEF semble bien connaître les fournitures et les marchés mondiaux de fournitures, tandis que le personnel des bureaux de pays connaît bien les enjeux locaux. Au niveau local, le personnel de l’approvisionnement et celui des programmes travaillent bien ensemble. Les employés contournent les problèmes pour s’assurer que les utilisateurs finaux reçoivent les fournitures. Le personnel de l'UNICEF est perçu de façon positive par de nombreux fournisseurs qui entretiennent de bonnes relations de travail avec l'organisme. Dans les pays en développement, on considère l'UNICEF comme un employeur de choix. Cette dernière a récemment élaboré une série de cadres de compétences relatifs à différentes carrières dans le domaine de l'approvisionnement.

**Ce qui ne fonctionne pas bien** – Sur les 600 membres du personnel de l'approvisionnement, 49 employés vont prendre leur retraite au cours des cinq prochaines années et il y a peu de jeunes recrues. Bien que les employés à la retraite soient appelés à occuper des postes vacants clés, les contrats temporaires peuvent avoir des répercussions sur l'efficacité des opérations à long terme. Le processus de recrutement est long et complexe. Dans les bureaux de pays, le travail relié à l’approvisionnement n’est pas considéré comme une compétence stratégique. La structure actuelle de l'organisation ne permet pas aux agents régionaux de l'approvisionnement de remplir complètement leur mandat. Le fait que les agents régionaux de l'approvisionnement relèvent du directeur régional plutôt que du directeur de la Division des approvisionnements ne facilite rien. Il existe un écart entre les compétences requises actuellement et les compétences qui permettront de mettre davantage l’accent sur le renforcement des capacités préconisé dans le plan stratégique à moyen terme 2006-2010. Il n’existe pas de programme d'études dans le domaine de l'approvisionnement, ni de cadre officiel de gestion de carrière. Les augmentations de salaire sont accordées automatiquement chaque année; par ailleurs, plutôt que d’aborder les problèmes de rendement de base, on affecte à d'autres postes les employés dont le rendement n’est pas satisfaisant. Technologie de l'information

**Ce qui fonctionne bien** – Les bureaux de pays ont tous un même ensemble intégré d'applications pour les aider avec les besoins opérationnels de base de la fonction d'approvisionnement. Les systèmes des TI permettent à tous les bureaux de pays de respecter des processus opérationnels communs. La nouvelle version 7 de ProMS soutient les processus améliorés des approvisionnements. La Division des
approvisionnements a récemment mis en œuvre l'EDI qui permet l'échange de données entre l'UNICEF et les transporteurs et améliore la gestion de l'approvisionnement. Des groupes d'utilisateurs examinent et approuvent les demandes de changement aux systèmes des TI; ces modifications sont ensuite intégrées aux nouvelles versions du système, ce qui est la pratique optimale.

Ce qui ne fonctionne pas bien – Les systèmes de l'UNICEF sont encore fondés sur le papier en grande partie et ses systèmes des TI ont plusieurs années de retard sur la concurrence. La grande diversité des systèmes d'approvisionnement rend complexe l'interface-utilisateur. L'UNICEF n'a pas tiré profit de la révolution technologique pour assurer une prestation efficace et de bout en bout des services d'approvisionnement. Une gouvernance limitée et une propriété fragmentée des TI ont engendré un manque de leadership précis en matière de changements technologiques stratégiques. L'insuffisance des investissements dans les TI n'engendre que des améliorations mineures et progressives. Les relations de travail entre les services des TI et les services commerciaux semblent fondées sur la confrontation. Les solutions TI disponibles qui servent à gérer la chaîne d'approvisionnement n'ont pas permis d'améliorer le rendement et peu d'employés de l'approvisionnement savent de quelle façon les TI pourraient améliorer le rendement. ProMS est une application développée à l'interne et vieille de 10 ans qui pourrait avoir fait son temps.

Aide non financière et Division du secteur privé

Ce qui fonctionne bien – L'UNICEF a une politique claire sur l'aide non financière et celle-ci est appliquée par tous les bureaux de pays et les comités nationaux. La Division des approvisionnements a un processus établi d'examen de la qualité de l'aide non financière; les comités nationaux voient les installations de Copenhague comme un argument de vente pour l'UNICEF. La Division du secteur privé (PSD) offre une gamme de cadeaux de grande qualité qui satisfont aux plus récents besoins du marché et proviennent de sources éthiques. Pour accroître les ventes, la PSD et les comités nationaux s'emploient à mettre en place une boutique en ligne; la PSD et les comités nationaux travaillent aussi à promouvoir les fournitures comme moyen d'amasser des fonds. L'UNICEF continue à recevoir de l'aide non financière du secteur des entreprises.

Ce qui ne fonctionne pas bien – Le calendrier des mises à jour de la gamme des fournitures de la DSP ne répond pas à toutes les exigences du marché. Les améliorations apportées aux systèmes des TI de la DSP n'ayant pas suivi le rythme de la demande du marché, les commandes en ligne et leur gestion ont été externalisées; les comités nationaux s'inquiètent du fait que l'UNICEF abaisse ses normes afin de s'attirer plus d'aide des donateurs. La lenteur de l'approbation des vérifications des fournitures données entraîne de la frustration. Le coût de certaines fournitures est plus élevé que celui des fournitures offertes par certains concurrents de l'UNICEF, ce qui réduit les possibilités de ventes. L'approche mondiale systématisée signifie aussi que l'UNICEF se détourne des créneaux que constituent les marchés individuels.

Travail en collaboration et réforme des Nations Unies

Ce qui fonctionne bien – Les évaluateurs ont relevé des exemples positifs de travail en collaboration effectué par les Nations Unies : accords sur l'exonération de taxes et de droits sur des fournitures importées ou achetées dans le pays; harmonisation de transferts de fonds à des gouvernements; paiements à des fournisseurs par l'intermédiaire de comptes bancaires; élimination des opérations au comptant; et utilisation du Plan-cadre des Nations Unies pour l'aide au développement. Les groupes de l'approvisionnement forment le meilleur exemple de travail en collaboration. Parmi les autres exemples de collaboration, citons les révisions salariales locales; le Portail mondial pour les fournisseurs des organismes des Nations Unies; le partage de bureaux et de services; les entrepôts de fournitures humanitaires des Nations Unies à Brindisi, au Panama, à Dubaï, au Ghana et les nouvelles installations en Malaisie; et un programme de formation conjointe en matière logistique. À la fin de 2006, au Vietnam, les Nations Unies ont déménagé dans un bureau unique sous l'effigie : « un plan, un budget, un bureau ».

Ce qui ne fonctionne pas bien – Il y a peu d'indications que la réforme des Nations Unies a un impact sur les services d'approvisionnement. Les groupes de travail mixtes manquent vraisemblablement de leadership et de parrainage de haut niveau. Pour les personnes concernées, il n'existe pas de description

Principales recommandations
Les mesures recommandées sont interreliées et devront être échelonnées. (Veuillez consulter la section Recommandations du rapport principal pour de plus amples renseignements et le texte principal pour connaître le bien-fondé des recommandations.)

Mettre l’accent sur les fournitures de première nécessité – L’UNICEF fait affaire avec 22 825 fournisseurs dans 304 sous-catégories. Il faudrait s’efforcer de réduire le nombre de fournisseurs et de sous-catégories et se concentrer sur les fournitures de première nécessité; ce sont les activités principales de l’UNICEF pour lesquelles elle a déjà de l’expérience, expérience qu’elle peut approfondir dans les domaines de la programmation et de l’approvisionnement. Il faut mettre à jour le catalogue de fournitures et l’utiliser pour définir la gamme standard de fournitures et réduire ensuite le nombre de fournisseurs.


Revoir la stratégie de la chaîne d’approvisionnement et le modèle opérationnel – Pour améliorer la disponibilité des fournitures et réduire le coût total de livraison des fournitures, l’UNICEF doit :

- Segmenter la stratégie de la chaîne d’approvisionnement en fonction des types de fournitures – Les délais d’approvisionnement, les coûts et les niveaux de services doivent être établis pour chaque ensemble de produits, tandis que différentes catégories de fournitures nécessitent différentes stratégies de chaîne d’approvisionnement, par exemple :
  o en fonction des prévisions, p. ex., vaccins;
  o fourniture à partir des stocks de l’UNICEF, p. ex., School in a Box;
  o fourniture à partir des stocks en consignation, p. ex., couvertures;
  o en fonction des commandes, p. ex., équipement de la chaîne du froid.

- Réduire les délais d’approvisionnement et introduire des KPIs communs – Il faut définir et accepter des normes en matière de délais d’approvisionnement et de niveaux de service pour chaque gamme de fournitures, normes qui doivent être prévues dans une entente sur les niveaux de services. Un ensemble de KPIs commun à tous les programmes servira à mesurer le rendement et à établir des rapports. Ces mesures du rendement doivent faire partie des plans de rendement individuel des programmes appropriés et du personnel de l’approvisionnement.

- Confier en sous-traitance l’approvisionnement des fournitures de soutien – On doit envisager sérieusement la possibilité de sous-traiter à un autre organisme, préférablement des Nations Unies, la gestion des approvisionnements et des fournisseurs pour toutes les fournitures de soutien. Cet autre organisme des Nations Unies pourrait être l’Office for Programme Services,
le Service des achats ou l'Inter Agency Procurement Services Office. La faisabilité de confier cette gestion devra être vérifiée pour chaque organisme. Les nouvelles dispositions doivent comprendre les commandes en ligne de fournitures de soutien.

- **Mettre sur pied des centres d'approvisionnement régionaux** – Il faut constituer des équipes régionales de l'approvisionnement (virtuelles ou installées au même endroit et ne correspondant pas nécessairement aux régions actuelles de l'UNICEF) pour réaliser les activités locales et régionales. Ainsi, les sources d'approvisionnement seraient situées plus près des lieux où le besoin survient. Copenhague deviendrait un centre parmi plusieurs autres, avec une part réduite de la distribution totale de fournitures.

- **Lancer des demandes de soumissions internationales dans les régions** – Pour améliorer l'accès à des fournitures variées et de qualité et profiter de la mondialisation des marchés, l'UNICEF doit mettre en place un processus de demandes de soumissions internationales visant l'approvisionnement local et régional.

- **Mettre en œuvre le commerce électronique** – L'UNICEF doit adopter la pratique du commerce électronique pour se départir des systèmes fondés sur le papier, coûteux en temps et peu fiables, réduire les coûts, accélérer les activités d'approvisionnement, améliorer la conformité et optimiser son système mondial de gestion des fournitures. Éventuellement, tous les bureaux de pays devront avoir accès au système de planification des ressources (ERP) de l'UNICEF.

**Créer une organisation mondiale virtuelle d'approvisionnement pour l'UNICEF** – Le directeur de la Division des approvisionnements est responsable de la gestion de la chaîne d'approvisionnement mondiale, une responsabilité qu'il/elle ne peut remplir dans le cadre des structures actuelles. Le directeur doit coordonner une seule organisation, responsable de la supervision de toutes les activités de la chaîne d'approvisionnement, y compris les dépenses reliées à l'approvisionnement et la gestion du personnel de l'approvisionnement des régions et des bureaux de pays. Bien que ces mesures ne s'accordent pas à la structure fortement décentralisée actuelle, ni à la culture de l'UNICEF, elles ont plusieurs avantages, notamment : une gestion coordonnée du personnel de la chaîne d'approvisionnement, des processus et des systèmes; une réduction des coûts totaux des activités d'approvisionnement de l'UNICEF; une optimisation des activités par une meilleure localisation des sources d'approvisionnement; une meilleure gestion des fournisseurs; une intégration de la vision du rendement et des améliorations à apporter; une réduction du nombre d'employés engagés dans les activités d'achat; et un respect plus grand des normes. (La décision dépend des résultats de l'examen de l'organisation.)

**Créer une communauté mondiale fondée sur la chaîne d'approvisionnement de l'UNICEF** – L'éducation, la formation et le développement doivent prendre appui sur la communauté de la chaîne d'approvisionnement. Il faut nommer un dirigeant de toutes les ressources humaines de l'approvisionnement. Les budgets de perfectionnement et de formation doivent être centralisés. Cela favorisera le partage des connaissances et créera un sentiment d'appartenance communautaire et professionnel qui fait actuellement défaut.

**Gérer l'approvisionnement des bureaux de pays au sein des programmes** – La résolution sur la façon d'intégrer davantage les activités d'approvisionnement aux programmes se fait attendre depuis longtemps. Bien que les centres régionaux prennent davantage de décisions en matière de localisation des sources d'approvisionnement, le processus de commande doit demeurer au niveau du pays et être administré dans le cadre de chacun des programmes. Cela permettra d'effectuer une meilleure planification des approvisionnements et une mise à jour des prévisions durant l'année, puisque c'est la responsabilité de chacun des programmes, comme le sont aussi la distribution et la supervision des fournitures. Selon ces propositions, le personnel de l'approvisionnement ne fera qu'appuyer les programmes de renforcement de la capacité des bureaux de pays et les activités d'approvisionnement définies dans l'accord de coopération.

**Mettre l'accent sur l'accès aux fournitures de première nécessité et leur abordabilité dans les programmes de pays** – L'UNICEF doit inclure l'outil d'évaluation de pays des produits essentiels (CAEC) dans le plan d'action pour la mise en œuvre des programmes de pays (CPAP) et dans l'examen à mi-parcours. Elle doit aussi exercer des pressions sur le Groupe des Nations Unies pour le

Produire une solide base d’éléments de preuve qui guide les décisions d’investissement – Il faut faire un suivi avec les utilisateurs finaux et effectuer des évaluations d’impact pour améliorer le rendement des investissements dans les interventions reliées aux fournitures et aux programmes en général; pour produire une base d’éléments de preuve permettant de comprendre ce qui relie les intrants et les résultats; et pour rehausser le profil de l’UNICEF en tant qu’organisation axée sur les connaissances et montrant un leadership et une expertise dans la programmation en matière d’approvisionnement.

Accroître les avantages que procurent les fournitures – En généralisant les exemples de référence, nous concluons que l’impact des fournitures peut être amélioré de diverses façons :

- empaqueter les fournitures plus soigneusement pour s’attaquer aux causes profondes des morts prématurées et de la morbidité;
- tirer davantage parti des canaux existants qui sont des moyens efficaces d’accroître la distribution des fournitures clés, en particulier dans les communautés isolées et nomades;
- considérer une plus grande utilisation de mesures incitatives visant à accroître la portée des interventions axées sur les fournitures;
- mettre davantage l’accent sur les possibilités d’investissement et de capital de risque pour encourager la production et la mise en place d’unités de production dans les pays;
- tirer avantage des nouvelles technologies pour encourager l’élaboration de modèles de développement durable;
- accompagner les interventions liées à l’approvisionnement d’activités d’information, d’éducation et de communication supplémentaires afin de rassurer les gens et de favoriser un bien-être à long terme.


Renforcer la capacité nationale en matière de planification d’approvisionnement, d’achats et de logistique des pays – Les gouvernements sont de plus en plus conscients de la nécessité d’améliorer leurs capacités en matière d’approvisionnement. Dans le présent contexte changeant de l’aide, les donateurs et les fonds mondiaux désirent que la chaîne d’approvisionnement des gouvernements bénéficiaires fonctionne bien. Dans la mesure où il est possible que l’UNICEF reçoive plus de demandes de services de renforcement de la capacité, l’organisation doit réviser sa stratégie. L’UNICEF doit redoubler d’effort pour passer du rôle voulant qu’elle se substitute à la capacité des gouvernements à un rôle voulant plutôt qu’elle renforce la capacité. Les plans de renforcement de la capacité doivent être compris dans les plans d’action pour la mise en œuvre des programmes de pays (CPAP) et dans les plans de travail annuels et s’intégrer à la démarche des Nations Unies en matière de renforcement de la capacité nationale. L’UNICEF doit confier une partie de ce rôle à des partenaires spécialisés.

Accroître la portée des fournitures de première nécessité par l’entremise des services d’achat – Les évaluateurs ont pu constater l’effet multiplicateur que les services d’achat produisent lorsque leurs activités s’harmonisent à la stratégie des programmes de l’UNICEF. L’UNICEF doit permettre aux services d’achat de s’élargir selon des principes soigneusement élaborés et introduire d’importants changements au déroulement des activités, notamment : intégrer les stratégies des programmes et de l’approvisionnement au niveau des pays; rendre le représentant responsable de la gestion des relations des services d’achat, avec l’appui de la Division des approvisionnements; redéfinir les règles pour permettre une promotion active des services d’achat, et non leur utilisation dans un cadre compétitif;
clarifier et justifier les frais d'administration; dissiper la confusion qui veut que les services d'achat soient une source de revenus pour l'UNICEF en réinvestissant les surplus dans le renforcement de la capacité plutôt que dans les fonds centraux de l'UNICEF; et se tourner vers la valeur ajoutée plutôt que de vouloir seulement abaisser le plus possible les coûts.
RESUMEN EJECUTIVO

Propósito

El presente informe contiene los hallazgos y recomendaciones centrales de una evaluación global de la función de suministro de UNICEF. El propósito del estudio fue evaluar:

(v) la eficiencia, la eficacia y el valor añadido del la “oferta de servicios” de la División de Suministros, incluyendo sus Servicios de Adquisiciones y la gestión, organización, capacidad y recursos de la función de suministro de UNICEF a nivel nacional, regional (incluyendo los hubs regionales) y de la Sede / Copenhague;

(vi) el impacto sobre el acceso de la infancia a bienes esenciales a través de suministros a los países del programa y de la construcción de capacidad de los gobiernos.

La evaluación se centró en cinco categorías preseleccionadas de productos de suministro:

(xi) vacunas y suministros de inmunización para la erradicación de la poliomielitis y la supervivencia de la infancia;

(xii) antirretrovirales y diagnósticos de VIH/SIDA para el control del VIH/SIDA pediátrico;

(xiii) terapias de combinación para la malaria y mosquiteros impregnados de larga duración para la reducción de la malaria;

(xiv) suministros educativos y materiales de construcción para la educación de la niña; y

(xv) suministros para el sector de agua y saneamiento (entre otras cosas, letrinas escolares para la educación de la niña y la supervivencia de la infancia).

Metodología

Sección de países para estudios de caso Se seleccionó un grupo de países como estudios de caso con fines ilustrativos antes que representativos. La evaluación no fue diseñada para realizar un análisis global del impacto de los suministros o del desempeño de la función de suministro de UNICEF, sino más bien para destacar las tendencias y ejemplos y proveer una metodología para futuras evaluaciones. La evaluación se focalizó deliberadamente en países y suministros en los que UNICEF ha estado proporcionando suministros estratégicos “a escala”. El grupo coordinador de la evaluación seleccionó los siguientes seis países como estudios de caso para la evaluación:

Desempeño e impacto del suministro

(xvii) Vietnam (caso piloto)

(xviii) Niger

(xix) Etiopía

(xx) India

Desempeño del suministro solamente

(xi) Yemén

(xxii) Malawi

(xxiii) Tayikistán

(xxiv) Indonesia

Para apoyar la evaluación del desempeño del sector de suministro se visitó además el hub regional de suministro de Dubai y el centro regional de suministro de Nairobi (Kenia).

El desempeño de la función de suministro se analizó por medio de las herramientas “evaluación de la capacidad de la cadena de suministro” y “análisis de tiempo” y del análisis de conjuntos de datos extraídos del sistema de planificación de recursos empresariales (PRE) de UNICEF y provistos por la División de Suministros.

Se llevó a cabo un total de aproximadamente 250 entrevistas semi estructuradas a todos los niveles de la organización, con funcionarios/as estatales, organizaciones de las Naciones Unidas y organizaciones no gubernamentales (ONG) asociadas, y proveedores y agencias de transporte de carga de UNICEF.
Se armaron seis “ejemplares”7 de cuatro países (Vietnam, India, Niger y Etiopía) con el fin de evaluar el impacto y los beneficios de uno de los grupos de producto(s) de suministro estratégicos de UNICEF8. Las herramientas desarrolladas para apoyar el componente de evaluación de impacto incluyeron árboles de beneficios y modelos de insumo-producto-efecto.

La evaluación incluyó encuestas en línea de oficinas nacionales, instituciones asociadas y proveedores offshore y locales.

Contexto

Crecimiento y globalización El crecimiento de la economía mundial, el aumento de la globalización y los cambios en los patrones mundiales del comercio han contribuido a incrementar la disponibilidad de suministros en muchos países en desarrollo así como al surgimiento de grandes centros de suministro en China e India. El crecimiento tiene todos los visos de continuar en estos lugares, con el consiguiente aumento de la disponibilidad de productos de mayor valor.

Tecnología El crecimiento y la aplicación de tecnología de la información (TI) y del comercio electrónico han facilitado enormemente la creación de nuevos modelos de negocios (por ejemplo, computadoras Dell y la tienda en línea Amazon), principalmente a través de la redefinición de sus cadenas de suministro y la maximización del uso del comercio electrónico. Por ejemplo, permitiendo la opción de pedidos en línea para prestar un mejor servicio y reducir el tiempo de espera a menor costo.

Responsabilidad social empresarial Se ha producido un crecimiento notable de las prácticas de responsabilidad social empresarial y donaciones filantrópicas por parte de muchas organizaciones del sector privado y personas individuales que están buscando oportunidades para contribuir y participar en la provisión de asistencia, ya sea mediante la donación de fondos o por medio de asistencia en especies en la modalidad de suministros o servicios.

Declaración de París La Declaración de París de 2005 sobre la eficacia de la ayuda al desarrollo hizo hincapié en el fortalecimiento de la capacidad de los gobiernos receptores para manejar los recursos. Además ha habido un incremento sustancial de la Asistencia Oficial al Desarrollo, y las instituciones financieras están cada vez más interesadas en el manejo eficiente de las cadenas de suministros por parte de los receptores de la ayuda. Algunos gobiernos no tendrán la capacidad para adquirir suministros esenciales u optarán por no hacerlo y recurrirán a asociados externos para proveer los suministros requeridos en apoyo de la ejecución de los programas nacionales.

Nuevos actores Han aparecido nuevos actores importantes en el sector (por ejemplo, la Fundación Clinton y la Fundación Gates), que tendrán puesta la mira en utilizar los servicios y la experticia de los principales actores en la gestión de la cadena de suministros. Estos clientes externos probablemente exigirán un mejor desempeño de la función de suministro, especialmente a medida que aumenten las inversiones para acelerar los cambios requeridos para el cumplimiento de los Objetivos de Desarrollo del Milenio (ODM).

Reforma de las Naciones Unidas En junio de 2006 la Asamblea General de las Naciones Unidas consideró un conjunto de reformas de gestión de amplio alcance y decidió ejecutar medidas iniciales para hacer efectivos los cambios exigidos en la Cumbre Mundial de 2005, entre ellos los siguientes:

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7 Un ejemplar es un estudio de caso modelo en el cual se pueden basar estudios futuros de la misma naturaleza.
8 Los cinco tipos de productos de suministro esenciales de UNICEF y los países en que éstos se evaluaron son:

- Vacunas y suministros de inmunización para la erradicación de la poliomielitis y la supervivencia infantil (Niger);
- Antirretrovirales y diagnósticos de VIH/SIDA para el control del VIH/SIDA pediátrico (Vietnam);
- Terapias de combinación para la malaria y mosquiteros impregnados de larga duración para el tratamiento y control de la malaria (Etiopía);
- Suministros educativos y materiales de construcción para la educación de la niña (Niger); y
- Suministros para el sector de agua y saneamiento, entre ellos letrinas escolares para la educación de la niña y la supervivencia de la infancia (India).

Adicionalmente se realizó una evaluación de impacto de los suministros en India, con énfasis en el tsunami.
establecimiento de un/a Oficial Jefe de Tecnología de la Información responsable de supervisar la integración de los sistemas de tecnología de la información y comunicaciones a todos los niveles del Secretariado; aprobación de la ejecución de un sistema de planificación de recursos empresariales (PRE) de próxima generación para remplazar los sistemas más antiguos vigentes; y autorización para proceder con la mejora del sistema de adquisiciones. En diciembre de 2006 el Panel de Alto Nivel sobre coherencia en todo el sistema de Naciones Unidas presentó sus recomendaciones para la reforma de las actividades y operaciones de la organización. Este hecho también tendrá implicaciones para el modo de operar de UNICEF en el futuro, aunque éstas no hayan sido definidas hasta el momento.

Contexto interno El volumen de suministros de UNICEF ha crecido más del 50 por ciento desde el 2001. Los suministros de UNICEF no se encuentran distribuidos equitativamente entre todos los países. En el 2005, más de la mitad de las oficinas nacionales tenía un componente de suministros de menos de un millón de dólares americanos, apenas el tres por ciento del gasto en suministros, mientras que 10 países contaban con un gasto en suministros consolidado del 57 por ciento del gasto total en suministros. La mayor parte de la demanda de suministros se genera en África y Asia Meridional.

Definiciones

Función de suministro de UNICEF
Accenture Development Partnerships (ADP) definió la “función de suministro” como una serie de procesos comerciales medulares – planificación, adquisición, logística, seguimiento y evaluación (SyE), y construcción de capacidad.

Suministros esenciales y estratégicos
Suministros esenciales son aquellos que se requieren para la supervivencia y el desarrollo de la infancia, pero en los cuales UNICEF no desempeña un papel especial en el mercado (por ejemplo, cuadernos de ejercicios escolares). Los suministros estratégicos son también esenciales pero aquí UNICEF juega un papel estratégico en uno o más de los siguientes aspectos:
- estimular la demanda y la producción;
- establecer y especificar estándares;
- buscar corrientes de financiamiento para investigación y desarrollo (generalmente ejecutados por otros); y
- poner los suministros a la pronta disposición de quienes carecen de acceso.

Evaluación sumativa
El trabajo de UNICEF en suministros esenciales es altamente relevante para las necesidades de los niños y niñas y un componente importante de la programación de UNICEF. Los productos esenciales suministrados por UNICEF están reportando un abanico de beneficios a la infancia, aunque no existe claridad respecto de si UNICEF se está focalizando en los más pobres entre los pobres a través de su función de suministro. Liderada por la División de Suministros, UNICEF ha incrementado con éxito su focalización en suministros estratégicos y cuenta actualmente con competencias sólidamente desarrolladas en una gama de suministros estratégicos. La cadena de suministro de UNICEF ha fortalecido su eficiencia de manera creciente en los últimos años pero sigue acusando debilidades sustanciales, especialmente en materia de planificación de suministros y suministros que se ejecutan una única vez. La organización no ha sabido sacar provecho de los nuevos modelos de negocios basados en TI, ampliamente adoptados en la actualidad en el sector comercial pero también, de manera creciente, en el sector sin fines de lucro. El modelo de negocios actualmente vigente consiste de una función altamente descentralizada que se lleva a cabo desde los programas de país, en los que la función de suministro se gestiona a nivel local. En general, las transacciones relacionadas con suministros no son claramente visibles más allá de la oficina nacional y no existe un seguimiento del desempeño de la función. En consecuencia, resulta difícil gestionar o supervisar con eficacia toda la cadena de suministro de UNICEF así como ejecutar mejoras significativas al desempeño de la misma. Las actividades de suministro de las oficinas nacionales son mayormente de carácter administrativo y
relativamente ineficientes. El personal de suministro fuera de la División de Suministros se encuentra relativamente aislado y necesitado de una comunidad interconectada de la cual pueda aprender y a través de la cual pueda ser mejor planificada la progresión de su carrera profesional. UNICEF probablemente reciba un mayor número de solicitudes de asistencia para construcción de capacidad en el área de suministro en el futuro y en respuesta a dichas solicitudes necesitará dedicar más recursos y revisar su enfoque. Los servicios de adquisiciones de UNICEF son apreciados por los clientes, se encuentran adecuadamente focalizados en suministros esenciales y tienen potencial para un crecimiento cuidadosamente manejado y apoyado en una estructura de honorarios más transparente. UNICEF no está capacitada para evaluar y establecer adecuadamente la diferencia que marcan los suministros, lo cual refleja la falta de inversión de UNICEF en seguimiento y evaluación (SyE).

**Hallazgos centrales**

**Organización de la función de suministro de UNICEF** La función de suministro de UNICEF se encuentra diseminada en una dispersa red que comprende la División de Suministros; el Oficial / los Asesores Regionales de Suministro, establecidos en las oficinas regionales de UNICEF en Bangkok, Dakar y Nairobi; y 157 oficinas nacionales. La función de suministro se encuentra fuertemente descentralizada, y la responsabilidad sobre sus diversos componentes se encuentra repartida entre los directores/as de programas de UNICEF y otros gerentes. La supervisión de las adquisiciones de UNICEF descansa sobre el Director/a de la División de Suministros. Aproximadamente 600 miembros del personal están vinculados a suministros y trabajan a lo largo y ancho de la red, de los cuales la División de Suministros emplea a unos 230 en Copenhague y 15 en Nueva York.

**Desempeño de la División de Suministros** La División de Suministros, con sede en Copenhague, ejerce un papel central en garantizar la disponibilidad de suministros. El 76 por ciento (en términos de valor) de los suministros es gestionado por la División de Suministros, y el 24 por ciento restante (en términos de valor) es gestionado a través de las siete oficinas regionales y 157 oficinas nacionales de UNICEF. Existe un consenso general en el sentido que el desempeño de la División de Suministros ha mejorado durante los últimos años y en general hay un reconocimiento positivo de la asistencia y asesoría técnica provista por la División de Suministros.

**Mejoras clave a la cadena de suministro** Los desarrollos positivos en la cadena de suministro desde 2001 incluyen:
- focalización más intensa en la gestión de suministros esenciales; los suministros esenciales han aumentado, del 75 por ciento al 92 por ciento del gasto de programas;
- aumento de los acuerdos de largo plazo (ALP) con proveedores; el gasto en suministros esenciales adquiridos en la modalidad de ALP subió del 55 por ciento al 75 por ciento entre 2001 y 2005, en que el gasto en suministros de apoyo adquiridos en la modalidad de ALP creció del 7 por ciento al 51 por ciento durante el mismo periodo;
- inversión en los sistemas empleados en el almacén de Copenhague y en la interconexión con proveedores y agencias de transporte de carga;
- reducción del número de artículos en stock en el almacén de la División de Suministros, de 1,100 a 700;
- respuesta adecuada de la División de Suministros en respuestas rápidas iniciales a situaciones de emergencia; y
- mejoras en el desempeño, pese a la escasa inversión estratégica en sistemas de TI para apoyar operaciones mejoradas y la entrega de los suministros.

**Los suministros de UNICEF marcan una diferencia** Los suministros esenciales de UNICEF están beneficiando a mujeres y niños/as en contextos de desarrollo y situaciones de emergencia de numerosas formas, que van desde impactos inmediatos que salvan vidas hasta ayudar a impulsar un cambio catalítico a más largo plazo. Ejemplos de este último caso incluyen la reducción de la incidencia de la malaria y la mayor eficacia del tratamiento del mismo mal en Etiopía, así como el aumento de las tasas de matrícula y asistencia escolar en primaria en Niger, especialmente en el caso de las niñas. Las intervenciones relacionadas con suministros han generado cambios positivos en las prácticas de higiene y la dinámica de poder/género en las comunidades. Tanto en Vietnam como en India, el apoyo de
UNICEF al sector de agua y saneamiento ha dado lugar a un cambio catalítico en las estructuras y sistemas nacionales en ese sector, aumentando significativamente los niveles de cobertura de agua segura y saneamiento mejorado.

**Focalización correcta pero no siempre bien ejecutada** La función de suministro de UNICEF está focalizada en distribuir suministros que promuevan la supervivencia, el desarrollo, la protección y la participación de los niños y niñas y las mujeres en la realización de sus derechos. Si bien se está “haciendo lo correcto”, hay muchas áreas de la función de suministro en las que UNICEF no siempre lo está haciendo “de la mejor manera”.

**Crecimiento con proliferación** El volumen y el valor de la asistencia en forma de suministros proporcionada a través de los programas y los Servicios de Adquisiciones de UNICEF, así como el número de países cubiertos, continúan creciendo. Existe una gran proliferación en la gama de suministros y servicios relacionados con suministros que se ofrecen, siendo necesario dar un nuevo enfoque a la cartera de suministros estratégicos. La cartera ha crecido de manera descontrolada y el catálogo de UNICEF ofrece actualmente más de 3,000 suministros estándar.

**Contribución de los suministros a los ODM** En los países que están lejos de cumplir con los ODM en las áreas de salud, educación y supervivencia de la infancia, UNICEF cuenta con una ventaja comparativa en materia de suministros, sustentada en su mandato, la magnitud y la confiabilidad de sus operaciones globales y las relaciones que ha establecido con los gobiernos y asociados. Esto se refleja en las solicitudes de gobiernos asociados para que UNICEF asuma el liderazgo en el área de servicios de adquisiciones en ciertos sectores.

**Ejecución oportuna del suministro, un gran desafío** La función de suministro adolece de un desempeño precario en términos de la ejecución oportuna del servicio. Largos tiempos de espera demoran la recepción de suministros esenciales por parte de las mujeres y los niños/as, especialmente cruciales en situaciones de emergencia humanitaria. Encuestas internas con clientes y entrevistas con las oficinas nacionales revelaron que se requiere un cambio radical en la ejecución del servicio en términos de la puntualidad del mismo. Las estadísticas de la División de Suministros demuestran que el desempeño en relación con el cumplimiento de las fechas de arribo previstas no está a la altura de la meta fijada por la propia División de Suministros, que es ya de por sí modesta en comparación con los estándares del sector. Posiblemente se requiera aumentar los niveles de existencias de algunas categorías de suministros para poder ofrecer y cumplir con plazos de entrega predecibles.

**Suministro, un servicio a menudo no estratégico para las oficinas nacionales** Los equipos de programas de las oficinas nacionales con frecuencia no consideran el suministro como un servicio estratégico para construir mejores programas e incrementar el impacto de las intervenciones. Las actividades de la cadena de suministro a menudo no son tomadas en serio por el personal de programas y existe una colaboración limitada entre el personal de programas y el personal de suministro a nivel generalizado.

**Planificación deficiente de las operaciones de suministro origina problemas** La planificación de las operaciones de suministro es débil, y el 35 por ciento de todas las oficinas de campo no cuenta con un plan de suministro. Las solicitudes de suministros que reciben de PGM en PGM9 y los suministros se adquieren sobre esta base. Las oficinas nacionales tienden a no revisar su demanda total de suministros o determinar cómo adquirir los productos solicitados. Los planes de suministro elaborados por las oficinas nacionales pueden ser deficientes y en consecuencia la División de Suministros no se basa en ellos para hacer su planificación. Esto contribuye a generar largos tiempos de espera de los suministros y escasa puntualidad en la ejecución del servicio. Aunque la mayoría de las oficinas nacionales elabora planes de preparación y respuesta ante emergencias (PPRE), no todos los PPRE se terminan y son aprobados.

**Adquisiciones locales significativas pero relativamente ineeficientes** El 24 por ciento de los suministros (en términos de valor) se adquiere localmente, es decir, dentro del país. Los requerimientos

9 El PGM es un documento del sistema de gestión de programas (ProMS) de UNICEF para pedidos de suministros (N.T.).
son definidos por el programa, mientras que muchas solicitudes son de artículos no estándar que son aprobados sin protestar por la oficina de suministros de la oficina nacional. El estudio descubrió que las adquisiciones locales eran un proceso manual oneroso y relativamente inefficiente.

**Opciones limitadas de suministro** La División de Suministros es considerada como “el proveedor autorizado de elección” para suministros esenciales. Las oficinas nacionales están sujetas a numerosas restricciones y están obligadas a solicitar productos de y a través de la División de Suministros. Las oficinas nacionales sienten que carecen de la posibilidad de recurrir a suministros alternativos incluso cuando no están satisfechas con el desempeño de la División de Suministros.

**Focalización en los más pobres** La evaluación no encontró evidencias de que UNICEF estuviera focalizando las mejoras de manera consecuente en los niños y niñas más pobres y marginados a través de su función de suministro. Esto refleja las estrategias bastante genéricas de reducción de la pobreza que han sido adoptadas por muchos países.

**UNICEF es flexible pero no siempre actúa estratégicamente** UNICEF ha adaptado con éxito el tipo de apoyo relacionado con suministros que proporciona como una forma de adecuarse a contextos nacionales en transformación, por ejemplo, dando un giro para apoyar la totalidad de los sistemas logísticos de salud a nivel nacional en Etiopía. Sin embargo, no encontramos ninguna evidencia de que UNICEF estuviera adoptando sistémica y de manera estratégica una perspectiva estratégica en lo que se refiere a construcción de capacidad a nivel nacional ni tampoco emergió con claridad que se tratara de un área en la que UNICEF cuente con una ventaja comparativa.

**El modelo de la cadena de suministro de UNICEF necesita ser revisado** El crecimiento de las actividades de suministro de UNICEF, sumado a la histórica falta de inversión en sistemas y herramientas integrados para la cadena de suministro (por ejemplo, catálogos y pedidos en línea, sistemas electrónicos de adquisiciones y de control de las piezas), está mermando la eficiencia y el costo-efectividad generales de la función de suministro de UNICEF. Es necesario redefinir el modelo operativo de UNICEF e introducir nuevas herramientas para la cadena de suministro, con miras a mejorar la eficiencia y eficacia.

**Evaluación de productos básicos no ha sido ampliamente utilizada** UNICEF ha hecho avances limitados en lo que se refiere a la evaluación y el seguimiento de la accesibilidad y asequibilidad de una variedad de productos básicos clave, especialmente para grupos marginados. La herramienta de Evaluación Nacional de Productos Básicos Esenciales (CAEC, según sus siglas en inglés) ha sido aplicada solo en cinco países y no está adecuadamente integrada a los ciclos de planificación y seguimiento del programa más amplio.

**Disponibilidad de suministros insuficiente para garantizar su consumo** El acceso a productos de suministro esenciales y la disponibilidad de los mismos no quiere decir necesariamente que éstos sean usados o consumidos. Los suministros parecen ser más efectivos cuando se proveen en combinación con otros suministros y se apoyan en intervenciones programáticas apropiadas y ejecutadas en la secuencia correcta; cuando se someten a innovaciones y son preparados a medida de modo tal que sean más aplicables al contexto específico; y cuando se distribuyen acompañados de iniciativas de información, educación y comunicación (IEC).

**Nuevas fuentes de apalancamiento** El notable incremento del financiamiento disponible gracias al surgimiento de fondos globales en los últimos años (por ejemplo, la Alianza Mundial para Vacunas e Inmunización – AMVI – y el Fondo Mundial de Lucha contra el VIH/SIDA, la Tuberculosis y la Malaria – FMSTM) podría aprovecharse adicionalmente como apalancamiento para canalizar el mayor apoyo financiero hacia las actividades relacionadas con suministros de los programas nacionales liderados por los gobiernos (sea a través de UNICEF o no). UNICEF puede ser un asociado estratégico, ofreciendo una canasta integral de apoyo (servicios de adquisiciones globales más sus programas de país) establecida en el contexto de los resultados a los que aspiran los programas de país de UNICEF, el Marco de Asistencia de las Naciones Unidas para el Desarrollo (UNDAF, por sus siglas en inglés) o la Estrategia Nacional de Reducción de la Pobreza.
UNICEF posee capacidad limitada para realizar evaluaciones de impacto  La capacidad de SyE actual de UNICEF no promueve la evaluación sistemática o la evaluación de impacto de los programas relacionados con suministros. Se encontraron ejemplos de planes integrados y a menudo bastante sofisticados de SyE para someter a seguimiento la ejecución y el impacto del Plan Maestro de Operaciones, pero también escasa evidencia de un análisis de los resultados en el cual basar la planificación estratégica y operativa. Si bien el seguimiento de la situación por medio de encuestas de indicadores múltiples por conglomerados, encuestas demográficas de salud y la herramienta Devinfo arroja valiosa información sobre la situación de las mujeres y los niños y niñas en una variedad de sectores, dichas encuestas por sí solas no permiten evaluar el impacto.

Beneficios potenciales de la evaluación de impacto  En la presente coyuntura de revisión institucional, UNICEF tiene una decisión estratégica que tomar en relación con el nivel de la capacidad de evaluación de impacto que necesita desarrollar y utilizar de manera sistemática. Invertir en la capacidad de evaluación reportará importantes réditos en términos de establecer mejor la relación causal entre los insumos de suministros y los efectos directos del programa, así como una sólida base de evidencia para impulsar mejores decisiones en materia de inversiones, entre ellas en suministros esenciales.

Tecnología de la Información  Se han efectuado inversiones locales en TI con el fin de mejorar los sistemas locales en vista de que los sistemas medulares no apoyaban las necesidades comerciales, por ejemplo, en hojas de cálculo para hacer un seguimiento de las existencias al interior de los países. La División de Suministros ha liderado una iniciativa de habilitación de las oficinas nacionales para que rastreen por internet sus entregas utilizando los tres sistemas de control de piezas (track and trace) de las empresas de transporte de carga. Con el fin de mejorar el intercambio de información y minimizar los errores en los datos, la División de Suministros ha implementado además un sistema de intercambio electrónico de datos (IED) con el objeto de compartir información electrónicamente entre UNICEF, los proveedores y las empresas de transporte de carga de UNICEF. UNICEF podría ofrecer una solución de “compras en línea” amable con el usuario que permitiera evaluar, seleccionar, pedir, rastrear y recibir suministros mediante una sola interfaz del usuario. No existen soluciones de bases de datos estándar para monitorear la entrega de los suministros o recolectar información sobre el uso final de los mismos – ahí donde se recolecta esta información, la misma tiende a permanecer aislada en hojas de cálculo u otros documentos.

Algunas iniciativas para mejorar los servicios comunes de Naciones Unidas, pero los esfuerzos de reforma siguen siendo lentos  Si bien la evaluación encontró ejemplos de servicios compartidos, la reforma de las Naciones Unidas se ha llevado a cabo lentamente, con solo algunos ejemplos aislados de una cooperación activa entre las agencias de la organización. Sin embargo, existe el potencial para una actividad de suministro consolidada e integrada en las Naciones Unidas.

Planificación del suministro

Qué cosas están funcionando bien  UNICEF cuenta con herramientas estandarizadas de planificación estratégica, entre ellas la evaluación nacional de productos básicos esenciales (CAEC) y el Manual de Suministros (el “Libro G”)10 publicado por la División de Suministros. En algunos países, el componente de suministro del proceso de planificación estratégica se encuentra firmemente enraizado en la planificación programática, en ocasiones con un enfoque transectorial. El plan de acción multianual de los programas de país permite una visión de más largo plazo de los requerimientos tanto de programas como de suministros.

Qué cosas no están funcionando bien  La planificación de los suministros sigue siendo débil. Hay en el proceso de planificación una integración limitada entre suministros y programas, mientras que los propios procesos tienden a ser incoherentes, incluso en lo que se refiere a la planificación de respuestas a situaciones de emergencia. La proyección de la demanda a largo plazo no está incluida en el proceso de planificación de UNICEF. En el proceso de planificación para emergencias existe una coordinación

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limitada entre las oficinas nacionales, las oficinas regionales, la División de Suministros y otros organismos e instituciones de las Naciones Unidas. No existe una comprensión generalizada del valor y el beneficio de las evaluaciones nacionales de productos básicos esenciales; la CAEC es considerada como una actividad “de suministro” y no existe un sentido de propiedad real sobre ella a nivel de programas. Los programas de país a menudo carecen de las destrezas de planificación requeridas, delegando la planificación de los suministros en asistentes de planificación que no están debidamente capacitados.

Adquisiciones

Qué cosas están funcionando bien La función de adquisiciones de UNICEF tiene un alcance global, con una serie de beneficios para los clientes internos y externos de UNICEF. Las relaciones con proveedores son en general buenas, aunque los proveedores quisieran obtener mayor retroalimentación. UNICEF cuenta con un enfoque estructurado de búsqueda e identificación de proveedores de suministros estratégicos y mantiene un número creciente de acuerdos a largo plazo (ALP) con proveedores. Consolidando la demanda en los mercados mundiales, UNICEF obtiene precios competitivos. El crecimiento de la oferta ha sido manejado con éxito; pese a que el gasto en suministros ha crecido, el número de personal no ha variado mucho. El crecimiento de los Servicios de Adquisiciones demuestra que los clientes confían en UNICEF, mientras que las fuentes internas y externas señalan que, en general, UNICEF demuestra una actitud socialmente responsable y ética en el trabajo de adquisiciones.

Qué cosas no están funcionando bien No existe una gestión eficaz de los diferentes proveedores y la gama de suministros que se adquieren. No se conoce el costo total de la ejecución de adquisiciones a lo largo y ancho de UNICEF. El grueso de las decisiones relacionadas con adquisiciones se toma en nombre de los programas de país, y éstos y los programas regionales u otros actores juegan un papel limitado. Para las oficinas nacionales no se convoca a licitaciones internacionales o concursos de suministros en mercados vecinos, y todas las adquisiciones offshore se manejan a través de Copenhague; las adquisiciones regionales son limitadas. Existe un conocimiento limitado sobre cómo mejorar la eficiencia de los procesos de adquisiciones y un énfasis inadecuado en el principio de “valor por dinero”.

Logística

Qué cosas están funcionando bien El almacén de Copenhague es una instalación moderna en la cual se maneja la mayor parte de la producción de suministros, con una producción de más de $80 millones en 2005 y existencias promedio por un valor de $26 millones. Los almacenes de Dubai y Panamá ofrecen capacidad adicional para situaciones de emergencia. UNICEF tiene una buena comprensión de los requisitos de almacenamiento para suministros; se mantienen existencias de reserva para mitigar los retrasos en el suministro y acumular existencias de suministros para apoyar campañas. Antes de proporcionar suministros a las contrapartes se realizan coordinaciones locales en el país para consolidar los suministros en grupos o cargas de transporte. UNICEF está implementando el UNITRACK, un sistema sencillo de gestión de almacenes para las oficinas nacionales. Los acuerdos a largo plazo (ALP) han permitido negociar tarifas de transporte reducidas y garantizar el nivel del servicio. UNICEF está usando el intercambio electrónico de datos (IED) para integrar los sistemas de suministro de UNICEF y las empresas de transporte de carga, y las oficinas nacionales han empleado sistemas de control de piezas (track and trace) de proveedores. En los países, UNICEF trasciende sus obligaciones tal como están establecidas en el convenio de cooperación para cerciorarse de que los suministros sean recibidos y utilizados; UNICEF reconoce que sus obligaciones van más allá del arribo de los suministros en los países.

Qué cosas no están funcionando bien No se realiza una clasificación ni una gestión sistemática de los artículos estándar en existencia. Los diferentes suministros tienen patrones de demanda sumamente variados, que no se planifican apropiadamente. Hay una “cola” considerable en la cartera de suministros para el inventario de almacenes. UNICEF se ha mostrado renuente a abordar el tema de los inventarios en los países. El 60 por ciento de las existencias no es “visible” para la dirección y no se realiza una coordinación internacional permanente de la gestión de los inventarios. La elaboración de inventarios
previamente posicionados o inventarios de amortiguación se efectúa en gran medida de manera aislada en cada oficina nacional. La gestión de la logística y las operaciones logísticas en el país adolecen de falta de coordinación y no forman parte de la evaluación nacional de productos básicos esenciales o CAEC. Parece haber un déficit de profesionales expertos en logística y el modelo de su carrera profesional es incierto. El UNITRACK no se encuentra integrado al sistema de gestión de programas ProMS, hay campos de datos faltantes en el piloto y los reportes de existencias de UNITRAK no pueden ser “enrollados”. En algunos casos se ha recurrido al costoso transporte aéreo de carga para compensar la falta de planificación. La logística en los programas de país no goza de reconocimiento o financiación apropiados.

Seguimiento de los suministros

Qué cosas están funcionando bien Algunos gobiernos cuentan con sistemas de información que arrojan datos sobre la distribución de los suministros, los mismos que comparten con UNICEF. Los reportes de campo de UNICEF se utilizan para registrar la recepción de los suministros, mientras que el ProMS tiene la capacidad para mantener datos sobre suministros en el campo. UNICEF realiza visitas de campo a los almacenes de los gobiernos para supervisar los suministros. En situaciones de emergencia humanitaria, UNICEF distribuye los suministros directamente a los puntos de necesidad.

Qué cosas no están funcionando bien Con frecuencia no existe un seguimiento de los suministros. Las responsabilidades de seguimiento del personal de programas y de suministros no están claramente establecidas.

Construcción de capacidad

Qué cosas están funcionando bien UNICEF cuenta con experiencia suficiente en los países en desarrollo como para saber qué sistemas de suministro se requieren y este conocimiento es positivamente valorado por los gobiernos. Se considera que UNICEF tiene una actitud pragmática y entiende las necesidades de suministros tanto estratégicos como esenciales de las mujeres y los niños/as. UNICEF entiende los principios que rigen las adquisiciones públicas y se considera que no está guiado por motivaciones ocultas al recomendar actividades de construcción de capacidad a los gobiernos.

Qué cosas no están funcionando bien Aunque la División de Suministros apoya la construcción de capacidad, sus recursos para hacerlo son limitados. UNICEF no cuenta con un enfoque consecuente para proveer construcción de capacidad, y los planes de los programas de país no incluyen actividades de construcción de capacidad en general. A menudo no existe un enfoque conjunto de Naciones Unidas en materia de construcción de capacidad a nivel de países.

Medición de los resultados en materia de suministros

Qué cosas están funcionando bien La División de Suministros utiliza una “tarjeta de puntajes” para gestionar el desempeño de la función de suministro. A través del sistema SAP, UNICEF dispone de una variedad de reportes de gestión y operaciones. Los reportes mensuales de las oficinas nacionales contienen algunas mediciones clave de suministros. El libro de referencia o Briefing Book está a disposición de la mayor parte del personal de suministros. Dicho libro permite a los usuarios/as elaborar reportes y adaptarlos a las necesidades locales. La última descarga del sistema de gestión de programas ProMS ofrece la mayoría de reportes de suministro medulares en una sola aplicación, mientras que los cubos Cognos contienen todos los datos relativos a los suministros globales, entre ellos análisis del gasto, presupuestos y reportes a donantes, alimentados desde el sistema financiero y logístico central (FLS) y el ProMS.

Qué cosas no están funcionando bien No hay una contabilidad clara de extremo a extremo ni un mecanismo para gestionar y reportar sobre los resultados generales en el área de suministros. Las oficinas nacionales utilizan un número limitado de indicadores clave de desempeño para evaluar el suministro y no hay una “tarjeta de puntajes” común. No hay un conjunto automatizado estándar de reportes de suministro que sea utilizado por todos los oficiales de suministros. Se observa una falta de confianza en los datos del ProMS y una falta de concordancia entre el desempeño en materia de
suministros y el desempeño personal. Es imposible extraer del sistema el desempeño en términos de ejecución real del suministro, ya que las actividades clave no quedan registradas en el sistema y los reportes de muchas oficinas nacionales se elaboran manualmente con base en la información del ProMS. En los sistemas de UNICEF no se mantienen inventarios de países individuales. La mayor parte de las medidas apunta a garantizar que el dinero haya sido gastado dentro del tiempo asignado, en vez de focalizarse en el capital de trabajo enredado en suministros. No existen medidas encaminadas a producir una mejora, por ejemplo, generar una reducción del costo total de la cadena de suministro.

Suministros para respuestas humanitarias

Qué cosas están funcionando bien En el 2005, UNICEF respondió a 317 emergencias en 93 países, ocho de las cuales fueron a gran escala, requiriendo una respuesta a nivel de toda la organización. La mayoría de las oficinas cuenta con un plan de preparación y respuesta ante emergencias (PPRE). UNICEF ejerce el liderazgo de un conglomerado de apoyo a los sectores de agua y saneamiento y alimentación, y lidera la coordinación de las canastas de suministros. El perfil de los suministros de UNICEF está creciendo a raíz de estos nuevos roles (pero también lo están las expectativas). UNICEF está comprometida a trabajar con los Depósitos de las Naciones Unidas para Respuestas Humanitarias, entre ellos los de Brindisi, Panamá, Dubai, Ghana y Malasia. UNICEF colabora con el Programa Mundial de Alimentos y otras agencias operativas a través del Centro de Logística Conjunta de las Naciones Unidas.

Qué cosas no están funcionando bien No existe una coordinación adecuada de las diferentes funciones relacionadas con emergencias de UNICEF. La preparación para emergencias no está respaldada por financiamiento interno apropiado para ejecutar los planes. Existe la percepción de que los PPRE son onerosos y no siempre se terminan. No existe un mecanismo sencillo para determinar las cantidades de suministros requeridas para potenciales emergencias. Errores de codificación pueden impactar en la capacidad de UNICEF para rastrear y monitorear suministros de emergencia, si bien la División de Suministros ha intentado poner remedio a este problema. Las órdenes de suministros de emergencia no siempre se encuentran correctamente clasificadas y la estructura actual de codificación presupuestal no toma en cuenta todos los suministros de emergencias. En el 2006, el tiempo que demoraron en llegar los suministros proporcionados como parte de la respuesta rápida de la División de Suministros fue de nueve días en promedio en el caso de suministros de almacen, y de 23 días en el caso de artículos fuera de stock. Los niveles de existencias mantenidos por el almacén de Copenhague y por proveedores pueden ser inadecuados para dar una respuesta rápida a situaciones de emergencia.

Servicios de Adquisiciones

Qué cosas están funcionando bien Servicios de Adquisiciones tiene un alcance global y está claramente enfocado en suministros esenciales para las mujeres y los niños/as. El trabajo que realiza Servicios de Adquisiciones es valorado por los gobiernos, las instituciones financieras y las ONG. Servicios de Adquisiciones es considerado como un mecanismo seguro para proveer un acceso continuo a suministros esenciales para las mujeres y los niños/as a buenos precios del mercado. Los suministros de Servicios de Adquisiciones están impulsando el logro de los objetivos nacionales y los ODM internacionales, y pueden fortalecer el trabajo programático de UNICEF ahí donde actúan en estrecha coordinación con programas liderados por UNICEF. Los suministros adquiridos por intermedio de Servicios de Adquisiciones fueron considerados de calidad apropiada.

Qué cosas no están funcionando bien Existe falta de claridad al interior de la organización respecto de los propósitos de Servicios de Adquisiciones. Las actividades de Servicios de Adquisiciones no suelen ir acompañadas de construcción de capacidad. La comisión por gastos de gestión que se cobra es cuestionada por todas las partes; las entidades asociadas desearían una comisión más baja por gastos de gestión y mayor transparencia. Los estimados de costos son inexactos, el proceso de pago está sujeto a fluctuaciones cambiarias que pueden ocasionar demoras en los envíos y los tiempos de espera para algunos artículos de catálogo/estándar son inaceptablemente largos. Manejar las relaciones con los gobiernos en lo que respecta a los Servicios de Adquisiciones desde Copenhague genera complicaciones. La toma de decisiones relacionadas con Servicios de Adquisiciones no siempre está claramente delimitada y los contratos pueden entrañar un riesgo para UNICEF. Muchos clientes de
Servicios de Adquisiciones opinaron que la División de Suministros era un organismo difícil de trabajar con él.

**Recursos humanos**

**Qué cosas están funcionando bien** El personal de UNICEF está altamente comprometido. El personal de la División de Suministros de UNICEF parece tener un conocimiento adecuado de suministros y mercados mundiales de suministros, mientras que el personal de suministros de las oficinas nacionales tiene una buena comprensión de los desafíos locales. A nivel de las comunidades, Suministros y Programas trabajan bien juntos. Los miembros del personal sortean las dificultades para garantizar que los suministros lleguen al usuario final. El personal de UNICEF goza de una buena reputación entre numerosos proveedores, que mantienen buenas relaciones de trabajo con UNICEF. UNICEF está considerada como un empleador atractivo en los países en desarrollo. Recientemente se ha elaborado una serie de marcos de competencias para diferentes carreras profesionales en el sector de Suministros.

**Qué cosas no están funcionando bien** El 49 por ciento de los 600 miembros del personal que trabajan en suministros está próximo a retirarse en los cinco años siguientes y hay pocos nuevos miembros jóvenes reclutados. Se está contratando a empleados/as retirados para llenar las vacantes, pero los contratos temporales pueden tener repercusiones para la eficiencia de las operaciones a más largo plazo. El proceso de reclutamiento es largo y complicado. El trabajo en suministros en las oficinas nacionales no es valorado como una capacidad estratégica. La estructura organizativa actual no empodera a los/las Oficiales Regionales de Suministros para hacer efectivo su mandato en toda su extensión. No contribuye a la situación el hecho de que el/la Official Regional de Suministros se encuentre subordinado al Director/a Regional y no al Director/a de la División de Suministros. Hay una falta de concordancia entre la base actual de destrezas de suministro y las destrezas requeridas para impulsar una creciente focalización en la construcción de capacidad, tal como se establece en el Plan Estratégico a Mediano Plazo 2006-2010. No hay un currículum para suministros ni un marco de gestión formal para hacer carrera dentro del sector. Año tras año se conceden automáticamente aumentos salariales incrementales y, en lugar de atacar los problemas medulares relacionados con el desempeño, el personal que acusa un desempeño defectuoso es rotado a otros puestos.

**Tecnología de la información**

**Qué cosas están funcionando bien** Cada oficina nacional cuenta con un conjunto de aplicaciones comunes e integradas para apoyar la mayor parte de los requerimientos comerciales medulares de la función de suministro. Los sistemas de TI permiten seguir un procedimiento comercial común en todas las oficinas nacionales. La reciente actualización del ProMS a la versión 7 de la aplicación soporta procesos de suministro mejorados. El IED (intercambio electrónico de datos) ha sido recientemente implementado en la División de Suministros, interconectando a UNICEF con las agencias de transporte de carga con el fin de mejorar la gestión de los suministros. Foros de grupos de usuarios se reúnen para evaluar y aprobar las solicitudes de cambios a los sistemas de TI, y los cambios a los sistemas se ejecutan en descargas del sistema, lo cual constituye una práctica idónea.

**Qué cosas no están funcionando bien** Los sistemas de UNICEF se siguen llevando predominantemente sobre el papel y los sistemas de TI de UNICEF se encuentran retrasados varios años en relación con el mercado. La organización cuenta con una diversidad de sistemas de suministro, lo cual genera una compleja y complicada interfaz con el usuario. UNICEF no ha tomado ventaja de la “revolución tecnológica” para impulsar una ejecución extremo a extremo, más eficiente y efectiva, del servicio de suministro. La limitada gobernabilidad y la fragmentada apropiación de la TI han llevado a una falta de liderazgo claro que permita impulsar cambios tecnológicos estratégicos. Las inversiones en TI tienden a ser reducidas y de carácter operativo y generan mejoras incrementales menores. Las relaciones de trabajo entre el área de TI y el área comercial parecen ser antagónicas. Las soluciones de TI disponibles para la cadena de suministro no han mejorado los resultados en materia de suministro y hay pocos miembros del personal de suministros que posean conocimientos sobre cómo mejorar los resultados en dicho sector apoyándose en TI. El ProMS es una aplicación desarrollada al interior de la institución que tiene 10 años de vida y quizás haya llegado el momento de remplazarla.
Asistencia en especies y División del Sector Privado

Qué cosas están funcionando bien UNICEF tiene una política clara de asistencia en especies, que es observada por todas las oficinas nacionales y los Comités Nacionales o NatComs. La División de Suministros cuenta con un proceso definido para evaluar la calidad de la asistencia en especies; las instalaciones de Copenhague son consideradas por los NatComs como un punto de ventas para UNICEF. La División del Sector Privado (DSP) provee una gama de obsequios de alta calidad, acordes con las últimas necesidades del mercado y para los cuales se buscan e identifican proveedores de una manera ética. La DSP y los NatComs están trabajando en la instalación de una tienda en línea para aumentar las ventas; igualmente, la DSP y los NatComs están trabajando juntos en desarrollar un enfoque de suministros como un medio para recaudar fondos. UNICEF continúa recibiendo donaciones en especies del sector empresarial.

Qué cosas no están funcionando bien La oportunidad de las actualizaciones de los rangos de suministros de la DSP no satisface todos los requisitos del mercado. No se han realizado mejoras a los sistemas de TI de la DSP a la velocidad de la demanda generada por el mercado, debido a lo cual los pedidos en línea y la atención en línea de los mismos han tenido que ser tercerizados; los NatComs temen que UNICEF pueda estar disminuyendo sus estándares con el fin de atraer mayor asistencia de los donantes. La lenta aprobación de auditorias de los suministros donados genera frustración. Algunos suministros son más caros que los que ofrecen los competidores de UNICEF, lo cual reduce las oportunidades de ventas. El enfoque de categorías mundiales significa asimismo que UNICEF no está respondiendo a los nichos en mercados individuales.

Colaboración al interior de Naciones Unidas y reforma de las Naciones Unidas

Qué cosas están funcionando bien La evaluación halló ejemplos positivos de colaboración entre las agencias de las Naciones Unidas, entre ellos acuerdos de exenciones tributarias y arancelarias sobre suministros importados y adquiridos en el país; armonización de las transferencias en efectivo a los gobiernos; pagos a proveedores autorizados a través de cuentas bancarias; eliminación de las transacciones en efectivo; así como el uso de UNDAF. Los grupos de trabajo sobre adquisiciones constituyen la forma más común de cooperación. Otros ejemplos incluyen: revisiones salariales conjuntas; la base de datos de proveedores (United Nations Global Marketplace) para el registro de proveedores de Naciones Unidas; oficinas y servicios compartidos; colaboración en los Depósitos de las Naciones Unidas para Repuestas Humanitarias de Brindisi, Panamá, Dubai, Ghana y las nuevas instalaciones en Malasia; así como un programa de capacitación conjunto sobre logística. En Vietnam, las diferentes agencias de Naciones Unidas se estaban mudando a una oficina común de las Naciones Unidas a fines de 2006 bajo el principio de “un solo plan, un solo presupuesto, una sola oficina”.

Qué cosas no están funcionando bien Existe escasa evidencia de una reforma de las Naciones Unidas en el sector de suministros. Los grupos de trabajo conjunto adolecen de una falta de liderazgo visible y de la ausencia de patrocinio de la alta dirección. Los beneficios para las personas involucradas no son claros y existe el temor de la pérdida de empleos. No se encontró ningún ejemplo de capacidades compartidas entre agencias de las Naciones Unidas en términos de la ejecución a distancia de funciones de servicios no medulares (back office). Existe competencia entre las agencias de Naciones Unidas, así como pequeños cambios a sus respectivos mandatos con miras a obtener financiamiento. El equipo de evaluación encontró suspicacia y falta de apertura cuando se reunió con agencias de las Naciones Unidas como parte de la evaluación. Algunas barreras significativas a la reforma de las Naciones Unidas son la falta de un programa de cambio institucional que especifique los beneficios y la falta de impulso de parte de algunos Coordinadores/as Residentes para llevar a cabo la reforma de las Naciones Unidas. Del mismo modo, las agencias de las Naciones Unidas no tienen sus oficinas regionales en los mismos lugares, manejan sistemas separados de TI, son reticentes a compartir instalaciones y llevan a cabo una cooperación limitada en materias de logística en los respectivos países. Las organizaciones de las Naciones Unidas pueden colaborar en respuestas humanitarias, pero no de un modo rutinario.
Recomendaciones clave
Las medidas que se desprendan de las recomendaciones son interdependientes y deben ser ejecutadas en la secuencia debida. (Sirvase consultar con la sección Recomendaciones del informe principal para mayores detalles, así como con el texto principal para conocer la lógica detrás de las recomendaciones.)

Focalizarnos en suministros esenciales UNICEF trabaja con 22,825 proveedores divididos en 304 subcategorías. Es necesario hacer un esfuerzo para reducir el número de proveedores y subcategorías y concentrarse en suministros esenciales; se trata del negocio medular de UNICEF, en el cual UNICEF ya ha desarrollado y puede seguir desarrollando profunda experiencia tanto programática como a nivel de suministros. Es necesario actualizar el catálogo de suministros, utilizarlo para definir el rango estándar de suministros y a partir de ahí reducir el número de proveedores.

Ser líderes mundiales en la adquisición de suministros esenciales La Organización de Adquisiciones de UNICEF debe ser considerada como la agencia líder a nivel mundial en el área de adquisiciones técnicas y conocimiento sobre productos estratégicos y esenciales para los niños/as y las mujeres, así como en la mejora del acceso a dichos suministros y de la asequibilidad de los mismos. UNICEF debe seguir dirigiendo sus esfuerzos a influenciar innovaciones sustentadas en el conocimiento acumulado y retenido en la organización, en la experiencia programática de UNICEF y en la retroalimentación de los usuarios y usuarias finales.

Revisar la estrategia y el modelo operativo de la cadena de suministro de UNICEF Para mejorar la fiabilidad y la disponibilidad de los suministros y reducir el costo total de ejecución de los mismos, UNICEF debe:

- Segmentar las estrategias de la cadena de suministro según los tipos de suministro Es necesario establecer un tiempo de espera, costos y niveles de servicio para cada grupo de productos, mientras que diferentes categorías de suministros requieren diferentes estrategias a nivel de la cadena de suministro, por ejemplo:
  - make to forecast (producir para pronóstico), por ejemplo, vacunas
  - suministrar de las existencias de UNICEF, por ejemplo, “escuelas en una caja”
  - suministrar de las existencias en consignación, por ejemplo, frazadas
  - make to order (producir para inventario), por ejemplo, equipos para la cadena de frío

- Reducir los tiempos de espera e introducir indicadores clave de desempeño Es necesario establecer y aprobar tiempos de espera estándar y respuestas estándar en términos de servicios para cada uno de los rangos de suministros, los cuales deben plasmarse en un Acuerdo sobre Niveles de Servicios. Es necesario implementar mediciones de resultados para someter a seguimiento y reportar sobre el desempeño de acuerdo a un grupo de indicadores clave de desempeño que deben regir para todos los programas. Estas mediciones de resultados deben ser incluidas en los planes de desempeño individuales del personal de programas y de suministros concernido.

- Tercerizar la adquisición de suministros de apoyo Debe considerarse fuertemente la opción de tercerizar la adquisición y la gestión de proveedores de todos los suministros de apoyo, encargando dichos servicios a otra organización, de preferencia perteneciente al Sistema de las Naciones Unidas. Entre los posibles candidatos se encuentran la Oficina de las Naciones Unidas de Servicios para Proyectos (UNOPS), el Servicio de Adquisiciones de las Naciones Unidas y la Oficina de Servicios de Compras Interagencias (IAPSO). Debe estudiarse la viabilidad de cada opción. El nuevo régimen debe incluir pedidos en línea para suministros de apoyo.

- Crear centros regionales de adquisiciones Deben crearse equipos regionales de suministro (virtuales o residentes en los mismos lugares, no necesariamente coincidentes con las regiones actuales de UNICEF) que asuman la responsabilidad de las adquisiciones regionales y locales. Esto permitirá buscar e identificar proveedores de suministros más cerca de los puntos de necesidad, y Copenhague pasará a ser simplemente uno de varios centros de suministro, con una participación reducida en la producción de suministros.
Convocar licitaciones internacionales en las regiones UNICEF debe llevar a cabo licitaciones internacionales para las adquisiciones locales y regionales, a fin de aprovechar el acceso mejorado a suministros variados y de calidad como consecuencia de la globalización.

Implementar el comercio virtual UNICEF debe adoptar la modalidad de comercio electrónico a fin de eliminar sistemas basados en el papel onerosos y poco confiables, reducir costos, acelerar las adquisiciones, fortalecer el cumplimiento y mejorar la información sobre la gestión de los suministros para una gestión global de los mismos. Con el tiempo, todas las oficinas nacionales deben tener acceso al sistema de planificación de recursos empresariales (PRE) de UNICEF.

Crear una organización virtual mundial de suministros para UNICEF El Director/a de la División de Suministros es responsable de la gestión de la cadena de suministro a nivel mundial, una responsabilidad que no puede cumplir a la luz de las estructuras actuales. El Director/a debe supervisar a una sola organización responsable de supervisar todas las actividades de la cadena de suministro, entre ellas el gasto en adquisiciones y la gestión del personal de suministro destacado en las oficinas regionales y nacionales. Aunque esta modalidad de trabajo no es coherente con la actual estructura y cultura fuertemente descentralizadas de UNICEF, tiene muchos beneficios, entre ellos los siguientes: gestión coordinada del personal y los procesos y sistemas de la cadena de suministro; reducción del costo total de la función de suministro de UNICEF; mejores adquisiciones debido a mejores decisiones de búsqueda e identificación de proveedores de suministros; mejora de la gestión de proveedores; visión integral del desempeño de la función de suministro y metas establecidas para mejoras; reducción del número de personal involucrado en actividades de compra; y mejor nivel de cumplimiento. (La decisión depende del resultado de la Revisión Institucional.)

Crear una comunidad global de la cadena de suministro de UNICEF La comunidad de la cadena de suministro debe ser usada como la base para actividades de educación, capacitación y desarrollo. Es preciso designar a un/a responsable central de recursos humanos de suministro responsable de todo el personal de suministros, y centralizar los presupuestos para las áreas de adelanto profesional y aprendizaje. Esto generará oportunidades de intercambio de conocimiento y creará un sentido de comunidad y de pertenencia profesional actualmente inexistente.

Gestionar el suministro de las oficinas nacionales desde Programas Estar pendiente hace tiempo la resolución sobre cómo integrar más plenamente Suministros a Programas. En condiciones en las que el grueso de las decisiones relacionadas con la búsqueda e identificación de proveedores para adquisiciones se trasladará a centros de adquisición regionales, la función de pedidos debe permanecer a nivel de los programas de país y correr por cuenta de Programas. Esto permitirá una mejor planificación de los suministros y una actualización más acertada de las proyecciones durante el año debido a que correrá por cuenta de Programas, junto con la distribución y el seguimiento de los suministros. De acuerdo a estas propuestas, el personal de suministro será destacado solamente para apoyar programas de construcción de capacidad de la oficina nacional y actividades de suministro acordadas adicionalmente a aquellas establecidas en el convenio de cooperación básico.

Focalizarnos en el acceso y la asequibilidad de suministros esenciales en los países del programa UNICEF debe insertar la herramienta de Evaluación Nacional de Productos Básicos Esenciales (CAEC) en el proceso del Plan de Acción de los Programas de País (PAPP) y en la Revisión del Medio Término, y cabildar y acordar con el Grupo de las Naciones Unidas para el Desarrollo la incorporación de la CAEC en UNDAF.

Generar una sólida base de evidencia para sustentar las decisiones sobre inversiones Utilizar el seguimiento de los usuarios/as finales y la evaluación de impacto para mejorar los réditos de las inversiones e intervenciones del programa en general; generar una base de evidencia que permita entender la relación entre los insumos y los efectos directos; y elevar el perfil de UNICEF como una organización basada en el conocimiento que posee un liderazgo reconocido y experticia en programaciones intensivas en suministros.

Aumentar el nivel de beneficio generado por los suministros Haciendo una generalización a nivel de todos los “ejemplares”, nuestra conclusión es que se puede fortalecer el impacto de los suministros como sigue:
distribuir los suministros en paquetes de maneras más sofisticadas, a fin de atacar las causas subyacentes de las muertes prematuras y la morbilidad;

capitalizar mejor los canales existentes, como un medio efectivo para aumentar los niveles de cobertura de suministros clave, en especial en comunidades aisladas y nómadas;

explorar un mayor uso de incentivos para incrementar el alcance de las intervenciones que dependen de suministros;

aumentar la focalización en oportunidades de inversión y de capital de riesgo a fin de incentivar la producción doméstica y el desarrollo de industrias;

utilizar tecnologías nuevas a modo de apalancamiento para incentivar el diseño de modelos de desarrollo sostenibles a más largo plazo; y

aumentar la ejecución de actividades de IEC paralelamente a las intervenciones de suministro, a fin de generar un cambio de conducta así como mejoras sostenibles a largo plazo en el bienestar de los destinatarios/as.

**Posicionar anticipadamente existencias para emergencias** La evidencia sugiere que, en general, algunos países propensos a riesgos están en condiciones de responder más rápidamente a emergencias cuando cuentan con existencias de contingencia disponibles en el país. UNICEF debe considerar revertir la política institucional de modo tal que se permita la colocación cuidadosamente planeada de existencias de contingencia. Al mismo tiempo, UNICEF debe maximizar el potencial de los suministros de reserva conjuntos o de las instalaciones compartidas de Naciones Unidas para situaciones de emergencia, aprovechando iniciativas actuales para reducir el costo general e impulsando un enfoque más integrado para situaciones de emergencia a nivel tanto de las Naciones Unidas como con otras instituciones.

**Construir capacidad nacional en planificación y adquisición de suministros y logística al interior de los países** Los gobiernos cada día son más conscientes de la necesidad de fortalecer sus capacidades en el sector de suministros. En un entorno en que la asistencia internacional está pasando por un proceso de transformación, las instituciones financieras y los fondos globales desean comprobar que las cadenas de suministro de los gobiernos receptores funcionan adecuadamente. Es muy probable que aumente la demanda frente a UNICEF de proveer, o buscar e identificar proveedores de, servicios de construcción de capacidad y UNICEF necesita una estrategia revisada para suplir dicha necesidad. UNICEF debe hacer todos los esfuerzos posibles para dar un giro, de substituir la capacidad de los gobiernos a fortalecer. Los Planes de Acción de los Programas de País (PAPP) y los Planes de Trabajo Anuales deben incluir planes de construcción de capacidad como parte de un enfoque conjunto de Naciones Unidas en el área de construcción de capacidad a nivel nacional. UNICEF debe tercerizar algunos aspectos de esta función, involucrando para ello a asociados especializados.

**Aumentar el alcance de suministros esenciales a través de Servicios de Adquisiciones** La evaluación observó el poderoso efecto multiplicador de los Servicios de Adquisiciones cuando éstos se encuentran alineados con la estrategia programática de UNICEF. UNICEF debe permitir que Servicios de Adquisiciones se expanda bajo principios cuidadosamente manejados, y debe permitir también algunos cambios importantes en la forma en que se lleva a cabo el negocio, entre ellos los siguientes: integrar la estrategia de Programas y de Servicios de Adquisiciones a nivel de los programas de país; asignar al/a la Representante la responsabilidad de gestionar las relaciones de Servicios de Adquisiciones con el apoyo de la División de Suministros; restablecer normas que permitan que los Servicios de Adquisiciones sean activamente promovidos pero no utilizados competitivamente; esclarecer y justificar la comisión por gestión; eliminar la confusión en torno a los Servicios de Adquisiciones como un “hacedor de dinero” para UNICEF, reinvirtiendo los excedentes en construcción de capacidad en vez de ingresarlos en los fondos centrales de UNICEF; y apuntar al valor añadido y no solamente al precio más bajo.
1 INTRODUCTION

1.1 Background

The last external review of the UNICEF supply function was in 1996 and therefore UNICEF management decided an external evaluation was overdue, especially given the growth, scale and strategic significance of the goods and services procured by UNICEF during the past decade.

In the late 1990s, the Supply Division witnessed a dip in performance and has been working to rebuild its capacity and effectiveness since 2000. As part of this improvement process, the Supply Division led a series of four self-assessment exercises known as ‘Tings’\(^1\), engaging staff from many locations and across all functions. This process resulted in action plans to reform the supply function.

From 2004 on, the then Director of the Supply Division requested an external evaluation of the supply function in UNICEF to assess the progress made and to make recommendations for the improvement of the relevance, efficiency and effectiveness of supply across the organization. The evaluation exercise was delayed until 2006 when sufficient funds were secured. This present exercise has been funded from three sources – Evaluation Office programme budget, central funds\(^2\) and Supply Division budgets.

1.2 Overview

The evaluation of the supply function in UNICEF was carried out between May and December 2006 by Accenture Development Partnerships (ADP), and managed by the UNICEF Evaluation Office under a steering group chaired by the Deputy Executive Director (Programme) and including Headquarters, regional and country office staff. The evaluation included visits to eight country offices, the Nairobi regional office, New York and Copenhagen (several), as well as Brindisi (World Food Programme) and Dubai (UNICEF) supply hubs. The evaluation employed time analysis, capability analysis, spend analysis, online surveys of staff and suppliers, and internal workshops at the inception and draft findings stages.

As set out in the Terms of Reference, the evaluation of UNICEF’s supply function set out to assess:

(i) the impact on children’s access to essential goods through supplies to programme countries and the capacity building of governments (impact and capacity building have been treated separately);

(ii) the efficiency, effectiveness and added-value of the Supply Division’s ‘business offering’ including Procurement Services and the management, organization, capacity and resourcing of the UNICEF supply function at the country, regional (including regional hubs) and Headquarters/Copenhagen levels (hereafter referred to as Component B).

The evaluation focused on five pre-selected categories of supply products used in development and emergency contexts:

(i) vaccines and immunization supplies for polio eradication and child survival;
(ii) anti-retrovirals and HIV/AIDS diagnostics for control of paediatric HIV/AIDS;
(iii) Anti-malarial Combination Therapies and Long Lasting Impregnated Nets for malaria reduction;
(iv) education supplies and construction materials for girls’ education; and
(v) water and sanitation supplies, including school latrines for girls’ education and child survival.

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\(^1\) For example, see the March 2004 report on Evalu@Ting at http://www.intranet.unicef.org/denmark%5Csdglobalconsult2004.nsf/WebSitePage/Page02?OpenDocument

\(^2\) Known as Regular Resources for Other Resources or ‘RR for OR’
The evaluation was asked to review the complete supply cycle for both development programmes and for emergency operations to assess UNICEF performance in supplying the right goods to the right place at the right time and price. In addition, the evaluation was asked to examine UNICEF supply function conformance with ethical standards, and benchmark the service offered against similar agencies and against alternative service providers using data analysis, customer feedback and surveys.

The Terms of Reference assumed the continuing existence of a UNICEF supply function rather than questioning whether a supply function is required within UNICEF.

1.3 UNICEF’s Mandate

UNICEF holds that children’s rights cannot be achieved without affordable access to essential supplies, including vaccines, essential drugs, medical items, vitamin supplements, basic foods, textbooks, other school materials, clean water and sanitation, impregnated bed nets, fuel, clothing, shelter materials and prosthetics. These are considered strategic supplies in working towards the achievement of the Millennium Development Goals (MDGs). This is expressed in the Mission Statement for the UNICEF supply function, agreed upon in 2001:

“We, in UNICEF, have the commitment and joint responsibility within the supply function to facilitate the demand, access to, delivery and proper use of essential quality supplies and supply related services, in a timely, efficient and cost effective manner for the survival, development, protection and participation of Children and Women in the realization of their rights.”

Supply is of strategic importance to UNICEF and helps to position it as the lead agency promoting the rights of women and children, while helping to sustain UNICEF brand image and visibility, which are key to attracting future funding from the private and public sector.

UNICEF’s programme work and related supplies are focused on the achievement of the MDGs and national targets; the evaluation found a strong alignment of UNICEF strategic supplies with the achievement of MDGs and national targets. In 2005, supply accounted for 39 per cent of UNICEF’s expenditure, excluding Procurement Services activities.

UNICEF is a global actor in the delivery of essential supplies for women and children in development and humanitarian response and, for some supplies, UNICEF is a globally significant actor. UNICEF has successfully managed a growth in the value of supplies of more than 130 per cent since 2001 to $1.137 billion in 2005 with Procurement Services was 36 per cent of total supply value in 2005, against 7 per cent in 2000.

In emergencies, UNICEF can be both the agency of first and last resort; it often plays a central role in coordinating and delivering humanitarian response for women and children. In 2005, UNICEF responded to 317 emergencies in 93 countries of which eight were large-scale and required an organizational response (i.e. beyond the country office capacity).

UNICEF has some 600 staff working in supply-related roles (i.e. with supply, logistics, contract, warehousing etc. in their job titles) in 157 country offices, three regional offices and the Supply Division. This staff is jointly responsible for managing the on-time delivery of supplies to the points of need.
2 EVALUATION APPROACH AND METHODOLOGY

This section provides an overview of the approach and methodology used to support the evaluation of UNICEF’s supply function, and sets out our views on some of the caveats and limitations associated with the study.

2.1 Evaluation Approach

The evaluation was conducted over a six month period, between May and December 2006. Quantitative and qualitative information was gathered from eight country offices visited over the six month period. The countries visited were selected by the evaluation steering group using the following variables:

(i) **varying scale of in-country supply operations** – most of the countries visited (with the exception of Viet Nam);

(ii) **physical geography** (e.g. size, land lock status, Asia vs. Africa etc) – to provide a balanced view of operations in locations with different in-country logistics challenges;

(iii) **development status of country** – to ensure that a wide range of in-country conditions were accounted for in the analysis;

(iv) **ability to accommodate the evaluation team** – due to the short timescales within which the evaluation was conducted, country offices had to accommodate the evaluation team for a one to two week period within a window of opportunity of three months. Other factors, such as recent staff changes, also influenced the final choice of countries and locations.

The eight countries selected for the evaluation were:

Supply performance and impact of supplies (two-week country visit):
1. Viet Nam ('pilot' case)
2. Niger
3. Ethiopia
4. India

Supply performance only (one-week country visit)
5. Yemen
6. Malawi
7. Tajikistan
8. Indonesia

To support the supply performance assessment, the regional supply hubs in Dubai and the regional supply centre in Nairobi (Kenya) were also visited.

2.2 Approaches to Information Gathering In-country

Country visits combined desk-based research and document reviews, quantitative data gathering and analysis, and qualitative information gathering in the form of internal and external stakeholder interviews. As far as possible, interviews and meetings were held with the Country Representative, the head of Operations, the Senior Programme Officer, Section Chiefs, Supply Officers and Assistants, the Monitoring and Evaluation section, government counterparts, United Nations sister agencies, members of the donor community, non-governmental organizations (NGOs), and women and children in the field.

For the supplies impact studies, a minimum of one, and usually two, field visits were conducted over a two-week period. These field visits focused on assessing the identifiable benefits associated with one of the above five types of supply items, and usually involved meetings with government counterparts, donors, the NGO community and, importantly, women and children. Site visits were also made to hospitals, health centres and schools.
For supply performance studies – and specifically the completion of a capability assessment for planning, supply chain, logistics and procurement – workshops were held in each country with UNICEF country office supply staff.

2.3 Evaluation Tools

Several methodologies were used to support the information gathering and diagnosis phases of UNICEF’s supply function evaluation, including:

(i) supply chain capability assessment;
(ii) time analysis for Supply Division and country office supply offices;
(iii) semi-structured interviews with more than 250 people – 150 internal and 100 external to UNICEF (listed in Appendix 2);
(iv) Benefits Trees and Input-Output-Outcome Model tools, which were developed to support the supplies impact component of the evaluation; and
(v) online anonymous surveys of country offices, counterparts, and offshore and local suppliers.

Although the tools used for impact assessment were newly developed or adapted by ADP for the evaluation, they could have wider application across UNICEF and other partners.

There was a good response to the UNICEF staff survey, with 468 completed questionnaires and a 50:50 split between operations and programme staff. Supply and logistics staff members were more positive about UNICEF’s performance in almost all cases, while programme and other operations staff tended to be more pessimistic.

2.4 Intermediate Products

ADP provided progress reports at two-week intervals during the evaluation. An inception report was produced after week six and an interim report was provided at the end of the field visits. In addition, the capability analyses, the field office visit presentations, and the presentations prepared for the Paris draft findings workshop have all been provided to UNICEF and are available on the UNICEF Intranet (see Annex X).

2.5 Caveats and Limitations of the Evaluation

The observations and recommendations set out in the body of the report are subject to several caveats and limitations, the most important of which are set out below:

(i) **Timescales within which the evaluation was conducted and length of time spent in each country.** The evaluation was conducted over a six-month period, four months of which were spent visiting country offices. Given the scope and scale of the evaluation demands, this was an aggressive timetable, with limited downtime between country visits to process and analyse the information gathered.

(ii) **Number of country offices visited.** UNICEF operates in 157 countries, eight of which were visited during the current evaluation, that is, five per cent. As agreed by the steering group, this was an illustrative rather than a representative selection and our observations are intended to be understood accordingly. However, the countries visited did succeed in providing a wide range of circumstances that have informed the final analysis.

(iii) **The scale of in-country supply operations.** In seven out of eight countries, supply was a major component of the country programme. This was by design. This may have generated a view of efficiency, effectiveness and impact/benefits more reflective of this larger supply set up.

(iv) **The scope of the evaluation.** The observations made in relation to supply benefits relate to the benefits associated with specific supply items as relevant to the country context in which
they were assessed\textsuperscript{13}. No country currently in crisis was included in the evaluation. However, the evaluation team considers the findings applicable beyond the immediate country-specific case studies considered.

(v) **The contribution of other inputs.** Any discussion of ‘benefits’ associated with the supply component of UNICEF’s interventions must also be assessed within the context of: the interventions and investments of other organizations; the wider programmatic interventions delivered by UNICEF and other organizations (e.g. training for teachers and a range of information, education and communication – IEC – activities); and additional supply interventions provided to support the successful delivery and implementation of UNICEF’s essential supply items (e.g. equipping hospitals and health centres with the medical equipment and cold chain facilities necessary to administer immunizations). It has not been within the scope of the current evaluation to assess the relative importance of each of these inputs to the end result achieved, but merely to recognize their relevance.

\textsuperscript{13} The specific impact/benefits assessments undertaken were: education supplies in Ethiopia; bed nets and Anti-malarial Combination Therapies in Ethiopia; water and sanitation in India; immunizations in Niger and anti-retrovirals in Viet Nam. One case study was also undertaken in an emergency context focusing on the tsunami in India.
3 EXTERNAL AND INTERNAL CONTEXT

This section provides an overview of the external environment in which UNICEF is operating and sets out our views on the factors most likely to impact the future shape and strategic direction of UNICEF’s supply function. A combination of internal and external pressures currently combine to generate an environment of change, including political unrest, war, internal displacement and migration of people within countries to escape ethnic cleansing. The continuing effects of climate change and the way in which these pressures develop over both the shorter and longer term will influence business decisions governing how UNICEF structures and runs its supply operations.

The external environment is discussed under three headings:

(i) **a changing world** – the socio-economic, political and environmental context of UNICEF’s work;

(ii) **the development sector** – reform programmes, policy changes and sector-wide shifts likely to impact in some way on UNICEF’s supply operations; and

(iii) **industry and market dynamics** – changes in the private sector that may need to be taken into account.

3.1 A Changing World

**Millennium Development Goals** The MDG targets set out ambitious goals for addressing levels of poverty and driving positive change. Many countries are ‘off track’ in relation to achieving these targets and it is estimated that an additional $40-$70 billion in assistance per year is required to ensure achievement of the MDGs. Improvements in the efficiency and effectiveness of this investment in terms of generating tangible results are consequently required, and relatively quickly.

**A growth in the number of emergencies** The number of emergencies per decade has been steadily increasing over the last 40 years. Factors contributing to this escalation include increased political unrest, violence and environmental pressures.

This growth, together with a diversification in the types of emergency situations has led to an increase in demand for core ‘business as usual’ supplies such as vaccines, anti-retrovirals, bed nets, uniforms and books.

In addition, the emergence of demand for ‘newer’ versions of supplies (such as polymer moulded school furniture) and for new supplies (ranging from Tami Flu to large-scale construction programmes) has the potential to change the scope and scale of UNICEF’s supply operations.

3.2 The Development Sector

In recent years, the development sector has started to embrace change on a scale not previously seen. This has been driven by reform of the United Nations system; the Paris Declaration on Aid Effectiveness; the emergence of new global funding mechanisms such as the Global Alliance for Vaccines and Immunization (GAVI) and the Global Fund for HIV/AIDS, Tuberculosis and Malaria (GFATM); and the increasing involvement of the private sector. All these influence how UNICEF’s supply function will position itself in the future. Our views on the most significant are set out below.
3.2.1 United Nations Reform Programme

General trends  In June 2006, a series of significant and wide-ranging changes to the organization of the United Nations were announced during the General Assembly. These changes ranged from the organization of information technology (IT) across the United Nations systems (including the appointment of a new Chief Technology Officer) to the management of human resources. The full impact of these changes is yet to be understood, but most have implications for the core operations and capabilities of UNICEF’s supply functions. It is therefore in the best interests of UNICEF’s supply function to understand how these changes are likely to impact aspects of business, and put in place measures to ensure a successful, timely, consistent and fully aligned response.

The Secretary General’s Procurement Reform Programme  Most significantly for this evaluation, during the course of the evaluation, the June 2006 Procurement Reform Report outlined a series of changes to the way in which the United Nations system procures its goods and services. The report includes several parallel recommendations to this evaluation.

3.2.2 Aid and Aid Effectiveness

The Paris Declaration on Aid Effectiveness  In recognition of inefficiencies in the way in which aid has been allocated and spent in the past, the Paris Declaration on Aid Effectiveness attempts to better target donor contributions and encourage greater coordination at the strategic, managerial and operational levels by emphasizing recipient country ownership, alignment, harmonization, managing for results, and mutual accountability. Overall levels of Official Development Assistance continue to rise, reaching $106.5 billion in 2005, representing 0.33 per cent of the GNI of industrial countries (up from 0.26 per cent in 2004).

Growth in the use of pooled funding  (e.g. Sector Wide Approaches) One element in the trend towards more joint working is the growing importance of ‘packages of joint intervention’ by donors, governments and partner organizations. Unprecedented levels of funding are also being made available directly to governments through budget support. At the same time, governments are starting to assert greater autonomy in decision making around how and where money is being spent. The increase in ‘Other Resources’ rather than ‘Regular Resources’ is reducing UNICEF’s control and influence over fund allocation. At the same time, the increased focus on accountability and the need to demonstrate tangible results – with donors and partners more concerned about ‘value’ – has repercussions on the UNICEF supply function, both through increased pressure on efficiency and effectiveness, and demands for tangible evidence of results delivered.

Humanitarian response – cluster and lead agencies  Following the Humanitarian Response Review, the emergence of Inter-Agency Standing Committee designated cluster and sector lead agencies in emergencies has brought a greater focus to UNICEF’s role in supplying essential supplies to women and children in emergencies, and increased the responsibility for the delivery of results in specific sectors, especially Water and Environmental Sanitation (WES) and nutrition, where UNICEF is cluster lead. UNICEF also remains sector lead at times in health, education and child protection. UNICEF’s visibility and leadership in these sectors represents a potential opportunity for the organization in the future, especially in terms of helping to drive up the standards (quality, efficiency, effectiveness etc.) of supply-related interventions.

3.2.3 The Emergence of New Players

New funding structures  In recent years, new actors have emerged and positioned themselves relatively rapidly as significant players in the development sector, including global funding mechanisms such as GAVI and GFATM. These funding mechanisms represent a real opportunity for UNICEF’s supply function, notably for Procurement Services. For example, additional funds could be secured and channelled through Procurement Services to increase the significance of UNICEF’s supply support for national governments, whilst at the same time complimenting and strengthening UNICEF’s own in-country programme support.

New development organizations  New major foundations, especially the Bill and Melinda Gates Foundation and the William Jefferson Clinton Foundation, have also emerged to rapidly become
important new players with which UNICEF must continue to build bridges to support improved access to essential commodities.

### 3.2.4 Increasing Levels of Competition and Collaboration

**Internally within the United Nations system** The declared intention to streamline operations and activities amongst United Nations agencies is likely to lead to increasing levels of competition (“too many players on a crowded pitch”). Depending on how United Nations reform evolves, UNICEF’s supply function will need to differentiate itself from other agencies (especially a merged Inter Agency Procurement Services Office – IAPSO – and UNOPS) and maintain its comparative advantage in strategic supplies for women and children. The planned merger adds to uncertainty about future roles and responsibilities. At the same time, UNICEF should pursue opportunities for joint working and cost reduction.

The changes proposed for streamlining operations represent a challenge for UNICEF, especially because of UNICEF’s limited use of readily available technology in its supply function (for example, it does not use an e-procurement solution). United Nations Development Programme (UNDP)/IAPSO, for example, is one of the most advanced United Nations organizations in the use of e-procurement, including ‘UN Web-Buy’ and an advanced e-tendering tool (which is also used by the United Nations High Commissioner for Refugees). UNICEF’s lack of e-procurement capability hampers operational efficiency and prevents cost savings.

New product development is a second area for potential competition. The World Health Organization dictates the pace of development for certain products. Research and Development and innovation around supplies present both a challenge and an opportunity for UNICEF in the future. There are some instances where UNICEF has successfully leveraged its technical knowledge and expertise and contributed to cutting edge solutions. However, the extent to which Research and Development in the strict sense of the word is a core activity of UNICEF is questionable. The role of UNICEF is seen as advocating the needs of women and children to promote the development of new and innovative supplies and to provide end-user feedback to inform innovation.

**Externally** To some extent, the emergence of new players in the sector (such as GAVI and GFATM) adds an external competitive element to the development environment. Questions have been raised over why such funding mechanisms have emerged, the implication being that existing structures are not delivering satisfactorily. GAVI, for example, is currently channelling its funds through UNICEF as a viable (and reliable) option, but this may not always be the case.

### 3.3 Market and Industry Dynamics

Several changes in the commercial sectors are likely to influence decisions relating to UNICEF’s supply function. Our view on the most significant are set out below.

#### 3.3.1 Current Trends in Globalization

**Global supply chains for products and services** Changes in global markets and shifts in industry dynamics have the potential to change the way in which supplies are procured (local vs. global split) and may also influence decisions regarding the optimal location of supply hubs (by UNICEF and others). Key questions for UNICEF’s supply function relate to how best to respond to changes in industry and market dynamics in terms of pricing structures, local licences and the management of patents.

**Transportation methods** Other potential repercussions for UNICEF come from changes in global transportation. There is consolidation in the transportation sector where fewer, but larger, players are starting to emerge; these are large-scale global organizations that are able to offer multi-mode transportation on a global scale. UNICEF can extend its existing freight and transportation arrangements and develop global partnerships with, for example, DHL and TNT, to include in-country transportation and their assistance in humanitarian response situations.
### 3.3.2 Innovations in Supply Chain Management

Several innovations have occurred in the field of supply chain management practices that present opportunities for UNICEF to increase the efficiency and effectiveness of the supply function.

- The continuing increase in the variety, range and sources of supplies that can be found in developing countries.

- The increase in the sophistication of the supplies produced in developing countries – for example, supplies produced by the pharmaceutical industry in India.

- The use of e-commerce solutions and new technologies to allow the real time collaboration and synchronization of information and data between all members of the supply chain network to reduce supply lead times and improve service delivery.

- The increasing use of e-commerce to communicate and share information electronically between partners (for example, purchase orders, invoices, delivery notes, advanced shipping notes, bills of lading etc), to automate the matching and reconciliation of documents, and simultaneously reduce the cost of performing this work.

- The use of automatic alert technology to illustrate by exception where there are issues that require management attention and to focus decision making.

- The location of operations in developing countries, offshore from others sites of the same organization, to access new skills and reduce operating costs, enabled by the use of IT.

- The use of an extensive range of outsourced service providers for procurement, logistics, warehousing and supporting IT systems, which provides access to best practice and expertise and thus allows organizations to focus on their core competencies.

### 3.3.3 Increasing Private Sector Involvement in Development

**Organized private sector initiatives** (via mechanisms such as the Disaster Resource Network\(^4\)) An increasing number of private sector organizations are exploring ways of becoming more involved in supporting progress towards development goals, for a variety of philanthropic and business reasons. This is in part driven by a significant rise in an awareness of Corporate Social Responsibility and the positive benefits that this has for an organization and its employees (for example, the ability to attract and retain talent).

**In-kind assistance** Many private sector organizations are willing to provide in-kind assistance to development and humanitarian organizations in a variety of ways including:

- (i) free supplies, such as school stationary, back to school kits, etc.;
- (ii) free services, such as British Airways air cargo, TNT, DHL transport;
- (iii) imparting professional expertise and advice through providing interns to share private sector practices and expertise with development sector organizations.

While large corporations appear to be able to become involved, smaller companies find it more difficult. Many smaller organizations are looking to help and provide assistance in other ways, and there is certainly scope for this area to be developed by providing new and innovative channels through which organizations can contribute.

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\(^4\) DRN is a worldwide initiative promoted by the World Economic Forum for engineering, construction and logistics companies to complement the efforts of government, NGOs and international organizations in disaster management.
3.4 UNICEF Internal Context

In addition to changes in the external environment, the current evaluation must also be understood within the context of a shifting internal context.

- **Leadership changes** UNICEF has a relatively new Executive Director and a new Director for the Supply Division was appointed during the period of the evaluation.

- **Growth in supply activities** Supply activities – for both the Supply Division and Procurement Services – have grown in recent years, accompanied by a significant widening of the supply portfolio (see Figure 2 below).

- **A growth in the strategic significance of capacity building** As set out in the Medium Term Strategic Plan (MTSP) 2006–2009, the focus of UNICEF’s supply activities is likely to shift towards capacity building rather than to the direct supply of goods and services.

- **A recognized need for review/evaluation** There has been no external evaluation of the supply function for 10 years, and many feel such an evaluation is long overdue. Other reviews are occurring concurrently, which may in some way implicate the supply function, in particular the Organizational Review and the Business Process Review. It will be important to ensure that the recommendations made by each review in relation to the supply function are not contradictory.

Figure 2: Total Annual Expenditure on Supplies

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15 Since 2000, a series of internal review exercises (‘Tings’) have been undertaken under the leadership of the Supply Division. For more see [http://www.intranet.unicef.org/Denmark/DO/sdvisionting.nsf](http://www.intranet.unicef.org/Denmark/DO/sdvisionting.nsf)
4 DEFINITIONS

4.1 UNICEF Supply Function

One of the initial challenges of the evaluation was to agree upon a definition of the supply function within UNICEF. It became evident that the supply function did not equate directly to supply chain management. ADP defined ‘supply function’ as a series of core business processes (planning, procurement, logistics, monitoring and evaluation – M&E – and capacity building) with different actors contributing at different levels and in different ways.

After several discussions and iterations, the diagram on the following page was used as a guideline to define the boundaries of what lies within the supply function, and hence what was to be covered within the scope of the evaluation. It includes all the activities typically associated with supply chain management (also illustrated), as well as activities associated with programme management, capacity building and M&E. The supply function covers a wide range of activities in diverse locations, ranging from programme planning to end-use monitoring.
4.2 Classification of Supplies

UNICEF has made progress in focusing its efforts on supplies that are required for the survival and development of children. The evaluation team found that UNICEF refers to supplies as both strategic and essential, sometimes interchangeably. Supply Division Copenhagen refers to strategic supplies and Supply Division New York refers to essential, but without a clear distinction.

The boundaries between the types of supplies are not watertight and supplies in one category may move to another over time. The evaluation team sought to clarify these terms to remove confusion and allow UNICEF to focus its efforts more clearly. How UNICEF manages the different types of supplies will affect the impact that the organization has through its supply function in future.

In summary, UNICEF manages the following types of supplies:

- **Essential** – those that are required for the survival and development of children, but for which UNICEF plays no special role in the market place (for example, a school exercise book).
- **Strategic** – all strategic supplies are essential but here UNICEF has a particular, strategic, role to play in one or more of the following: stimulating demand and production, standard setting and specification, seeking funding streams for research and development (normally by others), and making supplies readily available to those without access.
- **Standard and non-standard** – those supplies within/not within the UNICEF supply catalogue (or the catalogues of other providers with whom UNICEF has a global agreement).
- **Supporting** – other supplies that facilitate the delivery or application of essential supplies.

**Figure 4: Definition of Different Types of Supplies**

- **Strategic supplies for children and women**
  - Supplies are essential to the development and survival of children and women.
  - Key supply activities include:
    - Supply capacity assessment
    - Supply market assessment
    - End-use feedback
      - Functional use
    - Innovation in supplies
    - New product development

- **Standard**
  - Listed as standard supplies in UNICEF catalogue and used in UNICEF-supported programmes
  - Approved suppliers and LTAs exist
  - Some supplies may be provided by a third party, e.g. IDA, rather than directly from the suppliers

- **Essential supplies for children and women**
  - Supplies are essential to the development and survival of children and women

- **Non-standard**
  - These are not part of the standard list of supplies; however, UNICEF should be able to access these through partners if required

- **Supporting supplies for UNICEF programmes**
  - Supplies used to support the delivery of UNICEF programmes
In order to make its supply function more efficient and effective, UNICEF needs to determine what is strategic, essential, standard and supporting for each of its main supply categories. UNICEF can then focus its resources on strategic supplies. UNICEF then needs to pursue partnerships where others can provide essential but non-standard supplies and where the provision of standard supporting supplies can be outsourced, preferably to another United Nations agency. For non-standard, non-essential supplies, UNICEF can pursue the further use of cash transfers to government where there is government capacity, provided adequate safeguards are in place. Using cash transfers for supplies requires a change of UNICEF policy.

**Figure 5 & 6: Procurement Segmentation & Benefits**

**Definitions for standard and non-standard agreed between Programme Division and Supply Division**
PARTNERS

Access expertise
- Provides access to best practices and skills
- Flexible and based upon needs
- Ability to pay as you use
- Reduces fixed cost of UNICEF
- Provides a consistent approach
- Provides quality assurance

Core to UNICEF
- Allows UNICEF to focus efforts
- Provides improved service delivery
- Utilizes specialist skills and expertise
- Strengthens comparative advantage
- Helps manage performance of partners

CASH TRANSFER

Build/use government systems
- Increases government capacity
- Develops local ownership
- Allows exit strategy
- Reduces cost to UNICEF

OUTSOURCED

Work with United Nations agencies
- Core to their mandate
- Utilizes skills and expertise
- Increases joint working
- Retains tax benefits & is not for profit
- Provides international coverage
- Reduces fixed costs of UNICEF
5 STRUCTURE AND ORGANIZATION OF UNICEF’s SUPPLY FUNCTION

5.1 Overview
The UNICEF supply function is spread across a dispersed network of offices, which includes a central Headquarters division, Supply Division, three Regional Supply Officers/Advisers based in UNICEF regional offices in Bangkok, Dakar and Nairobi, and a network of 157 country offices. The UNICEF supply function is strongly decentralized, with the staff reporting along local reporting lines to the local leadership team in each specific location, rather than to the Supply Division.

The responsibility for the elements of the supply function is widely spread amongst UNICEF programme and other managers. Oversight of UNICEF procurement rests with the Director of the Supply Division. There are approximately 600 supply-related staff employed across the network, of which approximately 40 per cent are within Supply Division. Of the remainder, the highest concentration of supply staff is found in South Asia and East and Southern Africa. This is a reflection of the high concentration of supply in certain countries.

5.1.1 Supply Division
Supply Division employs approximately 230 staff in Copenhagen and 15 in UNICEF Headquarters in New York. The Supply Division structure includes a system of checks and balances to ensure that results are balanced with compliance with the business rules. The aim of the Supply Division structure is to minimize the risk of malpractice or procurement fraud while ensuring timely and effective support to country programmes. Following the January 2006 restructuring, Supply Division Copenhagen is comprised of:

**Figure 7: Organigram of the Supply Division**

Director
Supply Division

Director’s Office
Deputy Director, Policy and Programmes (New York)
Deputy Director, Supply Chain Management
Emergency Coordination
Risk Assessment
Business Analysis & Statistics
Health Policy

Water, Sanitation & Education Centre
Water and sanitation
Education
Iraq coordination

HIV/AIDS & Health Centre
HIV/AIDS and malaria
Medical
Essential medicines & nutrition

Immunization Centre
Planning
Vaccines
Safe injection, cold chain & waste management

Warehouse & Logistics Centre
Plan and source
Warehouse and logistics
Shipping

Quality Assurance Centre
Supplier evaluation
Quality inspection
Bids registration
Processes and procedures

Country and Communication Support Centre
Capacity building
Communication
Country support

Procurement Services Centre

Contracting Centre
Policy and procedures
Outsourcing and project support (eg. transport, communication, equipment construction)

Human Resources Centre
Recruitment
Human Resources services
Staff development and training

Financial Management & Administration Centre
Administration
Budget and finance
Accounting and invoice certification
Procurement services accounting

Information Technology Centre
Technical support
Systems development and support
Help desk
The Director's office provides leadership and oversight of all Supply Division activities and the UNICEF supply function and includes:

- Emergency Coordination Unit – coordinates Supply Division response to country offices facing emergencies in liaison with the Office of Emergency Programmes.
- Risk Assessment Unit – assists Supply Division in evaluating and reporting on risks associated with all of its procurement and logistics functions.
- Business Analysis and Statistics Unit – reviews business processes and provides data and statistics on procurement in Supply Division and UNICEF.

The three Procurement Centres, the HIV/AIDS and Health Centre, the Immunization Centres, and the Water, Sanitation and Education Centres are responsible for the entire procurement process of selected commodities. This process includes the receipt and screening of requisitions, issuing purchase orders and expediting processes, as well as contracting, technical and customer service. A fourth Procurement Centre, the Warehouse and Logistics Centre, is responsible for screening and handling warehouse orders. The 25,000 square metre warehouse in Copenhagen is provided rent free by the Danish Government. The Supply Division warehouse holds 700 stock items, reduced in recent years from 1100 items. The division processes some 6,500 purchase orders yearly.

There are four Normative Centres to ensure that the norms and standards are followed:

- Contracting Centre – provides oversight of all procurement conducted within UNICEF.
- Quality Assurance Centre – responsible for setting and enforcing quality standards for both products and work processes.
- Country Communications Support Centre – provides support to regional and country offices through internal communications, capacity building, and analysis and policy development in supply-related issues.
- Procurement Services Centre – responsibilities include the coordination of cost estimates; monitoring the performance of Procurement Services orders; providing support to country offices for integrating Procurement Services into UNICEF-supported programmes; and disseminating Procurement Services information to external parties and regional and country offices.

There are three Support Centres:

- Financial Management and Administration Centre – responsible for the integrity of financial accounting.
- Human Resources Centre – responsible for recruitment and staff development.
- Information Technology Centre – responsible for providing the most efficient and effective use of IT resources and overseeing all Supply Division hardware and software.

The New York office of Supply Division is comprised of:

- The Deputy Director of Policy and Programmes – responsible for policy development and liaison with the Programme Division.
- New York Supply Centre – responsible for the procurement of IT, audio visual and satellite equipment and printed materials.

In addition to its core supply chain tasks, the Supply Division:

- supports national supply capacity in programme countries and in-country or local procurement;
- aims to provide a worldwide knowledge network on essential commodities for children;
- establishes long-term agreements (LTAs) with manufacturers to assure global availability of essential supplies for children;
- holds stocks for emergency preparedness and response;
- contributes to UNICEF resource mobilization and advocacy through alliances and partnerships with UNICEF national committees, governments, donors and suppliers;
trains UNICEF country and regional staff in procurement, supply and logistics; and
maintains oversight and is accountable for the strategic direction of UNICEF’s global
procurement and supply function.

Figure 8: Offshore / Direct Order / Country Office Expenditure on Supplies (2000 – 2005)

Of UNICEF’s total procurement in 2005, 74 per cent was managed by Supply Division, as shown in
Figure 8. The same figure shows that only two per cent of country/regional office procurement is by direct
order made against Supply Division-managed LTAs, a surprisingly small percentage and one which has
expanded only slightly over recent years.

5.1.2 Regional Offices
There are three regional supply posts based in Dakar, Bangkok and Nairobi regional offices
respectively. These posts are responsible for strengthening supply planning and providing oversight,
technical guidance and supply management to the regional and country offices within the region. The
posts vary in titles, reporting structure and core functional duties.

In Geneva, there is a team of six staff in the private sector division responsible for the procurement and
supply of greeting cards and branded products.

5.1.3 Country Offices
In the country offices, supply staff performs a combination of planning, local procurement and logistics
activities. The supply requirements for development programmes are determined at the local country
office level as part of the Country Programme Action Plan (CPAP) and the Annual Work Plan (AWP)
processes, which follow from the joint United Nations/United Nations Development Assistance Framework
(UNDAF).

16 The staff member in this post moved to the Programme Division during the evaluation and the post has not been re-advertised.
For humanitarian response, country offices identify their anticipated supply needs in their Emergency Preparedness and Response Plan developed using scenario planning. For large-scale international emergencies, Supply Division Copenhagen determines stock levels required to respond to emergencies of all forms, in consultation with the Office of Emergency Programmes.

UNICEF supplies a wide range of commodities sourced in many geographic locations. In 2005, UNICEF procured $1.137 billion worth of supplies, including $724 million for UNICEF-supported programmes and $414 million through the Procurement Services channel. It is not possible to further break down spend into development and humanitarian categories due to limitations in the systems used to classify the spend. All humanitarian spend needs to be manually identified as such in the ProMS system at the time of raising the requisition. This is not routinely performed and therefore the data is unreliable.

UNICEF supplies are far from evenly distributed. In 2005, more than 50 per cent of the country offices had a supply component of less than $1 million, amounting to only three per cent of supply expenditure, while the 10 country offices with the highest supply expenditure in 2005 had a combined supply spend of 57 per cent of the total supply expenditure. The Central and Eastern Europe/Commonwealth of Independent States and Latin America and Caribbean regions accounted for less than three per cent of supply spend in 2005. Most demand for supply is generated by Africa and South Asia\(^{17}\).

\(^{17}\) Correspondence from Office of Internal Audit.
6 SUPPLY FUNCTION PERFORMANCE ASSESSMENT

This section addresses the “efficiency, effectiveness and added-value of the supply function ‘business offering’ including Procurement Services, and the management, organization, capacity and resourcing of the UNICEF supply function at country, regional (including regional hubs) and Headquarters/Copenhagen levels”.

In assessing the efficiency and effectiveness of UNICEF’s supply function, UNICEF capabilities are compared to the leading practices largely found in private sector organizations. However, it should be noted that many public sector organizations have embraced leading supply chain practices and continue to improve their performance through the adoption of new concepts and the implementation of new technologies and IT supply chain solutions.

6.1 Evaluation Metrics

One of the key ways to assess a business process is to review the metrics that highlight the outputs and performance of those processes. In the case of UNICEF, we have analysed:

**Customer service**
- per cent of deliveries made on or before the agreed target arrival date
- order fill rate
- qualitative feedback provided through the customer survey comments

**Lead time analysis**
- process lead times, for example, from purchase requisition to invoice payment
- qualitative feedback from supply staff and customers

**Cost performance**
- total supply function staff costs
- performance metric, for example, procurement spend per staff member
- inventory analysis held across UNICEF’s supply chain
- freight expenditure as per cent of total supply spend
- time spent on activities by staff members

**Quality**
- processed quality complaints and returns
- qualitative feedback provided through the customer survey comments

**Compliance**
- procedural guidance
- focus on adherence to guidance and policy

**Additional analysis**
Reference should also be made to the full analysis contained in the Appendices of this report, specifically relating to country offices, Supply Division and the detailed analysis contained in the materials from the Paris Workshop on initial evaluation findings along with the results of the on-line surveys.
6.2 Supply Planning

6.2.1 Overview

This section examines the performance of the UNICEF supply function’s planning capability. Two broad areas of planning are considered.

**Figure 9: UNICEF Planning Process**

(i) **Strategic planning** Strategic planning is the process used at the country level to develop the country programme, including the identification of supply requirements to support the delivery of programme activities. A summary of UNICEF’s strategic planning process and some of the tools that underpin this process is shown in Figure 9.\(^\text{18}\)

(ii) **Operational and tactical planning** Operational and tactical planning is understood as the processes used to execute the agreed country office programme, and the supply-related components of the individual sector programmes.

\(^{18}\) From UNICEF’s Policy, Programming and Procedures Manual
6.2.2 Planning Capability Assessment

The evaluation team conducted a capability assessment of UNICEF’s planning activities performed in country offices, the results of which are shown and discussed below. The more detailed discussion draws upon the analysis performed and interviews conducted. Figure 10 shows average assessments of capability. The analysis reveals considerable disparity across offices due to the varied experience of staff, relative levels of investment and, crucially, the strength of management leadership in both strategic and operational planning.

With the exception of emergency planning, all planning capabilities were found to be in the lower half of the continuum, though the figure shows that there is an ambition to raise performance levels for all planning capabilities. The planning capability assessment also confirmed and correlated with the information received via the internal surveys and interviews that there was a need to raise the skill levels of UNICEF staff in supply planning.

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19 The capability assessments were conducted using standard Accenture tools for assessing elements of supply chain management. In this model, the client takes a view on ‘where we are now’ and ‘where do we need to be’ in terms of capability in each element shown. The evaluation team then checks the analysis to see if it fits with the office’s apparent performance and rechecks the scoring with the client where necessary. The assessment is therefore a self-assessment but moderated by the evaluators.
6.3 Strategic Planning

The development of the Country Programme Document and CPAP provide vital opportunities to assess the long-term supply needs of children in a country. When combined and compared with the top down global projections, the Country Programme Document assists in the identification of long-term supply requirements and supply capacity requirements to increase the access and affordability of essential supplies for women and children.

6.3.1 Strengths

Good progress has been made in several areas relating to strategic planning and to the way in which supply interfaces with and contributes to this process in recent years.

(i) At the macro level, UNDAF defines the relationship between UNICEF’s supply inputs, UNICEF’s programmes and wider, interagency and government efforts to achieve national targets. The recent emergence of UNDAF has provided a common United Nations tool for formalizing interagency coordination. At the level of macro planning, the supply contribution of UNICEF within this framework is well defined.

(ii) Internally, a series of standard tools, templates and processes have been developed and disseminated throughout the organization to support the strategic planning process. These tools, templates and processes are intended to support and improve the integration of the programme and supply components of planning at multiple levels (for example, informational and operational levels) for both the five-year and annual planning processes. These components include the CPAP; the Country Assessment of Essential Commodities (CAEC); and a series of business processes designed to support a more proactive, collaborative management of programme execution, with the GBook published by Supply Division providing excellent supporting guidance for planning.

(iii) In some countries and for some programmes, the supply component of the strategic planning process appears to be embedded in the wider programmatic planning process. For example, in Niger, where the planning of immunizations was a good example of internal best practice based upon the countries visited.

(iv) A cross-sector approach to programme and supply planning has started to emerge in some countries. Examples include the integration of WES and education in Malawi; the area-based approach to planning that is emerging in the Yemen; and the growing significance of the Integrated Basic Services Programme (e.g. in Niger). In such cases, there is a more collaborative approach to planning, and coordinating the supply elements of different sectors appears to be possible, which in turn appears to generate positive results on the ground.

(v) The multi-year CPAP allows for a longer term view of programme and supply requirements. The five-year plans help provide improved visibility of anticipated supply requirements, which allows strategic decisions to be taken on supply capacity and predictions to be made on what investments and changes may be required to deliver this capacity. However, there are no multi-year budgets to support CPAP, and so the AWP process is used to confirm the supply requirement each year.

6.3.2 Opportunities for Improvement

Despite this progress, planning remains weak. In the internal survey, only 22 per cent agreed that ‘our supply planning is accurate’. Programme staff were more positive (27 per cent), but only 18 per cent of supply and other operations staff agreed.

There is potential to improve the way and extent to which existing tools, processes and information are used. While UNICEF has already recognized many of the gaps and efficiency barriers and has also taken steps to address them, the low degree and consistency with which these have been implemented is driving existing inefficiencies.
In summary, there is limited integration between supply and programme in the planning process, whilst the processes themselves tend to be inconsistent, including in emergency planning. In many cases, existing tools are underused or not used, which in turn means the flow and visibility of information relating to planning at the country office level can be limited and inefficient. Resourcing constraints, both in relation to overall capacity and the skills base of the current planning resource base underpin many of these issues.

Specific issues identified by the evaluation team in relation to strategic planning include:

(i) **Limited integration between supply and programme and a consequent low supply input in the planning process.** The development of the CPAP is led by the Country Representative and the Senior Planning Officer. Proactive involvement from supply tends to be limited. At the macro level, the CAEC is seen as a UNICEF supply requirement and not an integral part of UNDAF; CAEC has not gained traction. The current plan to reissue the CAEC directive is unlikely to make a significant difference unless supply is regarded more seriously as a part of programme in practice and not just in theory.

(ii) **Lengthy and inconsistent internal strategic planning processes that do not always support sector needs.**

- Government planning cycles follow different periods, for example, the financial year runs from April to March. UNICEF programmes need to be aligned within these cycles.
- The planning process and calendar can be out of sync with some sectors (for example, education programmes operate on a September to August school year).
- Emergency planning at the country office level is inconsistent.

(iii) **Existing processes and tools do not successfully support the business needs they have been designed to address.** Critical elements of supply planning – such as long-term demand forecasting – are not included in the CPAP process, and there does not appear to be a means of standardizing the inclusion of these elements across programmes or countries.

(iv) **Inconsistent quality of supply inputs.** Demand planning was found to be more sophisticated in programmes with high volume and value products. For example, there is a detailed planning protocol for vaccines that incorporates statistical analysis and includes the input of multiple partners. This practice does not extend to other sectors such as WES and education, where the range of supplies used is much wider and the supply inputs are less well defined in the planning stages. In addition, there appears to be limited use of historical data (from within or across countries and programmes) when developing future demand plans. Demand forecast for supply requirements can also be ill defined.

(v) **Limited coordination at the macro level for emergency planning.** There is limited coordination among country offices, regional offices, Supply Division and other United Nations agencies in the emergency planning process. The actors involved have differing views on issues such as the number of concurrent emergencies to plan for, the size of these populations, the supplies required, the inventory management decisions and the locations for the storage of supplies.

(vi) **Under-use of existing planning tools and templates.** Programme and Supply Division have access to a series of strategic planning tools and templates that can be used throughout the planning process to support the development of integrated business plans. In many cases, however, these tools are not used, under used or misused. Importantly, the CAEC is not completed by all countries – only five countries have completed a CAEC. The value and benefit of CAEC is not widely understood; CAEC is seen as a ‘supply’ activity with a lack of real ownership at the programme level. CAEC is a demanding process placing considerable additional pressure on an already stretched capacity in the country office.

(vii) **UNICEF is not making the best use of the experience it already has.** While some regional and country offices have made good progress in supply planning, their experience is not generally being shared.
(viii) **ProMS planning functionality is not routinely used.** Many aspects of strategic planning are currently completed in applications outside the ProMS/Finance and Logistics System (FLS). This has resulted in isolated and disjointed pockets of information sitting in multiple systems across multiple locations and a lack of integration at the informational level, with business functions operating as ‘silos’.

(ix) **There is some disconnect between the CPAP and AWP.** The five-year CPAP does not seem to consistently drive the content of the AWP.

(x) **There is an absence of forecasting.** There are limited mechanisms for formal review and adjustment of plans throughout the year in a way that allows changes to be successfully managed. AWPs define supply needs based on best intentions with no re-forecasting through the year to allow changes in timing and volume of supply requirements to be identified.

(xi) **Inefficient information flows.** There is limited exchange of knowledge and information between country offices when developing programmes for the same sector. Country programme and supply specifications are largely developed in isolation within country offices. As there is limited reference to Programme Division or other countries when defining supply requirements, these requirements are not developed on the basis of past experience. There is also limited visibility of the CPAP outside the country office. The information that is available from the CPAP is not always rolled up to a regional or global level, and information held in ProMS cannot be seen outside the country office.

(xii) **Resourcing constraints and a lack of clear roles and responsibilities.** Countries can lack the specific skills required to complete supply and programme planning activities. In the absence of a dedicated Supply Planning Officer, planning is delegated to a range of different people without a clear understanding of who should be creating and reviewing the plans.

**Figure 11: Impact of Lack of Integrated Planning**

- **Top Down Forecasting**
  - Global Market Analysis & Research
  - Donor Focus and Priorities

- **Impact ability to set global strategy for:**
  - Product portfolio
  - Sourcing commodity strategies
  - Supply chain network
  - Future capabilities required
  - Future programmes

- **Long-term bottom up demand forecast for essential commodities**

- **Country Assessment of Essential Commodities for Children**

- **Limited Demand Forecast CPAP / MPO**

- **Without a forecast, it is more difficult to procure supply capacity**

- **Without a forecast, draw down by PGMs on supply capacity cannot be planned or measured – it becomes a make to order organization**
6.3.3 Opportunities for Improvement

In view of these observations, a series of opportunities for improvement emerge in relation to strategic planning. Figure 11 shows how elements of UNICEF structure should work together as well as the main weaknesses holding the system back.

To improve the efficiency and effectiveness of its strategic planning capability, UNICEF supply function needs to:

(i) **Simplify, shorten and standardize the internal strategic planning process across countries and programmes to generate a less cumbersome set of planning requirements.** Critically review the outputs of the planning process; ensure that the information produced is actually required and used by the recipients and if not, eliminate it from the process; and review the planning tools used. As ProMS does not support planning requirements, it should be replaced, and/or easy to use planning templates should be provided as an interim solution.

(ii) **Provide education on the importance and value of long-term planning** to country office teams.

(iii) **Develop and disseminate planning guidance** for strategic and essential commodities. Use the best practice principles and tools developed for the planning of vaccines and extend this to the other commodity groups.

(iv) **Improve the strategic planning process**

   - **Take measures to ensure the CAEC is completed.** For example, neither the five-year plans nor the AWPs should be signed-off on until the CAEC has been completed, and the Country Representative should be responsible for ensuring that it is completed; workshops can be held at the country office level to ensure an understanding of requirements; CAEC should be simplified and aligned with CPAP, AWP and Supply Plan; a central team to coordinate, promote and train on CAEC should be established, supported by regional teams. CAEC is resource-intensive and requires specific knowledge and expertise. Ensuring the right people are in the right place and are supported by an appropriate network will help ensure the successful completion of CAEC.

   - **Include supply in the development of CPAP** to assist in the identification of supply requirements and to address new supply challenges. The Supply Officer should participate in the process and help identify supply requirements within the programmes, use supply data from other programmes, obtain supply information from Procurement Centres, and use planning guidance from Supply Division.

   - **Better align AWPs with the direction set in CPAP and improve the quality of supply information included in AWP** (in terms of completeness, level of detail etc). The AWP should be reviewed in the context of CPAP to understand what variations and changes have taken place and to ensure that these changes are correct before the AWP is finalized. The CPAP forecast should then be revised to account for the changes.

(v) **Improve long-term demand forecasting** by: focusing on essential supplies and establishing more consistent top-down and bottom-up forecast models; avoiding forecasts for all supply requirements, such as supporting supplies; using historical data from in-country and similar programmes to develop the plan; identifying future anticipated requirements, indicating that they are not budgeted for but are likely requirements based upon known assumptions; including forecasts for Procurement Services items; ensuring all demand forecasts are made globally visible and are shared between country office and Supply Division.

(vi) **Develop and embed a more collaborative approach to supply planning internally.** Include the Supply Officer in the development of the CPAP; provide central support to develop CAEC as part of the CPAP; and develop sector-based planning templates for essential supplies.
Use meaningful planning horizons. For example, plan year one requirements in monthly time periods, year two and three in quarterly time periods, and years four and five in half-year time periods. This will help ensure greater short-term granularity in the plan, and allow individual office plans to be aggregated in a consolidated plan without making the planning process too onerous.

Define the level at which to plan. Provide planning guidance to define the level at which planning should take place. For example, planning for the first six months should be at supply item level, for the remainder of year one at sub category level, and for years two to five at the category level.

Establish a more rigorous quality review of the supply plans at their inception. This might include a review of the supply plan by Supply Division prior to finalizing the internal country office sign off.

Update forecasts throughout the year in a way that successfully incorporates and manages changes in priorities and timing. For example, updating forecasts on a monthly basis would facilitate improvements in lead times and service.

Develop a more collaborative approach to planning at the macro level for emergency operations. Establish a standard, strategic framework of cooperation agreement with sister agencies and partner organizations. Aspects of the UNDAF approach can be used to meet the specific demands of emergency relief planning, increase coordination, define roles and responsibilities, and identify supply requirements more clearly.

Develop and deliver training courses to support improved planning skills throughout the organization. Clarify where responsibility for strategic supply planning lies. The evaluation team feels that local programme and supply assistants should have planning skills and be familiar with the relevant supply tools and guidance materials. Provide education and training on planning and forecasting best practice, create best practice examples and templates, develop e-learning to communicate and share across all offices, and appoint Planning Super Users to provide feedback and support.

6.4 Operational and Tactical Planning

This section looks at the operational and tactical planning activities that are used to create AWPs and the processes followed to manage revisions to the AWP and supporting supply plans throughout the year. The planning capability analysis looked at all the planning capabilities and its key findings apply equally to both operational and tactical planning.

6.4.1 Strengths

As with strategic planning, a series of changes in recent years have started to drive improvements in operational and tactical planning. UNICEF’s Supply Division has tried hard to impress upon the country offices the need to improve supply planning in an effort to raise the visibility of supply requirements and facilitate an improved management of these requirements centrally.

Planning approaches have been standardized, and policy and guidelines have been developed and disseminated to support this standardization process. The Gbook provides relevant information and proven practices to follow. There are standard approaches for creating CPAP and AWPs, with guidance available for those completing the plans.

Government ownership of plans is increasing. In some countries, the government signs off on AWPs, a process that helps to ensure increased ownership for the plan.

The quality of the supply input within the AWP is increasing. In some countries, detailed supply components are clearly defined, which helps to improve the supply process.

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http://www.intranet.unicef.org/Policies/DHR.nsf/6203f70108e1e1685256720005e2bfe?OpenView
6.4.2 Opportunities for Improvement

Figure 12 below illustrates the mismatch between actual and forecast supplies for one region\textsuperscript{21}. Besides showing the significant variances, the graph also illustrates another typical pattern, the peak of orders in the last quarter of the year, which was not anticipated.

Figure 12: UNICEF ESARO – Actual Vs. Forecast Supply 2005

Despite the efforts of Supply Division to provide guidance and promote the need for improved operational and tactical planning, there still remain many opportunities to improve methods of working.

(i) **Adopt clearer accountability structures to define roles and responsibilities in a way that makes the value and quality of supply planning more visible throughout the organization.**

- There is a lack of clarity regarding the ownership of supply planning between programme and supply at all levels within country offices. This results in: (1) confusion around roles and responsibilities; (2) weak accountability frameworks; (3) a lack of prioritization of supply planning; (4) a ‘silo’ approach to planning activities between supply and programme; and (5) the consequent production of poor quality plans that fail to successfully integrate the supply and programme components.

- There is no clear supply plan performance or accountability framework to recognize and differentiate between good and poor quality supply plans. Consequently, there are few incentives that proactively encourage good supply planning, and there is a lack of clarity and visibility at the institutional level around what constitutes ‘best practice’.

- Supply planning is not valued and the potential benefits are not understood. Many programme staff do not understand the importance of good supply planning. The potential benefits – such as improved availability, faster lead times, reduced costs and an improved quality of supplies – are neither clearly articulated nor communicated throughout the business.

- Supply planning is performed as a one-off activity (if at all) and is not revised throughout the year. There is no systematic review and monitoring of supply plans throughout the year by programme and supply office.

\textsuperscript{21} As the ESARO demand and supply pattern is not especially different from other regions, the example is illustrative.
(ii) Focus on the essential, including strategic supplies, when preparing the supply plan.
- **There is a need to improve the supply planning of essential supplies.** An accurate supply plan for essential supplies should be emphasized, so that UNICEF can effectively manage on a global basis the supply chain for supplies that are sometimes not readily available.
- **Supply planning of supporting supplies is important but less critical.** Supporting supplies are of wide-ranging scope and are less easy to plan, so consideration should be given to planning at the sub-category level for all the supply requirements within a programme. Supply needs can be finalized closer to the point of need through the creation of a forecast for supplies. In some countries there is improved access to and availability of supporting supplies and so the advantages of shorter supply lead times can compensate for the late definition of supply needs.

(iii) Increase the time horizon of the supply plan beyond the current financial year.
- **A strong focus on budgetary controls restricts supply planning to the financial year.** UNICEF operates on annual budgeting cycles and has strong financial controls associated with funding and expenditure; the organization therefore only plans for supplies within the calendar year.
- **A constrained and short-term focus restricts all planning to within the year.** The plan is not extended beyond the end of the current calendar year and so does not provide adequate visibility of supply requirements as the year progresses and no visibility into the next calendar year.
- **Clear guidance is required to differentiate between planning and ordering supplies.** It should be clearly communicated that the supply plan is only a forecast of supply requirements and that the PGM is the commitment to order the actual supplies.

(iv) Improve alignment of the internal supply planning cycle with government and partner organizations at the programme level.
- **Supply planning does not always take into consideration the mid-October close off deadline for PGMs.** Therefore, due to internal financial controls, supplies need to be ordered before mid-October for use before the end of December and the start of the new year.
- **Annual budgeting cycle limits planning to one calendar year at a maximum.** We have also found that AWPs are signed late in the year, further shrinking the planning horizon.

(v) Develop a more knowledgeable and skilled resource base, better equipped to create high quality supply plans.
- **Supply plans are generally delegated to Programme Assistants to develop and do not receive adequate support.** Programme Assistants often lack the supply planning skills, expertise and understanding of how supply relates to the achievement of the programme goals.
- **There is limited supply planning education and training** to emphasize the importance and value of good planning to UNICEF (i.e. supply planning training tends to be viewed as analogous to ProMS training).

(vi) Ensure improved use of supply plans once they have been created.
- **Supply Division and country offices do not utilize the supply plans provided for all types of supplies.** Poorly detailed programme inputs and untimely submission diminishes the value of the supply plans.
- **There is limited consolidation of supply plans at the regional and global levels.** Thus, most planning activity is very transactional and short-term focused, limiting the opportunity for strategic analysis.
- **Supply plans are not routinely used to create other proactive work plans in the country office** such as LTAs, freight arrangements or other activities required to enable the achievement of the programme plans.
Utilize more appropriate planning and planning support tools, which are designed to better support business needs, and are used more widely throughout the organization.

- There is a lack of clarity on the purposes of different planning tools. The different purposes of the AWP and supply planning, for example, are not clearly understood.
- Available planning tools have limited functionality and relevant functionality is not fully utilized. Plans are generally compiled in other applications and subsequently entered into ProMS/FLS. This is a time consuming and inefficient process with a wide margin for error.
- Local and regional supplies are not included in the Supply Division catalogue. The Supply Division catalogue only provides a detailed supply repository for routinely sourced Copenhagen supplies to assist in the definition of supply requirements; there is limited visibility of lead-time and cost. There is no visibility of local and/or regionally available supplies in the catalogue.

6.5 Procurement

This section sets out the key evaluation findings in relation to procurement. One of UNICEF’s key strengths lies in its ability to procure supplies required for women and children on a global basis, leveraging a procurement capability with uniform, widely understood standards of ethical behaviour and the ability to meet the requirements of the strong internal audit controls.

6.5.1 Overview

In 2005, UNICEF’s expenditure on procurement-related activities totalled $1,137 billion. The breakdown of this total spend includes $917 million on essential supplies and $220 million on supporting supplies. This represents a significant value of spend, and one that has grown from $486 million in 2000 by more than 130 per cent as a result of increased demand for supplies.

Opportunities to perform in-country procurement vary markedly with each country, and the influencing factors include:

- the stage of development of the economy;
- the established supplier base;
- the availability of natural resources and raw materials; and
- the availability of a skilled workforce.

Figure 13: Combined Country Office Procurement Capability Analysis & Target Performance

Legend: ▲ Improvement Opportunities □ Current Assessment
6.5.2 Procurement Capability Assessment

The capability analysis for procurement shows a higher overall performance than for planning or logistics. Procurement was seen as the overall leading UNICEF supply capability and contract administration is the leading procurement capability as evidenced in the country offices by the emphasis and time spent on managing the local procurement activities, compliance with UNICEF policies and meeting the needs of the country office Contract Review Committee process.

The opportunity to negotiate prices, terms and conditions with suppliers is not normally used as part of procurement practices and so this scores poorly. This should be a focus area so that there is improved transparency of pricing arrangements and price comparisons for similar commodities in neighbouring countries.

Scores for market analysis were close across all locations suggesting a common approach and a defined approach and methodology. By contrast, the negotiation approach shows a variation across the full range of scores. UNICEF should try to understand this variation and to update and re-communicate the existing guidance and supplement it with training as required.

6.5.3 Strengths

UNICEF’s procurement function has a number of key strengths rooted in: (1) its global reach; (2) the size and composition of its staff resource base; and (3) the way in which product management is structured within the organization. These strengths combine in some country programmes, generating several benefits for UNICEF’s internal and external customers.

The 1200 responses from suppliers to the online survey indicate that relationship management with suppliers seems to be working well in many areas. Over 70 per cent agreed with the statement ‘Our working relationship with UNICEF is based on mutual trust, not just contractual obligations’. Suppliers were less satisfied with the feedback they receive on the quality of their supplies, and UNICEF’s demand forecasting scored poorly. Only 41 per cent of those with LTAs agreed that ‘UNICEF provides demand forecasts for the products it procures from us’.

Our summary views on UNICEF’s key strengths in relation to procurement are set out below.

(i) UNICEF’s procurement has a global reach. UNICEF is well positioned to achieve its objectives in relation to increasing access to and affordability of essential supply items, and generates several benefits for its internal and external customer base. In summary, UNICEF has:

- an ability to source in a well-defined strategic manner from global markets; UNICEF has a structured and defined approach for sourcing strategic supplies such as vaccines and Long-Lasting Treated Nets to ensure that all potential sources of supply are included in the supply market assessment;
- a comparative advantage in terms of setting up favourable LTAs with suppliers; UNICEF has preferred customer status;
- the capacity to ensure ongoing access and affordability in cases where demand exceeds supply capacity at the local level; by aggregating demand from country offices and leveraging global contracts, UNICEF can aggregate demand and exercise procurement strength across global markets, helping to make supplies accessible and affordable to countries that have small volume requirements (and would otherwise have to pay higher prices or be unable to buy the supplies);
- strong relationships with key global suppliers, facilitating efficient and effective ordering of supplies;
- a good understanding of the global supplier market place; UNICEF understands the buying requirements of commodities.

(ii) The use of human capital within the procurement function has become more efficient in recent years. Supply Division resources have remained relatively flat despite a significant
growth in the amount of spend managed, suggesting a more effective management of headcount and costs. Increased efficiency is in part driven by the knowledge and profile of staff – there appears to be a widespread understanding within the organization of the importance of procurement in the context of UNICEF’s mission – the effect of which is compounded by the evident dedication and motivation of procurement staff.

Table 1: Year on Year Resourcing vs. Level of Spend Managed (2000 – 2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>Supply Division staffing</th>
<th>Spend Managed ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>225</td>
<td>486</td>
</tr>
<tr>
<td>2001</td>
<td>214</td>
<td>581</td>
</tr>
<tr>
<td>2002</td>
<td>210</td>
<td>536</td>
</tr>
<tr>
<td>2003</td>
<td>229</td>
<td>692</td>
</tr>
<tr>
<td>2004</td>
<td>226</td>
<td>795</td>
</tr>
<tr>
<td>2005</td>
<td>233</td>
<td>1137</td>
</tr>
</tbody>
</table>

(iii) The growth in procurement services demonstrates external (and internal) confidence in UNICEF.

(iv) The procurement staff in Supply Division are organized by category group, which allows for a clear focus on and pooling of resources within specific product categories, helping to establish high levels of technical expertise, which country offices can access and which they value highly.

(v) UNICEF demonstrates a ‘socially responsible’ approach in its procurement activities. In evaluating where to source supplies, decisions balance the lowest cost supplier with sourcing in-country to create employment opportunities.

(vi) The GBook promotes the use of public sector procurement principles to ensure that UNICEF operates in an ethical manner.

6.5.4 Opportunities for Improvement

Despite these strengths, there exist several opportunities for improvement in procurement. The views of the evaluation team on the key areas for potential improvement are set out below.

(i) Procurement is organized on the basis of a centralized model. Most procurement decisions are taken on behalf of the countries with limited input from the countries, regions or other players, and are weighted towards what country offices see as a ‘paternalistic’ centre. There is limited regional procurement or outsourcing and very little collaboration and interaction between country offices or with other United Nations agencies. Currently, there is no international bidding or tendering in neighbouring markets for supplies, and all offshore procurements are managed through Copenhagen. Region-wide procurement is limited, which although not prohibited, is not common; requisitioning of supplies through other country offices is also allowed on an exception basis but the supply network is not set up to operate this way.

(ii) The procurement process tends to be rigid, transactional and focused on transparency and audits rather than being results driven, discouraging both flexibility and a focus on the customer and value for money.

(iii) There is a limited understanding of how to improve efficiency in the procurement processes. There is no systemized review of the local spend areas at the global or regional levels and no overall measurement and understanding of cost of local procurement at country office or global levels.

(iv) There is limited communication between actors involved in procurement, i.e. between those who buy, those who determine requirements, those who provide the funding, and those who use the supplies.
(v) There is limited collection and maintenance of supplier information, limited systematic supplier market analysis and a failure to maintain an updated and accessible global supplier database.

(vi) The programmatic inputs into the procurement process tend to be poor. In particular, the creation of timely and accurate supply plans, the generation and harmonization of specifications, and the early notification of issues / changes.

(vii) There tends to be a ‘one size fits all’ procurement solution. There is little segmentation of spend (e.g. emergency vs. routine) and strategies appropriate to these variations are lacking; there is still a heavy reliance on centrally procured supplies for emergency situations when there is an opportunity to proactively develop LTAs for in-country and regional suppliers for some supplies for emergency-prone countries.

(viii) Country offices lack a single, geographical focused point of contact within Supply Division. Focal points were abolished in January 2006; the internal survey showed that the previous arrangement was valued.

(ix) Ethics are mainly driven through procedures, but working practice does not always drive ethical behaviour. Limiting local procurement to a restricted local marketplace encourages supplier collusion. The predominantly paper-based process for local procurement does not guarantee compliance to guidelines and relies on the diligence of staff members to reinforce disciplines around local procurement. There is limited evidence of investment in technologies to support an increased compliance throughout the organization.

(x) There is a lack of emphasis on ‘value for money’. Outside of the ‘most favoured customer clause’, there is limited negotiation and a lack of a systematic requirement to ensure lowest prices.

(xi) There is limited systematic performance measurement and management in regards to the performance of the procurement organization and staff.

(xii) E-procurement and new technology-based tools are not used to obtain improved results from the procurement process. UNICEF has not embraced e-procurement and its current supply tools do not support high procurement performance.

(xiii) The potential of the United Nations reform process has not been fully grasped by UNICEF or other agencies. Although there are limited joint operations, there are further opportunities to consolidate procurement, integration and knowledge sharing, especially for ‘support’ supplies such as IT, office supplies, printing etc.

(xiv) There are limited professional procurement skills outside Copenhagen and New York. Procurement expertise in the field offices appears to be limited and there is no proactive allocation of procurement resources to growing supply centres – notably China, South-East Asia and India – to take advantage of the potential to source supplies in these markets.

(xv) The efficiency of local sourcing low value, low volume items in-country can be increased by not including supporting supplies in UNICEF programmes; promoting government procurement supported by cash transfers; outsourcing supply of supporting supplies; using improved tools such as e-procurement; and increasing the use of LTAs to reduce multiple bidding activities (there are few local country office LTAs apart from those in India).

(xvi) Local procurement is a slow process with a long lead time. Committee review processes impose delays. The common use of physical bid boxes further extends the lead time, which could be reduced by the use of e-procurement.

(xvii) Local procurement efficiency is low. On average, each country procurement officer managed $1.345 million a year of spend, whereas in Supply Division this was $8.715 million a year – almost 6.5 times greater.
(xviii) There is no sharing of specifications for supplies between country offices, leading to a duplication of work across offices for the procurement of common items such as school furniture.

(xix) Balancing the sustainable and development aspects of supporting local suppliers with the business need to procure from the lowest cost supplier presents a challenge.

(xx) There is limited category management of the total range of supplies and services procured by UNICEF.

(xxi) There is no segmented approach to manage all procurement activities across UNICEF. Strategic, essential and supporting supplies are largely treated in the same manner.

(xxii) There is no effective management of the number and range of supplies that are purchased. There are too many suppliers to manage and simultaneously focus on quality improvements, innovation and cost reduction.

(xxiii) There is no understanding of the total cost to perform procurement across UNICEF. This includes staff, staff-related costs, IT data management of supplier and supply, supply office and Supply Division time spent on procurement activities, Contract Review Committee meeting preparation and attendance, and oversight activities.

(xxiv) There are no Memoranda of Understanding (MoUs) and LTAs in place with NGOs and other actors to support the delivery of services. Each time an NGO is engaged and contracted to support the delivery of a programme, a Project Cooperation Agreement or a Special Services Agreement is developed, which extends lead time and duplicates effort that could be eliminated by developing MoUs and LTAs with NGOs at global and/or regional levels.

( xxv ) UNICEF should consider the creation of UNICEF Regional Procurement Centres to source more items in the region and from neighbouring countries. The decision of

Figure 14: Aligning the Organization with Category Requirements

<table>
<thead>
<tr>
<th>Commonality of business requirements</th>
<th>Country</th>
<th>Regional</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location Specific</td>
<td>Printing</td>
<td>Water and Sanitation</td>
<td>Pharmaceuticals</td>
</tr>
<tr>
<td>Location Similar</td>
<td>Education Supplies</td>
<td>Transport</td>
<td>Cold Chain Equipment</td>
</tr>
<tr>
<td>Location Common</td>
<td>Nutrition</td>
<td>Household Technology</td>
<td>Medical Renewable</td>
</tr>
</tbody>
</table>

Supplier Geographic Scope
where to purchase supplies is also influenced by the supply scope of the supplier and the specificity of the supplies to any one county or region. These factors can be used to determine the best location for the purchase of items (logistics constraints notwithstanding). The World Food Programme’s (WFP) Fast IT & Telecoms Emergency & Support Team, which procures and handles data communication, telecom and electricity for WFP and also on request for NGOs, is based in Dubai; the United Nations Humanitarian Response Depot (UNHRD) is also ramping up its Dubai location and the office has started procuring and storing office supplies (furniture, vehicles, technical), tents and cooking utensils.

6.6 Logistics

6.6.1 Overview

This section looks at the logistic activities within country offices and also the interactions with Supply Division, freight forwarding companies and suppliers. The in-country activities, including the transportation and warehousing activities used to monitor the movement of supplies from the order creation through to arrival at the point of need, are also considered.

6.6.2 Logistics Capability Assessment

We found in-country logistics activities to be performed by UNICEF in seven of the eight country offices visited. In all countries, UNICEF has a shared accountability with the government to ensure that the supplies are provided to the end user, either through the government systems and/or by UNICEF.

The logistics capability assessment shows that customs clearance and track and trace are the leading logistics capabilities within UNICEF. Given that most strategic supplies are provided through Supply Division and are imported into the country, these are two key activities in which the country offices must be competent in order to effectively monitor and manage the receipt of supplies.

Figure 15: Combined Country Office Logistics Capability Analysis & Target

There was some inconsistency in the responses to the internal survey on the subject of tracking supplies. Over 50 per cent of supply and logistics staff agreed that ‘We work with partners to carefully track supplies to the point of end use’, yet when staff were asked what UNICEF most needed to do to improve its supply performance, supply tracking was the most cited area.
The lower lying capability areas of Total Cost to Serve, Inventory Management and Monitoring & Evaluation reflect the practices and behaviours experienced in the countries visited, where we found that these were not seen as priority areas of focus. There was a wide range of capabilities across the eight country offices, varying from zero up.

Some of the logistics capabilities, such as Cost to Serve and Performance Management, are holistic (i.e. global) processes with measures of supply chain performance that extend across multiple locations and may require both country office and Supply Division tasks to perform the process. That said, country offices with major supply components should have skilled and competent staff who understand how supply chain lead time, quality and cost performance impact the country programme and who are able to influence and improve the supply situation. Poor delivery performance is often the result of other supply chain issues at the country office level (as discussed elsewhere), such as poor forecasting of supply requirements, poor initial supply specification, delays in transit from sea port to land locked countries, customs clearance at country of destination, and unrealistic target arrival dates so delivery performance looks poor.

Irrespective of the channel through which the supplies are provided, there must be a good understanding of logistics capabilities so that technical assistance in the form of capacity building can be provided to the government to help them improve their own operations where UNICEF is not performing this work.

6.6.3 Inventory Management

Supply inventory is used to buffer against uncertainty in supply arising from the need for rapid response in emergencies; disrupted supply chains due to internal factors (un-forecasted demand, delays in requisitioning, purchasing, order picking, shipping and transportation), or external factors (supplier performance, batch size, lead time and/or quality issues).

6.6.3.1 Strengths

- The Copenhagen warehouse is a modern facility managing the majority of the supply throughput. It managed over $80 million worth of supply throughput in 2005 and maintained an average stock worth $26 million. The centre screened and coordinated in-kind donations worth $30 million and managed global freight activities valued at $65 million.
- The Copenhagen warehouse is operating as a profit centre as it has recovered its overheads. The warehouse and logistics team use a differentiated handling fee for all work completed and based on 2005 figures (support budget for running the facilities is $3.6 million against an overhead recovery of $6.4 million), there may be an opportunity to reduce the handling fees charged from 2007 onwards if this continues to be the case.
- Warehouse facilities in Dubai and Panama are used to hold some supplies required for emergency situations. These are both externally managed and operated facilities that provide additional capacity to the network.
- There is a plan to use the new United Nations warehouse facility under construction in Sabang (Malaysia) to form part of the emergency response network.

6.6.3.2 Opportunities for Improvement

(i) There is no systematic classification and management of standard stock items. Currently, the warehouse and logistics team make an annual assessment based on the volume of throughput.

(ii) The range of supplies has very different demand patterns that are not appropriately planned for under the current system. Different approaches are needed for planning and investing in predictable and unpredictable supply items. The latter involves a much higher level of risk of either customer service failure (too short of stock) or write offs/high working capital costs (too much stock).

(iii) There is a considerable tail to the supply portfolio for the warehouse inventory.
6.6.4 In-country Stock Holding

The UNICEF basic cooperation agreement states that UNICEF transfers ownership and management of supplies to the government at the point of entry. We found that in seven of the eight country offices that we visited as part of the evaluation, UNICEF holds stocks of some supplies in-country.

6.6.4.1 Strengths

- **UNICEF uses situational analysis to understand government capacity to store supplies in the appropriate storage conditions.** Where there was no, or limited capacity, UNICEF was found to perform this service on behalf of government.
- **In-country warehousing is limited to a subset of UNICEF supplies.** UNICEF in-country facilities were mainly simple in nature and for the large part held only ambient materials that did not require specialist storage conditions. Facilities were enhanced to meet the storage conditions and requirements for pharmaceutical supplies.
- **UNICEF has a good understanding of the specific storage requirements for supplies.** Cold chain equipment, temperature and humidity controlled locations for storage of vaccines and pharmaceuticals were found to be well understood.
- **Stock holding is used to mitigate against supply delays arising from transportation and/or customs, which can be significant especially in land locked countries or those with limited access by sea port.**
- **Stock holding is used tactically to build stocks of supplies to support campaigns and programme activities.** Receiving supplies ahead of a programme campaign protects the programme schedule and maintains UNICEF’s credibility with governments and counterparts.
- **Consolidation of supplies supports programme needs.** Where supplies are provided by several suppliers, local arrangements are made in-country to consolidate supplies into kits or transport loads before providing the supplies to counterparts.

6.6.4.2 Opportunities for Improvement

(i) **UNICEF has been reluctant to address the issue of in-country inventory.** The working assumption that inventory is being held on behalf of governments may be appropriate from a financial management perspective but inventory systems may have to be changed significantly to ensure that in-country stocks are properly managed whoever the ‘owner’ is. Under the principle of ‘joint accountability’, supplies handed to government cannot simply disappear from UNICEF monitoring systems.

(ii) **The majority of stock held is not visible or optimally managed and there is no on-going global coordination of inventory management.** $26 million of stock is visible and well managed within Copenhagen and the hubs but the total stock within the UNICEF supply chain is estimated to exceed $70 million. As illustrated below, Supply Division figures show that some 61 per cent of total inventory is held at the country level:

<table>
<thead>
<tr>
<th>Table 2: Inventory Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supply Division</strong></td>
</tr>
<tr>
<td>Inventory Days</td>
</tr>
<tr>
<td>Average Inventory Value</td>
</tr>
</tbody>
</table>

(iii) **Pre-positioned and buffer inventory is done largely in isolation by each country office.** Each country office determines what stocks are held in each country; there is no system to record supply inventory across the UNICEF supply network.

(iv) **In-country logistics management and operations within UNICEF are uncoordinated.** In-country logistics management is not part of the basic cooperation agreement and is
performed on an exception basis. However, there is no guidance and coordination provided on how to support this work and no requirement for the country office to justify this activity.

(v) **In-country logistics assessment is not completed as part of the CAEC.** It is only by the due diligence of the local staff that this activity is performed. UNICEF guidance should be revised to ensure that a review of the supply systems is produced as part of the CAEC.

(vi) **Little money has been invested into developing and managing in-country logistics staff, processes and technology.**

(vii) **There appears to be a shortage of professional logisticians at a Headquarters, regional and country office level.** Most of the staff performing logistics work were from other supply capability areas and did not have the relevant experience or the appropriate training.

(viii) **The logistian career model is unclear.** Logistician roles should be established as a distinct competency within the supply competency framework with defined levels of performance and essential skills, and with a learning curriculum.

(ix) **There is limited sharing of learning and knowledge between the UNICEF in-country logistic operations.** In common with other supply activities, we found limited knowledge sharing between locations and no formalized mechanism for knowledge sharing and promoting internal best practice.

### 6.6.5 Logistics and Warehouse Technology

The Copenhagen warehouse is enabled by the SAP Enterprise Resource Planning (ERP) system, including warehouse management functionality, and is fully integrated with the procurement and order management modules of the SAP suite. Radio frequency scanning devices are used to manage the movement of materials within the warehouse. Electronic Data Interchange (EDI) was recently implemented, which allows UNICEF to electronically share information held in SAP with some of its key suppliers to improve the management of the supply chain.

#### 6.6.5.1 Strengths

(i) **The Copenhagen warehouse is an advanced facility** with many investments in IT systems that support its efficient operation.

(ii) **UNICEF recognizes the need to implement a simple warehouse management system** to support in-country warehouse operations and has opted to use UNITRACK as a standalone software solution that is relatively easy to deploy and at low cost. In Ethiopia, a team of skilled logisticians in supply and programme worked together to drive down the inventory from $11 million in April to $6 million in September 2006. Management focus, monthly reporting of warehouse inventory and the use of the UNITRACK system all combined to provide a significant improvement in inventory levels without a negative impact on programme activities.

(iii) **The UNITRACK system has several advantages over the alternative of manual bin records and spreadsheets.** UNITRACK is more robust and secure, and there is additional functionality in UNITRACK that is not available in spreadsheets.

(iv) **Following the UNITRACK pilot implementations, there is a plan to roll out UNITRACK to all locations that require this solution.**

#### 6.6.5.2 Opportunities for Improvement

The situation in Copenhagen contrasts markedly with the systems used to support operations in the country offices. Key areas for potential improvement are set out below.

(i) **The existing supply systems do not fully support country operations.** Assuming a successful review of the pilot, there should be a rapid deployment of UNITRACK to all country offices performing in-country logistics.
(ii) Each country office warehouse should be created in the SAP ERP system. The total stock value and quantity of each country office warehouse should be visible so that a single global view of supply inventory is available; storage location and warehouse management functionality is not required.

(iii) UNITRACK has several limitations:
- lack of integration with ProMS so all data entry is manual with no automated updates to/from ProMS;
- key data fields are missing from the pilot (for example, weight, volume, stock expiry date); and
- there is no multi-warehouse functionality or ability to roll-up UNITRACK stock reports across multiple locations to form a regional or global view of inventory.

(iv) Non-standard systems developed and used by individuals should be replaced by UNITRACK or an equivalent system. All manual and spreadsheet systems that are used to manage in-country logistics, warehouse stock levels and expiry date of products, should be dispensed with after implementation of UNITRACK or an equivalent system.

(v) A simple bar code scanning technology should be implemented with UNITRACK to improve the efficiency of warehouse management processes.

(vi) UNITRACK should be considered a core part of the emergency toolkit. Humanitarian response requires a rapidly deployable warehouse management application to support the efficient operation of a temporary warehouse.

(vii) Inventory systems should be used to determine supply requirements. In some cases, the in-country inventory is not well managed with responsibility falling between programme and supply. For example, we found that in Kenya there was stock in the warehouse dating back to 1998 and also a recent write-off for 192 boxes of TT vaccines that arrived by air on August 2005 and expired in August 2006. The distribution of stock items shown in Figure 16 points to a lack of controls and action to monitor the situation and to value the stock.

**Figure 16: Kenya In-country Inventory Held in Warehouse**

![Figure 16](image-url)
6.6.6 International Freight

6.6.6.1 Strengths

Significant progress has been made in the last few years in managing international freight with the establishment of three global freight forward LTAs, which have provided a platform for other operational improvements.

(i) **UNICEF is well regarded by the freight forwarders in comparison to other United Nations agencies.** For example, UNAIDS still manually tenders out each container of shipments.

(ii) **The use of LTAs has improved and simplified the pricing arrangements** for all shipments, reducing the need to tender each shipment.

(iii) **The LTAs have brought reduced rates and a guaranteed level of service,** especially important for emergency shipments.

(iv) **Working with the three freight forwarders as partners has facilitated the implementation of integrated systems between them and UNICEF.**

   - EDI has been used to integrate the UNICEF and freight forwarders supply systems to electronically share information on supplier delivery and UNICEF despatches and shipments.
   - The freight forwarder’s track and trace systems have been utilized by country offices to track UNICEF supply shipments via the web. This provides improved visibility of shipments to the country offices and allows local activities to be planned to reduce demurrage charges and local transport costs.

(v) **The freight forwarders have made investments in UNICEF** by creating local offices in countries where UNICEF requires additional support, reducing the need to utilize more suppliers.

6.6.6.2 Opportunities for Improvement

(i) **UNICEF does not fully exploit the entire range of potential IT-related logistics services now available.** Private companies with significant freight requirements hire freight forwarders for the IT solutions they provide rather than for global freight rates (which their volume will secure anyway). This enables organizations to proactively manage arrival dates and produce customized reports to monitor and drive improvement.

(ii) **UNICEF is still a predominantly paper-based organization.** Each PGM and invoice is, for example, printed and physically managed and stored. This is both inefficient and prone to error. Besides the environmental implications, this is at odds with many other organizations that run a paperless office (for example, Kuehne and Nagel, one of the largest freight forwarders, manage all their private customers using electronic interchanges of data).

(iii) **UNICEF’s IT systems are many years behind the market** (though still better than those of some other United Nations agencies).

(iv) **Available information is under-utilized.** Freight forwarders have a significant amount of information that UNICEF could draw upon to generate their reports (government receipt reports, donor statistics, electronic invoicing and payment) and obtain more real time updates (deviation reports, real time key performance indicators). However, using this data will require two-way electronic communication between UNICEF and the freight forwarders; much of the current communication is one way and paper-based.

(v) **The freight estimation process for PGMs remains predominantly a guestimate based on 30 per cent for air freight and 15 per cent for sea.** This continues to be risky in that when freight exceeds the budget (which is more likely in the ordering of non-standard items) the freight forwarder has to go back to the country office to ensure that there is adequate
budget, thus adding to the lead time. However, all the information required to provide an item level accurate freight forecast is available for most items (especially all the standard items) but the lack of integrated information management systems leads to inefficient work processes.

(vi) **The freight forwarder’s track and trace necessitates the use of three different systems.** From a country office perspective, whilst the track and trace information is available, the fact that the information is spread over three separate websites alongside the UNICEF systems makes it difficult for the country office teams to use the information.

(vii) **Some of the processes are high risk and open to error.** For example, they rely on the country office to send a PDF version of the purchase order to the freight forwarder.

(viii) **There is an overly generous allowance of 14 days to pick up goods.** This can cause significant bottlenecks at the suppliers, for example, in Vestergaard Fransen.

(ix) **At times, expensive air freight has been used to cover up poor planning.** For example, syringes were air freighted to Nigeria at a cost of $185,000 when sending the shipment by sea would have cost $15,000 and taken only three weeks.

### 6.6.7 In-country Logistics

This section of the report looks at the movement of supplies from when they are received in-country to when they reach the point of need. Questions relating to both internal and external challenges are outlined below.

**External Challenges**

- **Counterpart commitment** Is the counterpart truly committed to building capacity or happy for UNICEF to do it for free? By undertaking the role, does UNICEF release external pressure on the government to improve its distribution capacity?

- **Industry structure** What in-country private sector organizations are able to provide supply chain solutions? How are other United Nations agencies and NGOs approaching the in-country logistics challenge?

**Internal Challenges**

- **Strategy** What leadership direction is available to country offices that face the in-country logistics challenge? What are the regional and political nuisances that UNICEF’s strategy needs to accommodate?

- **Capability** Does UNICEF have the necessary logistic, contract and project management skill set? What experience does UNICEF have in successfully delivering logistic solutions? What business processes / technology does UNICEF have to support the implementation?

- **Partners** What United Nations, NGO or private sector partners does UNICEF have?

#### 6.6.7.1 Strengths

- **UNICEF operates beyond its obligations in the cooperation agreement** to ensure that supplies are received and used at the point of need within country. In some countries, UNICEF appears to make a significant investment in in-country logistics, which comes predominantly from programme budgets within the country office.

- **UNICEF recognizes that its obligations are only partially met when supplies arrive in-country.** UNICEF works to ensure that the in-country supply systems are operating effectively so supplies can reach the point of need; where required, UNICEF mobilizes the resources and skills of local actors to assist government in ensuring that supplies arrive at the point of need on time and in good condition.
6.6.7.2 Opportunities for Improvement

There are several significant challenges in this area:

(i) **UNICEF’s current ‘one size fits all’ policy does not reflect reality.** UNICEF has helped ensure that supplies are delivered but has done so ‘under the radar’. The lack of government capacity in this area is not formally recognized and articulated.

(ii) **In-country logistics is not appropriately recognized or funded.**

(iii) **Lack of clarity in relation to capacity building means that UNICEF and government expectations may not match** (as we found Malawi).

(iv) **Lack of an appropriate skill set.** From what we have seen, UNICEF staff running logistics operations are procurement staff rather than logisticians.

6.7 Supply Monitoring

This section looks at the monitoring of supplies at the point of need and end-user feedback about the form, function and life of the supplies’ serviceable nature (but not output or outcome assessment – see Supplies Impact section below).

6.7.1 Overview

UNICEF has joint accountability with government to ensure that supplies reach the point of need. As the UNICEF Basic Cooperation Agreement states that supplies should be transferred to the government at point of entry, UNICEF must rely on the information provided through the government systems to ensure that supplies are being distributed and used as intended.

External Challenges

- **Government supply information systems** Do governments have the capability and systems to provide accurate warehousing and distribution information on all supplies received, locations delivered to and quantities delivered?

- **Identification of UNICEF programme supplies** Does the government have the ability to distinguish between UNICEF-provided supplies and those purchased by the government or provided by other donors?

- **Identification of UNICEF Procurement Services supplies** Should the monitoring of supplies provided by Procurement Service be conducted in the same way? Should this be a contractual requirement included in the UNICEF Procurement Services agreements with country offices?

- **Industry structure** Is there a country-based solution required for all development partners to obtain similar information and can sector-wide solutions be developed to support the common need? How are other United Nations agencies and NGOs monitoring the use of supplies?

- **Government’s commitment to share this information** Is the government truly committed to providing this information for free to UNICEF and other donors?

- **External requirement to increase transparency on development results** What external pressure is there on the government to improve its accountability for distribution and use of supplies and the outcomes created by these supplies?

Internal Challenges

- **Internal responsibilities within UNICEF** Who is responsible internally within the UNICEF country offices to monitor the use of UNICEF-provided supplies within the intended programmes?
- **Sharing information within UNICEF**: How is this information shared outside of the country office and who needs to know this data? What are the common information requirements about the use of supplies and are the existing processes and systems fulfilling the organization needs?

- **UNICEF’s reporting requirements to donors**: What level of reporting is required from UNICEF to demonstrate how donors’ funds have been spent and on what supplies, which locations the supplies have been delivered to and the outputs and outcomes of the results achieved by UNICEF programmes?

### 6.7.2 Strengths

- Some governments have information systems that provide data on the distribution of supplies, and share this supply information with UNICEF.

- **UNICEF field reports are used to record receipt of supplies**, and additional information, such as vaccine records, also provides evidence that supplies have been received and used.

- **ProMS has the ability to hold field-based supply data** to assist in reporting.

- **UNICEF visits to government warehouses** are used to check on supplies.

- **Implementation of UNITRACK** has helped to monitor whether supplies are reaching the point of need.

- In humanitarian situations, UNICEF distributes the supplies directly to the point of need and is therefore aware that supplies have reached the communities.

- **There are established mechanisms for capturing feedback on the quality of supplies;** end-user feedback on performance, ease of use, cultural acceptance of the supplies provided etc., are defined.

- **There are procedures to monitor the use and life of supplies.** This information helps in the innovation of supplies and also helps improve communication materials provided to the end users to increase the benefit obtained from supplies.

### 6.7.3 Opportunities for Improvement

UNICEF has an established mechanism to obtain confirmation that supplies are reaching the point of need; often this information is provided to UNICEF by government. It is therefore key that the integrity of the data provided can be relied upon and that the information received can be retained and analysed in a systematic way within UNICEF to support reporting requirements. The evaluation team suggests that consideration should be given to the following areas to improve working practices:

(i) **Re-state the need to perform delivery monitoring and make the Senior Programme Officer accountable.** Currently, there is confusion over the responsibilities of programme and supply staff; as a result, there is sometimes no combined approach to gathering this data.

(ii) **All UNICEF programmes should define the monitoring data and end-user feedback data required and its frequency (e.g. quarterly reporting cycle) in agreement with government,** ensuring that this data can later support impact assessment.

(iii) **Encourage more supply discussions between UNICEF and government.** We found that most of the interactions with the government were through Programme and that there was little interaction that included Supply Officers; such interactions would help build trusted relationships and create a mechanism to review supply performance and share supply data and information.

(iv) **Use UNICEF supply data as a basis of determining the supplies provided.** As ProMS holds information on the supplies purchased for programmes, this should be used as a
starting point and as the basis to confirm whether specific supplies have been received and used when performing field visits.

(v) **Confirm the UNICEF repository and data structure where this data should be stored.** Reconfirm the use of ProMS as the repository for storage of data, such as the Programme Report, with attached field reports and spreadsheets etc. so institutional memory and retrieval can be improved.

(vi) **Confirm that the country office M&E lead is responsible for obtaining this data and storing it in UNICEF repository.**

(vii) **Discuss with in-country counterparts how to coordinate this for all programmes.**

(viii) **Create a system and target evaluation of supplies in the field so that end-user feedback information can be obtained,** looking at essential supplies provided by all actors, not just those supplied through UNICEF.

### 6.8 Supply Capacity Building

This section of the report looks at the supply-related capacity building action that UNICEF performs.

#### 6.8.1 Overview

UNICEF has a responsibility to perform capacity building activities to strengthen government capabilities and to allow UNICEF to develop an exit strategy for each country. The internal survey showed that UNICEF staff is not optimistic about counterpart capacity. On counterpart authorities’ capacity in monitoring end use of supplies, supply planning, procurement, logistics, warehousing, and customs clearance, there was at best a 21 per cent agreement with their being highly effective. This represents a significant constraint and confirms the need for capacity building in all areas, while bearing in mind that some countries already have strong supply and logistics capability.

**External Challenges**

- Some governments are not accepting responsibility for supply activities.
- Finding resources for establishing and operating government supply systems until government is ready to take over.
- Lack of government capacity to perform the work especially during or after a crisis.
- Understanding the respective roles of United Nations agencies and development organizations in leading and supporting this work.

**Internal Challenges**

- Clarifying UNICEF’s role in capacity building and its level of priority.
- Understanding UNICEF’s core capability and comparative advantage in supply capacity building activities.
- Clarifying leadership for building government and/or partner capacity.
- Ascertaining the UNICEF skill base and determining country office needs.
- Identifying capacity building activities to include in CPAPs and AWPs.
- Managing the transition to government ownership and operations.

#### 6.8.2 Strengths

UNICEF staff members contribute to capacity building through their day to day actions. The evaluation team found that UNICEF also provides technical assistance to government on a more formalized basis in defined projects and programmes. The evaluation team found that UNICEF:

- has the experience in developing countries to know what supply systems are required;
- has experience and knowledge from various countries, which is viewed positively by governments;
- is seen as pragmatic and able to propose solutions that are culturally acceptable;
- provides technical assistance that is welcomed;
- has practical experience operating supply systems;
- understands supply needs for strategic and essential supplies for women and children;
- understands public procurement principles and operates in accordance with these practices; and
- is seen not to have hidden motives for recommending capacity building activities to governments.

### 6.8.3 Opportunities for Improvement

If UNICEF is to engage in meaningful capacity building efforts with governments, each country will need to assess the drivers of supply for essential commodities (preferably done by both government and the United Nations Country Team). The analysis can then be mapped, for example as in Figure 17, and tracked over time. This includes understanding the capacities and vulnerabilities of supply in that country.

#### Figure 17: Drivers of Supply

Looking just at government capacity (the vertical axis), the United Nations can then adapt its approach to this capacity. The evaluation team’s visits to Niger, Ethiopia and Viet Nam provided three examples of governments with different levels of capability as illustrated in Figure 18 below. The figure highlights the different approaches needed in the different situations. The United Nations Country Team needs the joint capacity to assess with government and with International Financial Institutions, where appropriate, how capacity gaps can be closed.
Niger
- Government significantly lacks capacity
- Underdeveloped 3rd party logistics market – few private sector players
- No roadmap to build or improve existing capacity
- Large emergency in-country logistics needed

Ethiopia
- Counterpart does not have capacity to store supplies upon arrival in country and manage in-country distribution
- Need for improved in-country logistics capability has been recognized by the government and roadmap developed for the health sector
- Maturing 3rd party private logistics market – local and international private sector players exist

Viet Nam
- UNICEF is able to transfer ownership of goods to the counterpart at the port of entry
During the country office visits, we observed how different UNICEF offices approached the in-country logistics challenge. The varying capacity of governments requires solutions tailored to national capacity, as illustrated.

UNICEF also has a role to play in stimulating research and development and in working with entrepreneurs, technologists and manufactures to ensure that the volume of production meets demand. Figure 20 illustrates this point. Where there is adequate production capacity, UNICEF’s job shifts to availability and affordability of essential supplies at local and global levels. For example, there is a need to support the plumpynut factory in Ethiopia to help bring innovations in the type of packaging used. This is the responsibility of the procurement organization’s Category Manager/Lead Buyer.

Steps to enhance UNICEF capacity building are set out below.

(i) Include supply capacity building activities as a formal part of the design of country programmes, and plan and budget for these activities accordingly.

(ii) Define the full set of UNICEF supply capacity building requirements of government and compare with current UNICEF support capabilities.

(iii) Ensure that UNICEF’s supply capacity building activities menu of offerings is in line with UNICEF capabilities.

(iv) Agree upon the areas of leadership in supply capacity building of other United Nations agencies (UNDP, IAPSO, WFP etc) and agree upon each agency’s contribution.

(v) Identify partners with capacity to support the delivery of capacity building activities. Develop MoUs and LTAs with these partners for their services.

(vi) Ensure that Country Representatives lead capacity building discussions with governments.

(vii) Formalize all supply capacity building activities within CPAP and AWPs; agree upon an exit strategy and criteria at the programme definition phase.

(viii) Formalize reporting measures to report on the progress of capacity building activities.

(ix) Create a supply capacity building unit in Supply Division to support all country office supply capacity building programmes; create a consolidated plan of all country office programmes to effectively plan and manage resource requirements to support programmes.

(x) Identify UNICEF staff with the ‘must have’ skills to lead and support these activities.
6.9 Supply Function Performance Measurement and Management

6.9.1 Strengths

Of the $1.13 billion supplies provided in 2005, approximately 80 per cent by value were distributed to more than 100 of 157 UNICEF country offices. UNICEF has a global supply chain network and has the ability to monitor and manage supply performance at all points in the network.

(i) **Supply Division uses a scorecard to manage supply performance**, connecting Supply Division activities to MTSP and UNICEF goals using key indicators.

(ii) **Supply Division can produce a variety of management and operational reports of supply performance** through the SAP ERP systems and the COGNOS management reporting tool.

(iii) **Country offices have operational measures to monitor local supply performance** and country office monthly reports contain some key supply measures.

(iv) **The Briefing Book is available to most Supply staff.** COGNOS provides daily updates to the Briefing Book so that staff can access the latest supply performance reports.

(v) **The Briefing Book allows users to develop and customize reports** to meet local needs.

(vi) **The latest ProMS release includes most of the core supply reports in the Briefing Book** in a single application that is used by Supply Officers.

(vii) **COGNOS cubes hold all global supply data** including spend analysis, budgets and donor reports, fed in from FLS and ProMS.
6.9.2 Opportunities for Improvement

(i) There is no clear end to end accountability and mechanism to manage and report on the overall supply performance within UNICEF due to the organization structure, which makes supply performance a shared responsibility. There is no integration of Key Performance Indicators (KPIs) or performance measures to manage the performance of the various components of the supply function, such as on-time service delivery, lead times, total UNICEF inventory, number of suppliers, quality issues, number of supply staff, cost of supply (staff, staff related costs, facilities etc.) and targets and measures set to improve overall performance of the UNICEF supply function.

(ii) There are limited supply KPIs used in the country offices and no common scorecard for country offices. The reporting on components such as lead times, costs, outstanding orders and aged orders is performed on a local basis. There is limited visibility of country office supply performance outside of the country office, due to which Supply Division and Regional Supply Officers are unable to proactively provide support and thus prevent firefighting activities at a later date.

(iii) There is no automated standard set of supply reports produced from the systems that are used by all Supply Officers. The enhanced version of ProMS and the Briefing Book are not routinely used by supply and programme staff. Furthermore, supply staff is often inadequately trained and there is a lack of trust of ProMS data. There is no link between supply performance and personal performance, and the use of system-generated reports is not mandated. There should be a standard set of supply management reports produced automatically from the supply IT systems.

(iv) It is not possible to track actual delivery performance from the system, as the key activities are not recorded in the system.

(v) There is confusion around delivery performance; the working practices and ‘reason codes’ used make it hard to determine if the dates used are the original requested or the revised dates agreed with Supply Division.

(vi) Many country office reports are produced manually based upon the data in ProMS based on local office custom and practice and not on training of end users. The systems are not being used as intended, causing inefficient use of staff time and potential errors due to transposing data, which is not verified before reporting.

(vii) In-country inventory is not held in the UNICEF systems, so total supply inventory is not known and order requirements cannot be determined.

(viii) Most country office measures are aimed at ensuring that the money has been spent on supplies within the allocated time; there is less focus on working capital tied up in supplies.

(ix) There are no improvement measures, for example, purchase price variance, total cost reduction in supply chain, or reduction in working capital; UNICEF should implement standard costing for all standard supplies, with incentives for Supply to reduce the total cost of supply and measurement of all procurement price variations.

(x) Supply activities are not driven to reduce costs, so the money saved can be used to obtain more supplies from the available funds or to support other initiatives.

(xi) There is no cascading of supply KPIs and performance measures to teams or individuals.
7 DISCUSSION OF SUPPLY PERFORMANCE

7.1 Lead Times

Lead time emerged as the weakest area of supply performance, caused by several overlapping factors with no single solution. As discussed above, many country offices do not plan their supply requirements with sufficient advance thought, which results in a rush of orders towards the end of the financial year as offices try to use up programme financial allocations. This also results in country offices putting unrealistic target arrival dates on the orders, which are often subsequently modified (in a more or less negotiated fashion) by Supply Division.

Unfortunately, the information systems do not show whether the target arrival date is the original specified by the field office or a modified date and there does not appear to be an audit trail of the changes. Figure 21 below shows performance against target arrival dates according to Supply Division data. As discussed, it is not clear whether this data represents country office or Supply Division dates. That this ambiguity has not been resolved is a concern and illustrative of this issue not receiving adequate attention. The figure shows that for all supply categories, target arrival dates are not being reached. According to the same data set, only 22 per cent of warehouse orders and 35 per cent of non-warehouse orders are delivered on or before the target arrival date.

Figure 21: Target Arrival Dates by Procurement Centre

Supply Division has set itself a target of 80 per cent for on-time delivery. By this standard, on-time delivery performance is poor. Typical performance targets across industry would be 97 per cent or more. Given that UNICEF operates in a challenging environment, this may be an unrealistic target, but 80 per cent certainly seems low. The delivery dates are for port of entry and not delivery to end user, and so complications and time delays arising from customs clearance and in-country logistics are not included. There is no reason in principle, therefore, why UNICEF on-time performance should be that much lower than for other sectors. It would be appropriate for Supply Division to aim higher and to be given the goal of improving the on-time delivery performance, with targets adjusted as needed.
The online survey of country offices also gave a poor rating to on-time delivery performance. In answer to the question ‘UNICEF consistently delivers supplies to our counterparts and partners by the target arrival date’, only 23 per cent fully agreed.

The proposed segmentation of categories of supplies will allow the Supply Division to specify more clearly the lead times for products, which will enable country offices to build this into their planning and better manage expectations.

### 7.2 Quality

In answer to the internal survey question, ‘UNICEF supplies are always high quality’, 49 per cent fully agreed. The rating from Procurement Services customers was much higher, at 91 per cent fully agreeing with the statement. The evaluation found examples of lapses in the quality of supplies including incomplete orders, or supplies having to be returned because of poor specification. The example of inappropriate specification of tents for emergencies is discussed below. Overall, however, quality was not seen as a major concern and is certainly less of an issue for UNICEF than on-time delivery performance.

### 7.3 Value for Money

Determining the value for money that UNICEF gets for the supplies that it procures is complex, due to the context in which these are purchased. We are aware that in some key commodities, UNICEF is highly competitive on prices primarily as a result of the most favoured customer clause that it negotiates. It is also clear from feedback and survey results that there are other categories in which UNICEF is not seen to get the best value for money.

In response to the survey question ‘Supplies and services received from UNICEF offer value for money’, 52 per cent of internal customers and 80 per cent of Procurement Services customers agreed.

The picture with regard to the cost of supply operations is different. UNICEF has a relatively high cost of staffing compared with the value of supplies (3.38 per cent) when compared with an average or averages across industries (1.45 per cent). The costs are not strictly comparable because of the additional activities conducted by UNICEF (such as capacity building), which are not undertaken by other supply chain operations. However, these differences are marginal. Overall efficiency is reduced by the relatively inefficient procurement processes in country offices (highly administrative and low value). It is likely therefore that UNICEF has scope for efficiency savings. In the internal survey, 47 per cent of staff agreed that ‘UNICEF supplies are procured and delivered in a highly cost effective manner’.

Some types of supplies are by nature more cost efficient in purchasing. High volumes and little variation in specification make for lower costs of procurement. Figure 22 shows the numbers versus value of orders for UNICEF-procured goods. Goods on the left hand side are those for which UNICEF should be making further efforts to increase efficiency.
There seems to be a *prima facie* case to move at least some of the relatively costly Copenhagen and New York operations to lower cost areas (India, China, Philippines and Brazil would be amongst the candidates), countries where there has been significant private sector investment and creation of new operations and where appropriate skills can be found at much lower costs. A detailed business plan will be required to assess the benefits of off-shoring or outsourcing. The main potential savings are in staff costs, so moving, for example, 100 UNICEF professionals from Copenhagen to a developing country would produce very limited savings. The savings come in engaging skilled nationals in lower cost countries. This is one of the factors supporting the creation of regional procurement centres.

As with all such cases, there are transition costs to be born (facilities, staff and IT) and risks of disruptions and gaps in service. In UNICEF’s case, the risk of disrupting the knowledge centres already built up, especially within Supply Division, will have to be factored into the business plan to be devised based on UNICEF’s response to the evaluation.

### 7.4 Ethics

The evaluation was to include a review of ethical standards. This was only briefly reviewed. While there have certainly been cases of fraud and collusion with suppliers in the past, ethical standards did not emerge as a major concern. More than 60 per cent of respondents to the internal survey fully agreed that ‘UNICEF sets and keeps to high ethical standards in procurement’. The figures were higher for Procurement Services – 85 per cent. Seventy-two per cent of offshore suppliers agreed that ‘UNICEF procurement is clear, fair, transparent and suppliers are treated equally’, and 68 per cent agreed that bidding processes were ‘clear, fair and transparent’.

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22 Given that this business case will affect the future of the Supply Division it cannot be left entirely to Supply Division to compile it, as this could represent a conflict of interest.
8 SUPPLY IN HUMANITARIAN RESPONSE

8.1 Overview
The Core Commitments for Children in Emergencies state that UNICEF will respond to all forms of emergencies, whether they are natural or man-made events. In 2005, UNICEF responded to 317 emergencies in 93 countries. Eight of these emergencies were large-scale (Level 3) and required an organization-wide response within UNICEF, the support of multiple agencies and additional funding.

![Figure 23: UNICEF Emergency Response by Mobilization Level (2005)](image)

8.2 Strengths
(i) **Policy and guidance has been developed for country office emergency response planning processes.** Most offices appear to have an Emergency Preparedness and Response Plan.

(ii) **Better interagency collaboration and a clearer delineation of roles and responsibilities have been established via the Inter-Agency Standing Committee-led agency approach.** UNICEF has been designated the lead agency for WES and nutrition and has shared leadership for telecommunications and data. As cluster lead for nutrition, UNICEF leads in the coordination of inputs and contributions from all local actors for the baskets of supplies. Overall, the profile of UNICEF supplies is increasing as a result of these new roles (but expectations for reliable supply response will also increase).

(iii) **UNICEF is committed to working with the UNHRD in Brindisi, Panama, Dubai, Ghana and Malaysia.** UNHRD emergency logistics standards and rapid response practices are shared in joint standby partner training piloted by WFP with UNICEF and the United Nations High Commissioner for Refugees. Consideration should be given to consolidating operations into a shared United Nations warehouse(s) (for example in Dubai) to improve joint United Nations working and reduce costs (possibly also with major international NGO partners).

(iv) **UNICEF collaborates with WFP and other operational agencies on logistics** through the United Nations Joint Logistics Centre/United Nations Humanitarian Air Service.
8.3 Opportunities for Improvement

From planning through to performance measurement, a series of opportunities for improvement are evident in relation to emergency response. The key insights of the evaluation team are set out below.

(i) **Preparedness is not supported by appropriate internal funding structures.** Country offices plan with varying degrees of success for emergency operations. In some cases, predictable disasters are not budgeted for either through Regular Resources or Other Resources, while Supply Division has no specific budget to pre-position inventory around the UNICEF network and replenish consumed inventory back to the safety stock levels. In fact, in-country stockpiling has been discouraged.

(ii) **Emergency planning can suffer a lack of management focus and prioritization.** Country management teams do not regularly review the status of emergency preparedness actions and in-country pre-positioned supplies.

(iii) **Emergency Preparedness Response Plans are felt to be onerous and time consuming and are not always finalized.**

(iv) **There is no simple mechanism to accurately determine the quantities of supplies required for potential emergencies.**

(v) **Coding errors can impact UNICEF’s ability to track and monitor the on-time delivery of emergency supplies.** Supply Division attempted to address this shortcoming in 2006.

(vi) **Emergency supply orders are not always classified as such in the systems.** Order classification requires a manual update on an order by order basis; the current budget coding structure does not accurately account for all emergency supplies. Multiple budgets are used to procure emergency supplies, not just emergency budgets. Coding issues apply both to local procurement channels as well as to offshore procurement.

(vii) **Supply Division emergency supply performance in 2006 showed that the average rapid response time was nine days to reach port for deliveries made from warehouse stock items and 22 days for non-stock items** (see figures 24 and 25 below). Therefore, to the extent that UNICEF is meeting its commitment to provide initial assistance within 48 hours, the figures indicate that UNICEF’s Core Commitments for Children in Emergencies is not being met from Supply Division emergency stocks in most cases. Recent emergencies have shown the benefits of in-country stocks for rapid response.

**Figure 24: Supply Division 2006 Emergency Performance – Warehouse Deliveries**

![Graph showing Supply Division 2006 Emergency Performance – Warehouse Deliveries](image)
There are inappropriate levels of stock held in the Copenhagen warehouse and with suppliers to respond quickly to emergencies. This is clearly illustrated by the emergency response times and the Supply Division scorecard, which shows stock outs lasting for months for some supplies.

Many activities relating to information management for emergencies are manual and paper-based. In emergency-prone countries, supplies to support small-scale events are pre-positioned and normally held in the UNICEF warehouse. Inventory records were found to be maintained using manual record sheets, with data later entered into spreadsheets. For example, deliveries from the Medan warehouse to Yogjakarta (Indonesia) were being managed via manual processes. Such manual systems are prone to data and calculation errors, especially with the high business volumes typical of emergency operations.

The quality of management information relating to emergency supply expenditure is poor. For this evaluation, it was not possible to create a consolidated analysis of total funds spent on emergency supplies – total expenditure on emergency supplies is not known across the organization and no one appears to have overall responsibility for monitoring this information.

There is limited scope for monitoring and reporting on performance relating to supplies for emergencies as there are inadequate indicators and metrics for an appropriate tracking of emergency supply performance. Classification of emergency-related activities should be improved so that all emergency-related supply activities can be analysed and tracked separately to assess: rapid response and replenishment delivery performance; inventory value and quantity of supplies pre-positioned across the network; per cent of non-standard items requested; value of emergency supplies provided; number, scale and type of emergencies responded to; and whether the emergencies were forecasted or not.

The Early Warning Early Action system has not yet rolled out across all offices and data is not complete. The system has limited linkages and integration with other solutions and there is no mechanism within the system to aggregate data submitted. It is not possible to aggregate stock levels submitted by country offices across a region or to view stock of a single supply across all locations.

UNICEF is not well coordinated across the different emergency-related functions according to UNICEF staff. There was no common agreed set of priorities so initiatives took too long to resolve. For example, there were delays in the procurement of new supplies, in updates to the range of emergency supplies, and in defining specifications and sourcing non-food items kits. Consideration should be given to locating operational staff members together.
so that they can work more productively on an agreed set of priorities – the team would probably be located in Europe due to time zone considerations.

(xiv) There is little formalized feedback from the field on the quality and appropriateness of supplies, including supplies provided by other actors. In Indonesia, for example, school tents donated by other agencies were of a more modern construction and used new materials.

(xv) Qualitative evidence gathered in interviews suggests on-time delivery can be poor (as discussed above).

(xvi) Commitments of in-kind assistance from donor organizations cannot always be relied upon and may not always be suitable. For example, following the tsunami in Indonesia, the offer of free air transport was provided only to Jakarta and not to Yogyakarta (the latter being the point of need). Work on the ground with NGOs and other actors appears to be easier to mobilize when Project Cooperation Agreements are in place.
9 PROCUREMENT SERVICES

UNICEF Procurement Services is a channel through which government counterparts and partners can gain access at scale to a range of essential supplies for women and children. This service is provided by charging a handling fee to recover the cost of the work performed in providing this service; the handling fees charged are not a fundraising mechanism for UNICEF.

9.1 Overview

The value of goods purchased through Procurement Services contracts has grown significantly since 2000, and were valued at more than $300 million in 2005. Procurement Services is a service of strategic and growing importance to UNICEF. With the emergence and growth in new funding mechanisms (such as GAVI, Global Fund, Sector Wide Approaches), Procurement Services allows UNICEF to provide supplies to governments utilizing the donor funds that governments receive bi-laterally in a way that is consistent with the Paris Declaration.

Figure 26: Procurement Service Expenditure (2000-2005)

Procurement Services allows UNICEF to participate and maintain a presence in developing and influencing policy. Even where UNICEF’s Programmatic supply component may be small within country, providing strategic support to the government via Procurement Services gives UNICEF a ‘seat at the table’.

9.2 Strengths

UNICEF’s Procurement Services has several key strengths rooted in its global reach. These include a clear focus on essential supplies for women and children and the complementary nature that Procurement Services supplies when properly aligned with UNICEF country programmes. Counterparts can gain increased access to essential supplies at more affordable prices than through their own independent channels.

(i) **The work performed by Procurement Services appears to be highly valued by governments, donors and NGOs.** Procurement Services is seen as a secure mechanism
to provide continued access to essential supplies for women and children at good market prices.

(ii) In 2005, almost 98 per cent of supplies provided through the Procurement Services channel were essential supplies.

(iii) Procurement Services supplies are supporting the achievement of national objectives and global MDGs.

(iv) Procurement Services supplies can strengthen the programme work of UNICEF. Where Procurement Services supplies are closely coupled with UNICEF-led programmes, local synergies and benefits are achieved.

(v) Supplies procured via Procurement Services were felt to be of an appropriate quality.

In the internal survey, 68 per cent agreed that ‘UNICEF should take every opportunity to maximize the essential goods reaching children through Procurement Services’, while 52 per cent agreed that ‘There is potential to expand Procurement Services in this country’, and only 15 per cent agreed that ‘Procurement Services’ are a distraction from the main business of UNICEF’.

9.3 Opportunities for Improvement

The significant achievements in Procurement Services should by no means be underestimated. However, the evaluation team suggests that management focus should be given to improving the existing ways of working, which affect overall performance.

(i) Procurement Services activities are not normally accompanied by capacity building activities. There is scope for UNICEF to further develop the capacity building angle of its Procurement Services activities and to differentiate the UNICEF service offering.

(ii) The percentage and value of the handling fee/service charges levied by Procurement Services are questioned by all parties. The current handling fee/service charges are based upon contract value and are unrelated to the real cost of the work. Many parties interviewed felt that the mechanism for calculating the fee should be reviewed – a flat six per cent rate was too high. Different explanations were offered to the evaluation team in relation to how, for example, funds were used and whether the interest gained on the money was held in deposit. Partners would like to see a smaller handling fee but also greater clarity and transparency. There is an internal and external perception that the handling fee is being used to subsidize the Supply Division and/or UNICEF in general – which is partially correct. At the same time, partners value the relationship with UNICEF and are unlikely to press this point at the risk of damaging their partnership with the organization.

(iii) There is limited integration of Procurement Services, country office, governments and counterparts. A redefinition of roles and responsibilities within UNICEF would help to increase collaboration.

(iv) Visibility of supply delivery is perceived to be poor. This is in part due to the uncertainty surrounding the arrival of supplies, and the fact that supplies tend to arrive at the ‘last minute’.

(v) The payment process is subject to currency fluctuations which can cause delays to shipments of essential supplies. There are double currency exchanges and associated fees for counterparts, resulting in much higher fees in real terms than the service charge defined in the contract.

(vi) Lead times for some catalogue/standard items are perceived to be 9 to 12 months from raising the purchase requisition to receiving the product. The range of standard supplies should be revised and lead times for supplies defined; a non-standard supplies approach should also be developed.
(vii) **There is lack of clarity on the purpose of Procurement Services within the organization.** The understanding of the functions of Procurement Services varies amongst internal parties and counterparts, which is something that needs to be clarified.

(viii) **Cost estimates are inaccurate.** There are no systems to accurately understand the cost of work performed to support Procurement Services. There is a need to understand the cost drivers and to create accurate cost estimates.

(ix) **Managing government relationships for Procurement Services from Copenhagen creates complications,** driven by distance and a perceived detached approach. This is compounded by a heavy use of policy, and requests to complete paperwork, rather than empowering the country office to make informed judgements by working directly with the counterparts.

(x) **Decision-making for Procurement Services is not always clear,** and the contracts can pose a series of risks to UNICEF.

(xi) **External perception is that Supply Division is not easy to work with.** A major donor provided feedback based upon their personal experiences of working with UNICEF. They described Supply Division Copenhagen as “dark” and expressed concerns about the culture and the lack of customer orientation. They stated that they had chosen to use other supply providers who were able to deliver on time and were more accessible.

(xii) **There is a high level of variation in the way country offices engage in Procurement Services work.** In Viet Nam, for example, the role was largely administrative with the country office responsible for performing the customs clearance and then transferring the goods to the government. A ‘hands-off’ approach was followed, and direct interaction with the counterparts only arose when supply issues required local representation. By contrast, in Ethiopia, the role of Procurement Services was complementary to programme work, with a much closer integration of supplies, such as Procurement Services supply of malaria nets and the Roll Back Malaria Programme.
10 HUMAN RESOURCES

UNICEF’s supply function employs approximately 600 staff, located across the network of Headquarters, regional and country offices. Supply staff is responsible for all supply-related activities from planning and procurement to warehousing and logistics. In addition, six staff members in the private sector division are responsible for the procurement and supply of greeting cards and branded products for the National Committees.

10.1 The Supply Human Resources Pool

The recruitment and management of supply staff follows the same common UNICEF human resource processes as those for all other staff members. Supply staff is recruited by the local line managers and have local reporting relationships within their office locations. There is no formalized team of supply staff, and the 'supply pool' was deduced by the evaluation team on the basis of the post titles of staff members. Staff members having Supply, Procurement, Contracts, Logistics, Warehouse or Quality in their post title were considered to be members of the pool.

Figure 27: Supply Staff Resource Costs by Location Type

The Supply Pool equates to approximately seven per cent of total UNICEF staff. The evaluation team found much diversity within UNICEF supply staff, with a good gender and ethnicity balance, and a mix of local and international staff members in all offices visited. The make up of the supply staff reflected that of the wider UNICEF organization.

10.1.1 Strengths

UNICEF supply staff members were found to be strongly committed to the UNICEF mandate and enjoyed contributing to the improvement of the lives of women and children.

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23 There was no single set of data relating to the total headcount of UNICEF’s supply function, the salaries, benefits and other associated staffing costs. Headcount information was derived from information obtained from the Department of Human Resources in New York and Supply Division; however the evaluation team found discrepancies between the numbers of posts and the headcount data provided.
(i) **UNICEF supply staff appears to have a good knowledge of supplies and global supply markets.** UNICEF successfully leverages its knowledge of global supply markets to ensure that customers are able to access the most appropriate, and in many cases the most technologically advanced, supplies.

(ii) **Supply staff in country offices has a good understanding of the local challenges.** Staff is knowledgeable about the availability of local supplies and operational issues in improving access to supplies, and demonstrates a good understanding of in-country logistics challenges.

(iii) **Supply staff operates within the constraints of the local conditions,** such as interruptions to electricity supply; teams were found to be pragmatic and to work around the issues.

(iv) **At the community level, supply and programme demonstrate good joint working.**

(v) **Supplies are successfully delivered to the front line.** The evaluation found examples of country office staff working to overcome local challenges to ensure supplies arrived at the point of need.

(vi) **Good external perception.** Many suppliers enjoy good working relations with UNICEF.
10.1.2 Opportunities for Improvement

UNICEF faces a series of challenges relating to its human resource pool. In the internal survey, only 33 per cent agreed that ‘UNICEF has the right balance of supply capacity between New York Headquarters, Copenhagen Supply Division, regional and country offices’, while only 25 per cent agreed that ‘Our supply staff receive high quality training’.

The current set up has several features that could make it unsustainable, such as the relatively old workforce with limited ‘new joiners’ and frequent use of retired staff. There is a need to fundamentally change the management of human capital to generate a culture of continuous improvement.

(i) UNICEF supply function risks losing significant experience and institutional knowledge. According to the data provided to the evaluation team, the average age of UNICEF’s current workforce is 43.9 years. Of the 600 staff members, 49 are due to retire within the next five years. This equates to a loss of 1091 years of experience.

(ii) There are few new joiners at the more junior levels. There is only one staff member under the age of 25 and 17 under the age of 30. A younger profile is needed to bring new ideas and challenges. The statistics suggest that new talent is neither attracted to nor staying with supply.

(iii) There appears to be a dependency on the use of retired employees to fill temporary and vacant posts. Retirees bring institutional knowledge and familiarity with systems, but the benefits of fresh insight and a diversity of experience are lost.

(iv) The use of temporary contracts can have repercussions for operational efficiency over the longer term. In Tajikistan, for example, high turnover within the supply office was causing problems – frequent rotation can be counterproductive to performance.

10.2 Recruitment and Retention

The recruitment and retention of UNICEF supply staff is a local management responsibility. For the more senior and international posts, Supply Division is involved in the review of the candidates and participates in the selection process in an oversight capacity.

10.2.1 Strengths

UNICEF is considered an attractive employer in most of the developing countries and so attracts many applicants. UNICEF has high entry requirements for international staff. Above a certain level, most people who join tend to stay with UNICEF. Suitably qualified and experienced national staff can be selected for international postings.

10.2.2 Opportunities for Improvement

(i) There are several vacant posts in supply. At the time of the evaluation, there were 50 vacancies, 20 of which had not been filled within the planned time. This limits country office capacity, puts pressures on other staff members, and leaves some tasks incomplete (e.g. stock reports).

(ii) Staff turnover is moderately high. Permanent staff turnover is currently running at five per cent of total staff. In addition, 152 staff will leave in four years, making the total annual turnover 12 per cent.

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24 While the high average age of supply staff is almost the same as the average age for the whole organization, this does not make the age profile of supply staff any less of a concern.

25 As of August 2006.
(iii) The recruitment process is perceived to be lengthy and complex, and the system is failing to find replacements quickly enough.

(iv) Staff rotation can drive inefficiency. Local government officials interviewed commented that staff turnover had at times caused internal disruption to their own organization.

10.2.3 Supply Organization Structure

10.2.3.1 Strengths
The responsibilities between Supply Division and country office are clearly defined, with little overlap, although there are many close working dependencies. Regional offices largely perform an oversight role and do not have a day to day operational role in supply activities.

(i) The decentralization of offices means supply staff is closely connected with the field work of UNICEF.

(ii) Country office supply staff has contact with local suppliers and UNICEF contributes to the local economy through local purchasing. From the internal survey, approximately 60 per cent of the staff thinks there will be a growth in the local supplies over the next two to three years.

(iii) The centralized nature of Supply Division allows for the concentration of supply expertise. The multi disciplinary team in Supply Division can work collaboratively on increasing the access to and availability of strategic supplies.

(iv) There is some regional supply presence where there is a high supply component. The activities are mainly confined to performing oversight roles and providing technical support to the country offices.

10.2.3.2 Opportunities for Improvement
The current division of shared and individual responsibilities does not always maximize the performance of the UNICEF supply function. The evaluation team believes that the supply organization should be restructured based upon a new operating model and a new set of roles and responsibilities to maximize the contribution of supply staff.

A revised definition and role is proposed for supply staff, which is defined as being those staff who have specialist supply skills, are managed by the Director of Supply and are part of the supply budget. Supply skills include planning, procurement, logistics and warehousing. With an updated supply catalogue, online ordering, and transfer of supplies to government at the port of entry, supply staff will no longer be needed in country offices as this is all administrative work to be performed by country office staff. Supply staff can then be seconded to the country office to perform specific and time-bound projects, for example, transferring customs clearance to government, or performing emergency in-country logistics. The country office will pay for supply staff that they need, with cross-charging from the supply organization. The regional office supply staff should follow the same approach, reporting to the Director of Supply.

The underlying reasons for these proposed changes include:

(i) Supply work in country offices is not valued as a strategic capability. Supply Officers in practice have little involvement in strategic direction setting and development of the national supply capacity and may be excluded from the development of CPAPs, AWPs and meetings with government supply staff.

(ii) Supply office resources are not used in an efficient way. Our time analysis shows that a large proportion of the Supply Officer’s time is spent chasing paper to ensure supplies are available on time to meet the needs of the country programme. UNICEF should reduce the administrative nature of the work and automate the requisition of supplies, thus enabling supply staff to spend more time on other activities.
UNICEF performs supply activities on behalf of the government, due to limited government capacity and rudimentary systems and skills. More effort should be made to build the skills and capabilities of governments rather than substituting for government capacity.

The current organizational structure does not empower Regional Supply Officers to fully execute their mandate. Regional Supply Officers cannot promote regional sourcing as they have no control over the supply practices of the country office. Collaboration between country offices and regional offices is inconsistent. There is limited opportunity for Regional Supply Officers to exercise supply leadership. Their oversight role is close to that of audit, and country offices are not always clear on the distinction between the roles of the Office of Internal Audit and the Regional Supply Officers with regard to supply compliance.

Regional Supply Officers report to the Regional Representative and not to the Director of Supply Division. Regional Supply Officers should report to the Director of Supply Division so that their work is aligned with the activities of Supply Division and agreed in consultation with the Regional Director; the result should be less fire fighting activity.

There is an under-investment in supply resources. In the majority of the country offices visited, Supply reports to Operations. There is pressure within UNICEF to reduce the proportion of budget allocated to Operations. This can lead to under-investment in staff and skills. Staff with supply skills should be positioned within Programme, where they can contribute to improving programme supply systems and provide technical assistance to governments.

There is a mismatch between the current supply skills base and the skills required to support an increased focus on capacity building as set out in the MTSP 2006-2010. Capacity building requires supply chain professionals with a different set of skills than those needed for transactional and administrative work. Hopefully the shift in focus to capacity building will change the profile of Supply, so that it is viewed more as a strategic capability.

10.3 Supply Career Structure and People Development

10.3.1 Strengths

A series of competency frameworks have recently been developed for different career paths.

A Performance Evaluation Review process provides for two reviews a year; this includes a review of training needs.

Learning budgets are provided to support development. Country office training committees then decide how to allocate training expenditure.

E-Learning is increasingly available. E-Learning courses are increasingly available on the UNICEF Intranet.

10.3.2 Opportunities for Improvement

There are no specific competency definitions for supply management, contracting or logistics within the competency framework for Supply professionals.

There is no Supply curriculum based upon Supply competencies and post levels. Education, training and development are not aligned to Supply posts or referenced in the staff member’s performance and career discussions. It is not clear what supply skills and competencies are required for each post and so there is no target performance to achieve.

There is no formal career management framework. Concerns relating to the lack of career structure and limited opportunities for progression were raised by many international
staff. Most individuals interviewed felt that they needed to move into Programme in order to advance their careers.

(iv) **Discussions around career opportunities, aspirations and personal potential are not well supported.** Some staff members expressed open dissatisfaction at the lack of a formal structure in relation to career management.

(v) **Although there are more than 600 supply staff members, there are limited opportunities for employees to voice their aspirations and work to achieve their goals.** Those conducting Performance Evaluation Reviews are not always in a position to help individuals realize their goals.

(vi) **There does not appear to be a formalized mentoring process.** Mentoring would allow staff to be nurtured and thus to contribute more to the organization.

(vii) **Training decisions are taken on a cost rather than a needs basis.** The country office training committees often try to make the best use of the available budget by meeting the needs of the majority of people rather than making strategic investments based upon business or personal need. There is no guarantee that staff will actually receive the training they need.

(viii) **People development suffers from under-investment.** The Supply Division learning budget was reduced from $100,000 in 2005 to $20,000 in 2006 as a result of the decision to invest funds in a UNICEF Learning Management System; this equates to less than $87 per person per year for each of the 230 Supply Division staff.

(ix) **Operational commitments mean staff has limited time for training and development.** Staff members are encouraged to spend 1.5 hours per month on learning activities, but operational commitments often preclude this; training is not being given a high enough priority.

(x) **Much of the training and education provided is delivered through classroom-based and location-based training.** This approach results in the limited budget being spent on flights, hotels and per diems, rather than directly on training programmes and education materials. This does not facilitate reuse and neither does it encourage self learning.

### 10.4 Performance Management of UNICEF Staff

This section looks at the performance management processes that are used to recognize and reward the personal contributions of individual staff members.

#### 10.4.1 Strengths

There is an established performance management process that is used across all UNICEF office locations. This process and guidance is applied to all staff members, and is not restricted to supply staff.

(i) **There is an annual review process** that is used to define personal objectives for the year. These objectives are captured in the Performance Evaluation Review form.

(ii) **The review and goal setting takes place between an individual and their line manager.**

(iii) **The Performance Evaluation Review is used to identify and agree upon personal development goals and identify training requirements for all staff.** These inputs are used to develop the local training plan and determine how to spend the available budget.

(iv) **The process is administered and managed by the local human resources team.** This ensures that there is an equitable process and that all staff members have a personal development plan and receive performance feedback.
10.4.2 Opportunities for Improvement

The UNICEF performance management process evidences several weaknesses. As a result, successful management of poor performance remains challenging – more so for the manager than the under-performing staff. The key issues are summarized below.

(i) **There is limited alignment of personal performance and organization-wide goals.** There is little evidence of personal performance being linked with organizational goals via performance metrics.

(ii) **There is no system of recognition and rewards to provide incentives and reward top performers, and address under-performing staff.** Good performance is currently rewarded with a reclassification of post, which is not a direct personal recognition. There is also a limited ability to promote.

(iii) **There is no formal process for providing feedback and there is no use of agreed development plans to improve individual performance.**

(iv) **There is an automatic incremental salary increase year on year.** Individuals receive a salary increase each year through a step increase within their post. Salary increases are also awarded on the basis of local market conditions. Given that UNICEF salaries are already benchmarked with the best local organizations, there is little personal motivation and few incentives for individuals to over perform in their work.

(v) **Poor performers are rotated to other positions,** rather than being encouraged to address their core performance issues.

(vi) **Personal performance process does not successfully support UNICEF’s policy of rotation for international staff.** The rotation of international staff can create an environment that allows poor performance to go unnoticed for a period of time. This can be particularly true for international staff. Unless performance is documented, there is no audit trail for the incumbent manager to reference.

(vii) **Many human resource processes are paper-based.** There is limited information relating to staff, locations, roles, posts, past performance evaluation and career plans available online.

10.5 Organizational Culture

10.5.1 Strengths

UNICEF is a recognized and respected leader in the delivery of development and humanitarian assistance and the reputation of the globally recognized UNICEF brand has been built over 60 years.

(i) **UNICEF staff is dedicated, professional and committed to the UNICEF mandate.**

(ii) **UNICEF staff appear to remain with the organization once they join,** tending to move between functions rather than leaving the organization.

(iii) **There is a strong feeling of camaraderie between staff members,** who have developed working relationships sometimes over many years.

(iv) **UNICEF staff like to differentiate themselves from the other United Nations agencies.**

(v) **UNICEF staff openly welcomes visitors** from other organizations.

(vi) **Programme staff has a high status** compared with Supply or Operations staff members.

(vii) **Staff members are resilient and versatile.**

(viii) **UNICEF international staff members are part of the international civil service** and in general adhere to formalized and structured protocols.
10.5.2 Opportunities for Improvement

UNICEF has a well defined culture that is conservative in nature and is slow to embrace change, with cultural barriers inhibiting the performance of the organization.

Overall

(i) **There is a strong and institutionalized culture of resistance to change.** Individuals interviewed cited significant organizational and cultural barriers to change. There exists a silo mentality, reflected in, for example, lack of integration between Programme and Supply; and limited co-location, with most staff located within their functional departments.

(ii) **There is no embedded culture of continuous improvement.** On the whole, staff members are not mobilized to work with their managers to implement changes and proactively address problems. Throughout the course of the current evaluation, the team came across numerous examples of known problems not being addressed (such as poor supply plans and lack of accurate forecasts). In many cases, action can be taken at the country office level to solve these problems, but this is not done.

(iii) **There is no ‘do once and share approach’** to sharing best practice information on supply specifications to speed up the procurement of supply items. Also, there is limited institutionalized sharing of information between common programmes.

(iv) **There are no formalized supply communities of interest.** Networks to ensure best practice exchange are not commonplace within the UNICEF supply function. Knowledge exchange is ad-hoc and often based upon personal relationships.

(v) **Most people approach their work as administrators,** with a heavy reliance on documenting all facts in writing and creating paper-based audit trails.

(vi) **Working silos.** Most people are located in functional teams and there is limited evidence of team-based organizations and multi-functional working. Office accommodation tends to be enclosed or screened with limited open office space that promotes team and cross-team working.

Supply Division

(vii) **‘Cost plus’ mentality.** Country offices felt that Supply Division operates with a ‘cost plus’ mentality with no sense of ownership for ensuring accurate quotations. Yet, when challenged, revised quotations with more favourable terms tend to be provided. Currently, Supply Division does not have incentives to challenge and reduce costs unless it is itself challenged.

(viii) **Command and control approach.** Country offices felt that Supply Division makes heavy use of policy to ensure compliance, while supply staff does not feel empowered to take decisions (sometimes even in cases where policy allows them to do so). In practice, country offices have to refer to Supply Division staff to make or advise on decisions and provide permission.

Country Level

(ix) **UNICEF finds it difficult to say ‘No’** to supply activities that government or other actors could perform, such as printing, or providing supplies already available in-country (e.g. iron bars, cement, water flow meters in Viet Nam). Greater clarity in each country is needed on what UNICEF needs to supply, with a specification of alternative partners to supplement government capacity – other United Nations agencies, procurement organizations like IDA, Crown Agents, PSF, NGOs.

(x) **There was a noticeable lack of supply chain expertise and leadership** in most of the country offices visited.

(xi) **Most managers spend the majority of their time reviewing and signing papers** with limited interaction between team members to maximize the performance of the supply chain.
There are limited formal channels and forums to voice dissatisfaction. As a result, issues and problems build up and can go unresolved. Most communication is written rather than interactive, with limited use of new media to bridge the geography gap (e.g. pod casts, voice mail, video conferences).
Country and regional offices use the ProMS systems, with the Supply Division using FLS (SAP). Information is exchanged between the two via batch interfaces. COGNOS is used to create corporate reports from the data held in SAP and ProMS. FLS, the UNICEF ERP system, is comprised of several integrated modules (see Figure 28). The FLS system is used to enable UNICEF’s accounting and logistics processes.

11.1.1 Strengths

The supply systems used within UNICEF continue to be upgraded to meet end-user requirements to improve business processes and ways of working.

- **Each country office has a common set of applications**; this enables staff to move between offices without the need for retraining.
- **The integrated set of applications support the majority of the core supply function business requirements.**
- **The IT systems enable common business processes** and ways of working to be followed across all country offices.

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26 ProMS is an in-house developed system, whereas SAP and COGNOS are proprietary package software packages.
The recent upgrade to ProMS v7 supports improved supply processes.

EDI has been recently implemented in Supply Division, linking UNICEF and the freight forwarders to improve supply management.

User group forums meet to review and approve requests for changes to the IT systems. User requirements are reviewed, prioritized and budgeted so that the IT development cycle can be managed.

IT systems are implemented in system releases; this is a best practice approach.

11.2 Opportunities for Improvement

(i) **ProMS is an in-house developed application that is 10 years old.** Consideration should be given to replacing it with a packaged software solution. For example, extending SAP to the country offices would reduce the strong dependency on the existing IT resources to support ProMS, improve the real time availability of information, and avoid spending the available budget on maintaining and developing existing systems. The evaluation has not looked into the cost of replacing ProMS and makes no specific recommendation to replace the system. A new ‘front end’ is recommended to provide a web-based online ordering system for country offices to order supplies from the UNICEF range. A systems requirements definition and business case would be required to determine what would replace ProMS, testing cost savings and performance improvements against costs, with a preferred option depending on the level of investment and change contemplated. Options would include:

- a single United Nations system (SAP or Oracle) everywhere with online ordering, web catalogue, web track and trace, and e-procurement;
- a single UNICEF version of the above;
- an integrated set of UNICEF systems – SAP/ProMS/UNITRACK/Catalogue/Track & Trace with a web-based front end.

(ii) **UNICEF’s supply function has not taken advantage of the ‘technology revolution’ to increase the end to end efficiency and effectiveness of its service delivery.** EDI was only recently introduced to communicate order information between UNICEF and its suppliers; the commercial sector has been using this technology for 10 years. The lack of systems integration means access to data across key business functions remains challenging and in some cases, impossible. There are still several issues that need to be resolved, for example: 1) there is no linking of information between local purchases in ProMS and the UNICEF supplier catalogue (also resulting in multiple data entry); 2) whilst supply requirements from the country offices are interfaced automatically with FLS, these same offices cannot access FLS to perform stock enquiries or to review the status of their orders.

(iii) **Limited governance and fragmented ownership for IT across the business have resulted in a lack of clear leadership and direction setting for strategic technology changes at a global level.** There are multiple ‘layers’ in the decision making process, making the process lengthy. As a result, IT investments tend to be confined to single locations where the local management team has been able to develop, own and implement the business change required. The current IT governance structure follows the country and functional primacy within the organization. Requests for change are collated at the country office level, prioritized at the regional office level and then re-prioritized and agreed upon. As a result, process-specific requests get lost.

(iii) **IT investments tend to be small and operational and deliver minor, incremental improvements.** The annual ProMS release, for example, brings small iterative system updates, helping to maintain a steady state in terms of operational efficiency. A more strategic review of the IT systems to enable a new operating model (e.g. online ordering of supplies from a catalogue) was absent. Investments in IT are not being used to enable strategic changes to the way UNICEF operates.
The working relationships between IT and business appear to be adversarial with limited collaboration, joint working or mutual understanding of the priorities of each.

Available IT supply chain solutions have not enabled improvements in supply performance. For example e-procurement and online ordering of supplies from web catalogues, though continually requested by staff, have not been implemented successfully within UNICEF.

There are few supply staff members with knowledge of how IT could improve supply performance and therefore little pressure to radically change the operating model.

Existing IT systems do not fully support key business processes. Members of UNICEF’s supply function cannot requisition supplies from approved suppliers using web-based catalogues, and have these supplies delivered directly from the supplier to the country office. Country offices use ProMS, yet ProMS is predominantly a programme management system with limited functionality to support the requirements of the supply team.

UNICEF supply function is not making effective use of IT tools, as SAP is restricted to Headquarters and has not been rolled out to regional and country offices. Also, there is additional functionality in the system that is not utilized.

Staff does not always know how to use full system functionality. This can result in limited knowledge about what data and information is or could potentially be available. Access to data and reports proved to be highly challenging throughout the course of the evaluation. Almost all information requested was provided by data analysts and the IT teams; the users of the systems were often unable to generate the information required. Many of the reports requested were not routinely used or in existence. The use of COGNOS cubes is restricted to senior members of the Supply Office; many supply staff members were unaware of reports and tools available in the Briefing Book, which could be of use to them. Staff does not proactively try to understand how information systems work, though support guides are available on the UNICEF Intranet.

There is limited understanding of the capabilities of the existing systems. Most country office supply staff had limited knowledge of the IT systems and avoided use of the systems, preferring to work outside of ProMS. When staff members were asked questions about available reports and how to obtain data from the system, most staff members deferred to the IT and systems analyst staff.
12 IN-KIND ASSISTANCE AND PRIVATE SECTOR DIVISION

12.1 Strengths

While UNICEF has an established mechanism for receiving in-kind assistance, the environment is changing. There is increasing competition between donors and recipients to obtain funds and there are new innovations in the market place to attract funding. All forms of Corporate Social Responsibility associated with the development sector are growing. Corporate Social Responsibility is seen by many private sector organizations as an opportunity to strengthen their brand and increase their share price.

- **UNICEF has a clear policy** on how and when in-kind assistance can be used; this policy is used by all country offices and National Committees (NatComs)\(^{27}\).
- **Supply Division has a defined process to review the quality of in-kind assistance**; Supply Division was seen by NatComs as helpful and providing good guidance.
- **The Copenhagen facility was seen by NatComs as a selling point** that showed donors the size and scale of UNICEF’s supply operations as compared to those of other organizations.
- **Private Sector Division (PSD) provides a range of gifts that are of high quality and meet the latest market needs**, and which are ethically sourced.
- **PSD and NatComs are working to implement an online web shop to increase sales**; in the fourth quarter of 2006, UNICEF plans to pilot online web-shopping in Thailand and Brazil.
- **PSD and NatComs work together to target supplies as a way of fund raising**; the Inspired Gifts\(^{28}\) catalogues is an innovation directly linking donations to supplies.
- **UNICEF continues to receive donations from the corporate sector to provide assistance.** For example, the October 2006 announcement that United Nations emergency response missions would have access to the latest telecommunications technology within 48 hours of a disaster anywhere was made possible by a five-year public-private partnership.

12.1.1 Opportunities for Improvement

Given the increasing number of actors, there is a need for UNICEF to be seen as easy to do business with in order to more easily access the philanthropy of the private and public sector and personal donations. UNICEF should maximize this channel of funding, and actively promote this channel through all offices and NatComs.

(i) **The timing of PSD ranges updates do not meet with all market requirements.** PSD should be driven by the market rather than imposing the timing of range updates on NatComs; some markets need quarterly range updates to maintain sales.

(ii) **Improvements in the PSD IT systems have been slow to keep up with market-driven demand.** For example, e-Greeting cards were withdrawn from the United Kingdom as it was not possible to have market specific text, and Christmas cards were still available online on St Valentines day\(^{29}\).

(iii) **Online web ordering and fulfilment have been outsourced.** UNICEF was too slow to respond internally so the United Kingdom NatCom obtained an agreement to use an outsourced provider so they could remain competitive in the market place.

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\(^{27}\) UNICEF National Committees raise funds in high income countries on behalf of UNICEF.

\(^{28}\) http://www.unicef.org.uk/store/InspireGifts.aspx?grp=5D86D4AA-E5A4-4DFD-8552-6EFC8612CC1

\(^{29}\) St Valentines Day is on 14\(^{th}\) February.
Work with the NatComs to develop a strategy to target organizations in both the public and private sector that can provide in-kind assistance to UNICEF. To this end, senior staff members from Programme Division and Supply Division should be provided to lead the initiative; opportunities that result in a win/win situation for all organizations should be identified; and a good understanding of what organizations are able to donate should be developed – whether it is cash, supplies and/or expertise, all which are of value to UNICEF.

UNICEF could make agreements for in-kind assistance with logistics, as per the WFP arrangement with TNT. Such agreements would help provide surge capacity in emergency responses, when working with international transportation organizations that have multi-mode transport mechanisms and global coverage would be beneficial.

Analyse the total acquisition costs of some supplies and evaluate if in-kind assistance can help improve the efficiency of UNICEF’s supply function. UNICEF should assess whether receiving donated supplies is more cost effective than specifying, procuring, receiving, inspecting and storing supplies itself.

NatComs have some concerns that UNICEF may be diluting its standards in order to attract more donor assistance.

Recognize that some businesses have a competitive process to select a corporate charity. UNICEF should be able to consistently differentiate itself from other actors.

UNICEF must make it easier for organizations to make donations and for UNICEF to accept donations. The slow approval of audits of donated supplies leads to frustration.

There are opportunities to increase the receipt of donated supplies and services. UNICEF should make more use of private sector expertise to assist in programme delivery, for example, water engineers.

Target supporting supplies as an area where specifications are less critical and there are already industry level standards that do not require the testing and inspection of UNICEF to approve supplies.

Widen the scope of in-kind assistance

- Provide more transparency and clarity around what in-kind donations UNICEF can accept and widen the net to maximize the contribution; place specifications online to receive donated supplies such as building products for shelters, water meters, pumps and piping for WES programmes – i.e. do not limit the list of items to only those that UNICEF finds hard to obtain.

- Develop a ‘Gift List’ where organizations can pledge their contributions (like the eBay ‘wedding list’), such as hygiene kits that have a long shelf life. This can provide team building activity and a sense of contribution for the participating donor organizations.

- Use in-kind assistance to pre-position supplies for small-scale emergencies in-country and in the emergency warehouses. For example, hygiene kits donated by Walmart, Tesco, Proctor and Gamble; Unilever etc.

- Receive donations of commonly available supporting supplies where this will not disrupt the market, for example, blankets, pencils, school stationary, tents, latrines.

Where organizations already buy a large volume of supplies and can donate supplies to UNICEF, a win/win scenario arises as UNICEF can obtain supplies in-kind or at a lower cost than they could procure themselves, and donors can create more value by contributing in-kind rather than providing cash.

UNICEF should create standby agreements for emergencies, for example, with airlines in regions that are highly prone to natural disasters.

Consider the business complexities that are introduced by the new initiatives, such as Inspired Gifts, and the impact they may have on internal processes and controls. It is important to ensure that these new initiatives do not create additional constraints and costs.
for the organization. For example, there are additional skills required to manage people provided by donor organizations to work in UNICEF programmes.

(xvi) **Consider promoting in-kind assistance in the regions;** arrange for donated supplies to be received directly in the country or regional offices.

(xvii) **PSD should be more market-led.** UNICEF-provided supplies are more expensive than those of their competitors, which stifles sales opportunities. The global category approach also means that UNICEF is not responsive to niches in individual markets.

(xviii) **Late arrival of PSD gift supplies at the start of the season can adversely impact NatComs' sales;** PSD should monitor supply deliveries and ensure all gifts are in stock for the start of the season.

(xix) **Extra sales from PSD;** consideration should be given to monitoring actual sales and moving stock between NatComs and/or ordering extra replenishment quantities.

(xx) **Introduce a mechanism to value in-kind assistance and donated supplies** so that NatComs can be credited with the value of the funding raised.
13 UNITED NATIONS JOINT WORKING AND UNITED NATIONS REFORM

The evaluation considers two separate but related activities:

1. United Nations joint working – the extent to which United Nations-shared common services are utilized.

13.1 Strengths

The evaluation team found positive examples of joint working where win/win benefits were obtained. The United Nations Country Team has provided a common approach to governments, suppliers and counterparts. These initiatives showed that acting as a single United Nations body provided additional negotiation strength. Examples include:

(i) agreeing upon tax and duty exemption on imported and in-country procured supplies;
(ii) harmonization of cash transfers to the government;
(iii) mandated supplier payments through bank accounts, thus eliminating cash transactions; and
(iv) UNDAF.

Examples of internal United Nations collaboration and the creation of common services and sharing facilities include:

(i) procurement working groups, which were the most prevalent forms of joint working; these groups shared information on local markets and suppliers and in some cases even shared LTAs, but with limited co-sourcing and shared sourcing arrangements;
(ii) local salary reviews to provide a consistent approach;
(iii) United Nations global marketplace for the registration of United Nations suppliers;
(iv) shared offices and services in Yogyakarta to coordinate the humanitarian response operating together under the leadership of the United Nations Office for Coordination of Humanitarian Affairs;
(v) collaboration to discuss sharing facilities such as the UNHRD in Brindisi, Panama, Dubai, Ghana, and the new facility in Sabang (Malaysia); and
(vi) joint logistics training programmes.

Examples of United Nations reform include:

(i) moving to one United Nations office by the end of 2006 under ‘one plan, one budget, one office’, in Viet Nam;
(ii) announcements made at the General Assembly in June 2006 that potentially impact UNICEF:
   1. establishment of a Chief Information Technology Officer to oversee the integration of Secretariat-wide information and communications technology systems;
   2. approval of the implementation of a next-generation ERP system (or comparable) to replace existing older systems;
   3. authorization to proceed with the improvement of the procurement system and approval of approximately $700,000 for immediate enhancement measures.
• several key reform proposals that were deferred to the 61st General Assembly Session (fall 2006) for consideration, which include “The Secretary-General’s procurement reform report (submitted in June 2006)”;  
• the system-wide coherence panel’s recommendations on the streamlining of the organization’s activities and operations; and  
• the 2006 report, *Investing in the UN: For A Stronger Organization Worldwide*, which confirms that the United Nations needs a significant investment in how it recruits, develops and retains its people, and in how it procures goods and sources services.

### 13.2 Opportunities and Challenges

In the survey, almost 50 per cent of staff agreed that ‘UNICEF is perceived as having the best performing supply chain in the United Nations’. Fifty per cent of supply/logistics staff agree that ‘We collaborate effectively on supply with United Nations and NGO partners at country level’, but less than 30 per cent of programme and other operations staff agreed.

UNICEF should review the Secretary-General’s report on Procurement Reform in the United Nations (June 2006)30. Its recommendations are similar to those of this evaluation report, but the former delves into greater detail on joint United Nations approaches to, for example, strategic sourcing, joint purchasing to achieve leverage, lead agency and specialist buyers for the whole United Nations system, e-procurement and online catalogues and ordering, career development education and training aligned to posts, and increased sourcing from developing countries.

The evaluation team found that there were examples of joint working, but little evidence of United Nations reform. It would appear that there are opportunities to implement improvements in this area.

(i) **The joint working groups lacked visible leadership and senior sponsorship.** The Terms of References did not have performance measures and the work was not managed by senior members of the organization.

(ii) **There was no clear articulation of the benefits of reform for the individuals involved and a fear of people losing their jobs.** In Viet Nam, for example, it was not clear what the additional benefits of the move to a single United Nations office would be to UNICEF or to the United Nations.

(iii) **No examples were found of shared United Nations agency back offices capabilities.**

(iv) **The United Nations campuses in Nairobi and Addis Ababa had not grasped and implemented the multi-agency working enabled by co-location;** most agencies were still physically separated and operated in isolation on the same campus.

(v) **There is competition between United Nations agencies and mandate creep to obtain funding;** we noted that UNDP was the principal recipient of funds from the Global Fund to manage HIV/AIDS and malaria programmes in Tajikistan, while IAPSO offered bed nets via their website. Both UNDP and IAPSO programme activities overlap with UNICEF’s core mandate; this works against United Nations reform, fragments demand, and could cause price increases.

(vi) **There was suspicion and a lack of openness when meeting with other United Nations agencies as part of the evaluation;** for example, information requested was not provided, and meetings were either not confirmed or were cancelled.

(vii) **There was limited response from other United Nations agencies to participate in the supply chain capability assessment** that was performed as part of this evaluation; the results contained in the appendix are limited to a few agencies.

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30 See www.reformtheun.org/index.php?module=uploads&func=download&fileId=1630
We also found similar barriers to projects that were looking at implementing United Nations reform.

(i) **The joint initiatives were low level and did not deliver significant benefits;** private sector organizations would typically see and go for the benefits of streamlining operations, for example, back office operations, with the opportunity to improve delivery and reduce costs.

(ii) **There appear to be several significant barriers to implementing United Nations reform:**
- there is no organization change programme that has articulated the benefits of United Nations reform to staff members to get them engaged;
- in many country offices, there is no drive from the Resident Coordinator to implement United Nations reform;
- United Nations agencies do not share the same centres for regional offices;
- United Nations agencies have separate IT systems that are not integrated, and different agencies use different software providers – UNDP and United Nations Population Fund are pursuing an Oracle platform, while WFP, UNESCO and UNICEF are using a SAP platform.

(iii) **There is a reluctance to share facilities;** for example, WFP and UNICEF both have their own facilities in Dubai (charging mechanisms and service level agreements are not aligned).

(iv) **There is limited collaboration on in-country logistics;** while agencies may collaborate on humanitarian response, there is no routine collaboration on other initiatives.
14 ASSESSING THE IMPACT OF SUPPLIES

14.1 Introduction

A key goal of this exercise was to evaluate ‘the impact on children’s access to essential goods through supplies to programme countries’. Given that UNICEF provides a large volume of supplies to over a 100 countries, the evaluation was not designed to make a global assessment of performance but rather to use a case study approach to evaluate specific, illustrative country/strategic commodity combinations, to further develop methodologies for impact assessment and to provide an understanding of the enabling conditions for maximum benefits to be realized from supplies.

Supplies are understood in UNICEF to be programme inputs and are not provided in isolation from other programme elements. The evaluation team intentionally chose country and commodity combinations where UNICEF has been providing supply inputs to programmes at a scale where it might be possible to isolate the benefits of supply inputs from the other factors contributing to success or failure. The evaluation team developed a new approach and methodology specifically for this evaluation (for details see Appendix 3), which aims to provide a model for UNICEF to build on.

The evaluation has provided several insights in relation to: 1) UNICEF’s current capacity to undertake impact assessments on a systemic basis; 2) proposed changes to address the current ‘gaps’ in UNICEF’s capacity to undertake this kind of assessment on an ongoing basis; and 3) successful strategies for enhancing the benefits of supplies.

Impact assessment differs from end-use or situation monitoring. Impact assessment is defined here as ‘an analysis of the causal relationship between the activities and investments of one or more organizations and the results consequently generated’. The environmental factors that combine to influence a given type and level of benefit are also taken into account. Impact assessment attempts to identify the ‘drivers’ of change, and articulate how – either in isolation or combination – these drivers generate results. In this way, impact assessment helps identify successful strategies and operations, enabling these to be replicated to deliver improved outcomes. Impact assessment produces an evidence base to inform investment and resource allocation decisions to deliver against objectives, whilst producing value for money.

14.2 Assessments

Six benefits studies (for five essential products and one emergency case) were undertaken in four countries. In the course of the evaluation, a number of limitations in UNICEF’s M&E function were identified. UNICEF’s current M&E capability does not readily support impact assessment for supplies. There are several issues related to the type of information collected and how this information is stored, managed and used. Therefore understanding the relationship(s) between inputs, outputs and outcomes given the available data sets is both problematic and variable.

14.2.1 Strategy

Impact assessment has not been a core part of UNICEF’s strategic aims and objectives relating to M&E. There is significant variation in the M&E activities executed at the regional and country office levels. In practice, activities tend to be defined and driven by individuals rather than by institutional requirements. On one level, this has created the space for individuals within the M&E function to be innovative, and in several country offices end-use monitoring, and evaluations that generate insight into causal relationships, are emerging (using, for example, cluster surveys and household surveys). However, these assessments are not conducted on a systemic basis; good practice is not shared; and the insights generated are not used to inform decision-making around programme priorities or resource allocation.

Good examples of data being collated and used include:
- Niger country office – a real time evaluation of UNICEF’s response to the nutrition crisis was conducted in 2004/05, providing insight into the impact of UNICEF’s involvement in the response programme (for example, estimated lives saved were quantified at 350,000);
- Ethiopia country office – the malaria programme commissions (externally) and also undertakes household and cluster surveys that assess factors such as bed net utilization rates by different categories of users.

**UNICEF has yet to decide the extent to which impact assessment should be developed as a core capability.** Several development agencies have started to explore the field of impact assessment. UNICEF has yet to clarify whether these assessments should be carried out, and if so, how they are to be conducted and how the information generated should be used.

**M&E is not prioritized as a strategic capability at an organization-wide level.** M&E activities tend to fall at the end of a long list of priorities, especially for countries with high levels of operational demand or frequent emergencies. The lack of prioritization for M&E and impact analyses is driven by resource constraints, which are in part a consequence of limited organization-wide understanding and appreciation of the value of M&E, and limited leadership, adding to weak accountability structures.

**There is currently a limited understanding of the causal relationship between inputs and outcomes, and of the efficiency with which results can be achieved.** UNICEF lacks performance information to drive investment and resource allocation decisions. The introduction of Results Based Management since 2003 has started to move UNICEF in the right direction, whilst the systematic review of historical performance information in the planning process is also helping to ensure better targeting of resources.

### 14.2.2 Business Processes

**Despite good examples of collaboration, there does not appear to be a consistent, standard and formalized process for Programme, Supply and the M&E offices to jointly assess progress against programme outputs and outcomes.** This limits the extent to which an impact assessment of the supply component can be made.

The evaluation saw examples of business processes that systematically managed a regular flow of information between Programme and Supply to support impact assessment and regular performance monitoring. In Niger, for example, there is good collaboration and exchange of information between Supply and Programme on immunization. A strong emphasis is placed on monitoring stock levels in health centres to ensure the availability of vaccines (data is collated and aggregated from local health centres on a monthly basis and reviewed by Programme in collaboration with Supply). This approach has supported improved management and coordination of programme and supply activities, and helps ensure that supply inputs not only drive programme results but are also *understood to do so.*

**There appear to be limited formalized reporting processes to support a cross-sector impact assessment for specific supply inputs.** In Ethiopia, regular meetings are now held between the different Programme Section Chiefs and the M&E office to: 1) assess progress against objectives; 2) identify the potential impact of emerging performance issues; and 3) address any problems collaboratively to mitigate repercussions, both *within and across* programme areas. This problem-solving approach means issues are exposed early on and solutions proactively developed and followed up. Impact assessment requires an understanding of causal relationships across sectors.

**End-use monitoring is not institutionalized, and where it is taking place, it is not fully exploited.** End-use monitoring is a multi faceted activity and can be used to capture information on multiple levels, including:

- **The distribution of supplies** (i.e. how many supplies have been distributed, to where and in what condition). This information allows for accountability of resources. In countries with weak internal logistics systems, UNICEF performs the supply distribution process. Data relating to the final delivery or destination of supplies is often not collected by UNICEF or by government. Yet this information is essential background for impact assessments (for
example, how many supplies, in what quantities, have been delivered where, in what
timescales and in what condition).

(ii) **The life cycle/duration/functionality of the supplies and the systems they support.** For example, does the water system work; how often does the system/supplies break down?

(iii) **Use and consumption behaviours governing supply items.** End-use monitoring guidelines were developed and made available in 2003, and end-use monitoring missions are now undertaken, albeit on an ad hoc basis, in several country offices. (This information differs from point (i) as it reports utilization and whether supplies are ‘fit for purpose’).

Whilst the drafting and dissemination of End-Use Monitoring Guidelines in 2003 was a positive step in the right direction in terms of setting out a procedure for improving the quality and quantity of information gathered, a series of issues remain: 1) the implementation of the process; 2) the way in which the information is fed into the organization; and 3) the use of information gathered.

In summary, end-use monitoring missions do not appear to be undertaken on a regular or consistent basis. Where they are undertaken, there is a lack of clarity around roles and responsibilities – is it/should it, for example, be a Programme or Supply (or government) activity? There is no central repository for storing or analysing the information gathered, and in many cases, reports are produced in Microsoft Word, stored locally, and printed and filed in hard copy. There is currently no mechanism for producing consolidated reports summarizing the results of end-use missions undertaken on a product/category/geographic basis to feed into, for example, monthly management meetings. Equally, end-use monitoring information does not currently inform the Research and Development process so as to drive iterative improvement in the quality and appropriateness of the supply items (and by extension the results they generate).

The evaluation found examples of good practice in relation to end-use monitoring, notably in the Tamil Nadu state office in Chennai (India), where every staff member, from the State Representative to the drivers, is mandated to undertake a minimum number of end-user monitoring missions per year in cross-competency teams. Such an approach is helping to embed a deep understanding of the field (and specifically, of issues relating to end use) across the entire local office organization.

The extent to which it is UNICEF’s responsibility to gather end-use information is debatable. In-country logistics is (at least technically) the government’s responsibility. It therefore follows that end-use monitoring should also be the government’s responsibility. In reality, however, UNICEF often assumes responsibility for supply distribution where the government does not have the capacity or the infrastructure. End-use monitoring could become one of UNICEF’s capacity-building activities if supply and/or procurement officers were retrained to support the development of an end-use monitoring capability within government structures.

**14.2.3 Data, Information, Tools and Systems Issues**

The biggest challenge UNICEF faces in relation to impact assessment relates to the type, quality, consistency and availability of performance data and information currently collected within the internal performance reporting process. In the internal survey, less than 30 per cent agreed that ‘We have the data to tell us how much difference UNICEF supplies are making to children’, with only 25 per cent of programme staff agreeing.

Another (related) major limitation is the quality of performance data collected by national governments. In the four countries visited (and for all six impact assessments conducted), the data collected within national frameworks was largely inconsistent, unavailable and unreliable, in some cases to the point of being unfit for inclusion in our analysis. Importantly, data relating to the distribution of supplies to the end user (i.e. which supplies, in what quantities had been distributed where) was not available. This data is an important component of impact assessment and it should be noted (as with all the limitations outlined in this section) that the assessments undertaken were conducted within the constraints of the

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31 It is important to note that there are some exceptions to this rule, yet on the whole the quality of the data was poor.
data and information currently available. Our summary views on the main problems encountered in relation to data are set out below.

(i) **Inconsistencies in the way data is captured, stored, managed and analysed between programmes and locations.** One of the key challenges encountered throughout the course of this evaluation was locating the data required. Performance data is captured in different tools and documents and by different functions and people, between different programmes and geographies. This means that even knowing where to look for performance data in-country is challenging. In some countries, data relating to performance and also to supplies is captured electronically in Microsoft Excel and stored in one location (e.g. the malaria database in Ethiopia); in others (e.g. for education in Niger) performance data relating to national outcomes (but not to supplies) is captured and stored in Microsoft Word.

![Figure 29: Data Sources Consulted to Support Impact Assessment of Immunizations in Niger](image)

(ii) **Performance information is often paper-based, with specific data points embedded in heavy text paragraphs within annual reports and mid-term reviews.** There is rarely a central, technology-enabled, performance data repository at the programme level to support an efficient and effective process of capturing, storing, managing and analysing data. Consequently, it can be very time consuming to consult the large number of different documents required to pull together time series performance data. There is currently no means of easily viewing (a time series view of) performance across programmes within one country. In effect, this means that establishing a picture of performance across education, health, child protection and water and sanitation, year on year between, for example, 2000 and 2005 is not possible (on a country, regional or global basis). An illustrative (summary) example of the number of documents consulted to perform one impact assessment is shown in Figure 29 (relating to immunizations in Niger).

(iii) **Where outcome data is available in a time series format and stored electronically, it is not consistent, complete, or broad enough in scope and scale to support the types of analyses required to conduct impact assessments.** Whilst Multi Indicator Cluster Surveys (MICS) and Dev Info certainly represent a step in the right direction, the data currently available does not always lend itself to the specific requirements of impact analyses. While it contributes to this analysis, it is insufficient without other data, for the following main reasons:

- **Data is not collected on a sufficiently regular basis.** Ideally, data needs to be collected annually.
- **Data is not always collected down to the regional level.** Change at the macro scale is often hard to link to specific attributions/contributions. Data at the sub-national, and
ideally the local area level, needs to be collected. Ideally, MICS should be developed to include annual household surveys.

- **Data points can be incomplete.** Data is often missing, which reduces the utility of the tool in terms of completing impact assessments.

- **The range of data in terms of the type of datasets available within MICS and Dev Info does not fully support impact assessments.** Impact assessment requires outcome data, supply input data, access/availability data, utilization rates, cost data, and end-use monitoring information (see next point for more detail on each of these) and neither MICS nor Dev Info currently support the collation of these information sets. In some cases, additional data sets are available (e.g. numbers of female teachers and availability of school furniture in Uttar Pradesh, India) but this is not always the case.

(iv) **In those cases where Supply and Programme do collect data that could be used to support impact analysis, it is underutilized.** In some cases, data that could be used to support impact assessment exists, but is not sufficiently integrated. In Viet Nam, for example, distribution data down to the end user was mainly paper-based. In the one case where this information had been captured electronically, it had not been cross-referenced with performance data in a way that would inform impact assessment. To some extent, this lack of information integration is a result of existing data capture tools being underused. ProMS, for example, can be used to track and store performance information relating to both Programme and Supply, yet this functionality is rarely exploited. This is not only, however, a systems-based issue. It is also the result of a systemic separation between Programme and Supply at the strategic, business process, and informational levels.

(v) **UNICEF does not systematically collect the type of data required to fully support impact assessment.** In addition to the outcome data discussed above, our experience suggests seven additional main types of data that are needed to support impact assessments:

- **Baseline data** The lack of baseline data means that assessing change over time and attributing this change to specific activities undertaken within a given timeframe remains challenging and in most cases not yet possible. Baselines are starting to be undertaken in some countries, a good example being Niger, where a baseline assessment was conducted in 2000 at the inception of the Integrated Basic Services Programme. A second data collection exercise was underway in 2006, which will enable UNICEF to assess the level of change delivered against a solid starting point. The UNICEF office in India has also recently started to collect data to inform and establish a baseline against which future performance can be assessed.

- **Data relating to the distribution of supplies to the end user** (i.e. school, household or child level). One of the key data gaps for impact assessment is the lack of data relating to the distribution of supplies (i.e. which supplies, in what quantities have been distributed where). Exactly where the responsibility for collating this data lies is an ongoing point of debate within UNICEF. On the one hand, ensuring that supplies are distributed to the point of need is the government’s responsibility and therefore collecting the corresponding data should also be (some feel) the government’s responsibility. In reality, this may not happen and yet this information would be extremely helpful for UNICEF in relation to impact assessment.

- **Data relating to access to and availability of essential supply items at the local area/community level** In some cases, this information is collected, but it is paper-based, embedded in reports, and not available in time series. In Niger, for example, good data and information on the access, availability and affordability of supplies is available for 2003 at the regional level and this information was used in the education and immunization exemplars. One external evaluation has been conducted, whilst the government is collecting data (under UNICEF’s guidance) on the availability of essential education items in schools (desks, blackboards, books etc). Specifically, the data sets used to support these exemplars included:
per cent of family members using vaccines by key vaccine type;
- distance to travel to access vaccines (less than 2km, 2 – 10 km, more than 10km);
- frequency of availability of key vaccines as and when needed;
- reason for non use of vaccines;
- utilization rates of radio;
- utilization rates of television;
- per cent of people reading a newspaper;
- number of desks per classroom;
- number of books per classroom;
- number of blackboards per classroom.

- **Data relating to utilization rates (rather than coverage rates) of essential supply items** The type and quality of information collected in household surveys can be extremely helpful for impact assessments. Several such surveys were consulted to conduct an impact assessment of malaria nets in Ethiopia. One of these surveys had been commissioned by UNICEF, while the others were undertaken on a regular basis by internal UNICEF staff. The type of information collected in these surveys included:
  - per cent of people sleeping under bed nets the night before the survey (by category of user i.e. pregnant women, children under 5 etc.);
  - per cent of households with access to media;
  - GDP/capita at household level.

- **Data that can be correlated to provide insight into either the relationship between specific inputs and outcomes, or the ‘drivers’ of success** Once again, in some cases this information was available, usually in the form of one-off evaluations commissioned by UNICEF, or on external websites. Identifying the specific data sets required entailed examining the full range of potential factors that may either be a benefit of a specific supply intervention, or linked in some way to generating levels of outcome, and then searching for the data set internally and externally. Examples include:
  - per cent of women with access to the media;
  - per cent of female teachers in classrooms;
  - per cent of schools with access to water and sanitation facilities.

- **Data relating to cost** Ideally, impact analysis considers both outcomes and also efficiency. In this way, data relating to the cost of supply interventions would ideally be included in an analysis to generate a cost/performance ratio that can be tracked year on year. This data was not included and it is currently not readily available in a format that can be used easily; it was therefore not included in our analysis.

- **Data relating to end-use monitoring** In the internal survey, participants were asked to provide their views on what they felt was the main activity that their country office needed to perform to improve its performance in supply and logistics. A total of 37 participants identified end-user monitoring as a priority.

(vi) Despite the limitations identified above, several examples of best practice in relation to the components required to conduct impact assessment were found within the four country offices visited. The most notable of these best practices are shown in the table below.

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32 Please note that a full list of all data tables included in these statistical compendiums is available from the Niger office.
Table 3: Best Practice Examples of Elements of Impact Assessments

<table>
<thead>
<tr>
<th>DATA</th>
<th>Country</th>
<th>Program/ Business Function/Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data relating to access and availability of supplies</td>
<td>Niger</td>
<td>Immunizations, Education</td>
</tr>
<tr>
<td>Data relating to supply distribution and destination</td>
<td>Niger</td>
<td>Education</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOOLS</th>
<th>Country</th>
<th>Program/ Business Function/Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of technology enabled tools to store and analyse data</td>
<td>Ethiopia</td>
<td>Malaria, M&amp;E office</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPROACHES AND METHODOLOGIES</th>
<th>Country</th>
<th>Program/ Business Function/Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Time Impact Assessments</td>
<td>India, India</td>
<td>M&amp;E office</td>
</tr>
<tr>
<td>End Use Monitoring surveys</td>
<td>India, Tamil Nadu State Office, Chennai</td>
<td></td>
</tr>
<tr>
<td>Household and Cluster Surveys</td>
<td>Ethiopia, India</td>
<td>Malaria (Ethiopia), Bihar State (WES)</td>
</tr>
<tr>
<td>Baseline Surveys</td>
<td>Niger, India</td>
<td>M&amp;E office</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER</th>
<th>Country</th>
<th>Program/ Business Function/Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shaping National Frameworks</td>
<td>Niger</td>
<td>M&amp;E office</td>
</tr>
<tr>
<td>Use of performance information to inform resourcing decisions</td>
<td>Ethiopia</td>
<td>M&amp;E office</td>
</tr>
</tbody>
</table>

14.2.4 Staffing

The UNICEF M&E function is under-resourced, both overall and as a proportion of time spent by programme staff (and in some cases by the M&E officers).

Leadership for M&E and impact assessment is limited at the country office level. M&E does not have the same leadership level representation as Programme or Operations. M&E tends to ‘fall between the cracks’ because current accountability structures do not provide adequate incentives for M&E.

The current skills base within the M&E function would not readily support impact assessment. There is a recognized need to develop the skills base for M&E across the organization and this is particularly true for some of the more technical aspects of analyses required for impact assessment (e.g. statistical and regression analysis).

There appears to be a misalignment of workload and resources within the M&E function at the country office level. M&E tends to be part of a role, rather than a professionalized function in its own right. The roles and responsibilities of the M&E office at country office level tend to straddle policy, planning and M&E. While in theory this has the potential to ensure M&E is well integrated, in practice it tends to be pushed to the bottom of a long list of priorities.

14.3 Benefits Associated with Supplies

This section summarizes the findings of the evaluation team relating to the benefits associated with some of UNICEF’s essential supply items. The observations set out in this section are intended to be understood within the context of the caveats and limitations outlined under Methodology, above.

The evaluation team believes that UNICEF’s essential supplies do appear to help generate several benefits for women and children in both a development and emergency context. In summary, four principal types of benefits in terms of changes at the grass-roots level emerge:

(i) **An immediate improvement in the quality of life at the individual and collective level.** In Ethiopia, for example, UNICEF is responsible (via Procurement Services) for bringing an estimated 80 per cent of all supplies in support of national (government driven) malaria programmes into the country and has imported a total of 13.5 million bed nets since 2003-2004. As a result, coverage rates for bed nets of an improved quality have risen and more effective anti-malarial drugs are now more widely available within the (albeit currently limited)
health system. Improved access to Rapid Diagnostic Tests also means that more people are being tested, accurately diagnosed, and more effectively treated for malaria.

(ii) **Progress against key outcomes as evidenced by changes at the micro and macro scale.** Increased access to and availability of vaccines, for example, for wider interventions to ensure immunizations are appropriately administered and culturally accepted, appear to support the reduction of vaccine-preventable disease. In Niger, for example, national coverage rates for vaccine-preventable disease increased from 25 per cent to 80 per cent between 2000 and 2005. At the same time, the prevalence rates for vaccine-preventable disease have fallen by between 100 per cent (for diphtheria) and 42 per cent (for tetanus). UNICEF has been, and still is, responsible for bringing almost 100 per cent of vaccines into Niger.

This evaluation cannot assess the extent to which increased access to vaccines has made a positive contribution to MDG health indicators (e.g. under-five mortality and infant mortality). Several factors (including nutritional status and GDP/capita) come into play, and further analysis is required before any concrete conclusions can be drawn. This is particularly true in Niger, where malnutrition is the primary cause of premature death in children. That said, it is clear that the supply component of UNICEF’s support for the national immunization programme has made a significant contribution to improving levels of child health.

From Viet Nam there are early indications that Rapid Test Kits for HIV/AIDS and antiretrovirals are helping to reduce levels of mother to child transmission of the virus. In one health clinic visited by the evaluation team, three children had been born to HIV positive mothers and at the time of our field visit, none of these babies had developed the HIV virus.

(iii) **Positive changes in some aspects of citizen behaviour.** Programmes with substantial supply elements can help to generate a positive change in some aspects of citizen behaviour, notably in relation to water and sanitation. Improved access to clean water and to basic sanitation facilities appears to result in increased levels of awareness and understanding of the relationship between good hygiene practice and levels of health. Also related to behaviour change is the issue of gender dynamics. In some cases, the power/gender dynamics of whole communities has been transformed partly as a result of UNICEF’s supply interventions. For example, supply-centred micro financing initiatives that put women in charge of banks of grain at the village level, and support them with training in basic stock and financial management.

(iv) **Wider, catalytic change over the longer term.** In some cases, UNICEF supplies have served as a catalyst for long-term change at a national scale. In both Viet Nam and India, UNICEF’s earlier supply support for water and sanitation helped to establish the beginnings of a national water management system that has significantly increased coverage rates for access to water at a national scale in both countries. In the case of the tsunami in India, the use of a ‘model’ or ‘demonstration’ approach to show what can be achieved with supplies has resulted in the government starting to replicate and scale-up successful interventions at a state-wide level. Other states are also starting to take an interest in the apparent success in Tamil Nadu across a number of social policy areas (e.g. health and education). In the case of sanitation, in some areas there has been a 60 per cent increase (from 0 per cent) in basic sanitation coverage when compared to the pre-tsunami situation.

A full discussion of the specific benefits associated with each category of supply items assessed as part of the current evaluation can be found in the six exemplars produced as part of the evaluation. The key points from each exemplar are provided below.

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34 Provide data examples from Ethiopia cluster study.
35 This statistic was provided by the Tamil Nadu state office.
14.4 Examples of Supply Benefits

Some key findings from the benefits of supplies as extracted from the exemplar reports are included here (for the full reports please see Annex x).

14.4.1 Education Supplies in Niger

- **Education outcomes in Niger are low but showing positive trends.** Improvements have been made in recent years but there is still a long way to go.

- **On the whole, levels of performance against key education outcomes are higher in those departments and schools where UNICEF has targeted education supplies and programme activities when compared to national averages.** Attendance and enrolment rates in some schools supported by UNICEF were higher than national averages. In 2003, for example, primary enrolment rates in departments supported by UNICEF (with programmatic interventions and supplies) rose by an average of nine per cent between 2003/04 and 2004/05. This was over three times the national average of 2.8 per cent. For girls, enrolment rates rose by an average of 11.7 per cent between 2003/04 and 2004/05 against a national average of 0 per cent. This success does mask some variation between the schools, meaning investment is more effective in some areas than in others.

- **UNICEF-supported schools appear to be better equipped in terms of both infrastructure and basic in-school facilities.** It would appear that in areas where investments are being made, they are generating tangible outcomes. However, levels of availability and access to essential supplies appear to vary between departments and between schools, and there are also differences in the range and number of supplies going to different places.

- **There does not appear to be a statistical correlation between access to and availability of essential education supplies and improved levels of enrolment and attendance.** There does, however, appear to be a relationship between access to water and sanitation facilities and increased levels of attendance (especially for girls); and the ratio of female teachers/pupils and levels of primary school attendance.

14.4.2 Immunization in Niger

- **Coverage rates for vaccine-preventable diseases in Niger have improved significantly since 2000 and UNICEF has played a major role in driving this success.** Starting from a low base of 25 per cent in 2000, national coverage rates had reached an average of 80 per cent by 2005 and UNICEF’s vaccine supplies played a significant role in this process. UNICEF has been, and continues to be, responsible for bringing almost 100 per cent of vaccines into Niger.

- **Access to and availability of essential supplies does not necessarily equate to use or consumption.** In countries with strong cultural and religious traditions, vaccines are not accepted without question. In some cases, they are believed to sterilize women; in others, they are perceived to be a means of extracting money from an already poor population: “According to the women, the vaccines reduce the amount of blood in our children. This means we have to take them to the health centres, where they make us pay for consultation and treatment. Polio vaccines are nothing more than a means of making money.”\(^{36}\) Low levels of confidence in the public health system can also hamper progress in vaccine coverage: “There is a need to improve the quality of the health service. For so long as we are poorly received and poorly cared for in our medical centres, so those who come into our villages to talk about vaccines will be poorly received.”\(^{37}\) Within such a context, having an efficient and effective vaccine procurement, supply chain and distribution process is of little use if no one is prepared to accept the vaccines.

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36 Evaluation Paper, National Immunization Days, 2003 (translated from French text)
37 Evaluation Paper, National Immunization Days, 2003 (translated from French text)
There seems to be a significant statistical correlation between coverage rates for vaccines and women's access to media (e.g. radio, TV). A household survey undertaken in 2003 revealed increased levels of vaccination coverage in areas where a larger percentage of women listened to the radio at least once a day and watched television at least once a week.

Figure 30: Percentage of Women Watching Television Once per Week and Vaccine Coverage Rates

![Figure 30](image)

Figure 31: Percentage of Women Listening to the Radio Once per Day and Vaccine Coverage Rates

![Figure 31](image)
14.4.3 Water and Sanitation in India

- **Good progress has been made in increasing water coverage in India.** In 2002/2003, 83 per cent of habitations were found to be 'fully covered' by drinking water facilities. Whilst no longer directly involved in the provision of hardware to support increased water coverage, UNICEF has been influential in helping to establish a national water management system; the government is taking successful supply interventions originally pioneered by UNICEF and scaling them up nationally over time.

- **Whilst levels of access to water are high, levels of sanitation coverage remain low.** Just 37 per cent of households (nationally) use a toilet and in some states (e.g. Bihar) the figure is as low as 19 per cent. Education and awareness are key to generating sustainable health benefits linked to improved access to sanitation. People question the 'need to bring waste into the house' whilst in other cases sanitation facilities, once installed, can go unused as they do 'not suit any family member'.

- **UNICEF’s ‘dual pronged’ model of support around water supplies in India, comprising public sector capacity building whilst encouraging private enterprise, shows how a programming approach based around a supply strategy can support sustainable development.** The end point of supply in a development context is exit, and as a minimum, exit from the provision of hardware. In India, the model of intervention used for water supplies has helped to address the basic requirements for access, whilst the government can now procure its own supplies from within the country and also export them. In terms of sustainable development, it is a model that appears to have worked well.

- **UNICEF’s successful leveraging of new technological developments is helping to address emerging challenges around water quality.** Water quality testing kits are being used to detect arsenic contamination and improve levels of public health in communities located along the river Ganges.

14.4.4 Malaria in Ethiopia

- **UNICEF plays a very significant role in the provision of supplies to support the government’s national malaria programmes.** It is currently estimated that 80 per cent of all malaria supplies in Ethiopia are provided by UNICEF. Notably, these supplies include bed nets, Rapid Diagnostic Tests, anti malarial treatment drugs (e.g. Coartum), and a series of associated support supplies including Information, Education and Communication (IEC) materials and monitoring sheets.

- **Access to and availability of essential supply items for malaria prevention and control programmes are increasing.** Coverage rates for bed nets are rising (13.4 million nets, for example, have been brought into and distributed across the country since 2004) and Coartum is now more widely available in the (albeit limited) health system. The increased availability and use of Rapid Diagnostic Tests at the point of need also means that more people are being tested for malaria, rapidly and accurately diagnosed, and better treated.

- **UNICEF’s knowledge of technological and pharmaceutical developments in global supply markets is helping to drive improved results.** The use of Impregnated Nets for malaria prevention rather than Long Lasting Treated Nets, the policy change to Coartum (a combination drug with lower failure rates) and the more recent introduction of Rapid Diagnostic Tests are just three examples of how such developments are being utilized to drive progress.

- **Education and awareness are key to driving down malaria rates.** Utilization rates for bed nets appear to be lower than coverage rates at the household level, and particularly for

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38 The ongoing provision of support, and in this case hardware supplies, creates an environment of dependency. Ideally, after an initial stage of providing hardware, government structures would assume responsibility for this process. To this end, and taking sustained and independent development as the objective, success for UNICEF (both in terms of supply and also in terms of Programme) should be exit.
pregnant women. The evaluation team came across a case where a hole had been cut in a bed net for fear that the family would not be able to breathe while sleeping underneath.

14.4.5 Anti-Retrovirals in Viet Nam

- **UNICEF is playing an important role in the emerging HIV/AIDS agenda in Viet Nam.** This support combines direct essential and support supplies with wider programmatic interventions. UNICEF’s main intervention in relation to HIV/AIDS is through the Prevention of Mother to Child Transmission pilot projects, running in five of the country’s high risk districts.

- **Amongst the emerging benefits is the prospect of a lower mother to child transmission rate for HIV/AIDS.** Whilst it is too early to draw any definitive conclusions about the impact of the programme, the early signs are encouraging. At the time of our field visit (July 2006), anti-retroviral treatment had been administered to 17 women and 17 children, whilst 12 babies had received Cotrimoxazol. In Ho Chi Minh City, a total of 14 HIV positive cases had been identified, six of which were being actively monitored. Three HIV positive women have given birth to children, none of whom have yet developed the HIV virus, which can have an incubation period of up to one year (the eldest child is almost 12 months old).

14.4.6 Emergency in India

UNICEF played a relatively minor role in the tsunami relief operation in India. However, in those targeted areas where there was a significant supply component within the scope and scale of UNICEF’s assistance, it is fair to suggest that:

- **Supplies helped to save lives.** One of the key success stories of the tsunami response was that there was no outbreak of vaccine-preventable disease\(^{39}\), not a single child was reported to have died from a vaccine-preventable disease in the aftermath of the disaster. This can be attributed to the combined successes of ensuring rapid access to water, vaccines and sanitation supplies, and also to effective IEC activities.

- **Supplies have improved access to better quality services.** More supplies of a better quality mean access to essential services (e.g. health and education) has increased, whilst the quality of services provided has improved. As a result, more people appear to be using (and benefiting from) these services. This last point is particularly relevant for poorer people from lower caste communities for whom greater equity in terms of access to basic services has been achieved.

- **Supplies appear to be generating sustained improvements over the longer term.** This positive trend is likely to continue as the government adopts and scales-up successful supply models proposed by UNICEF. As a result, more sustainable benefits are emerging across multiple sectors and in many locations. In some areas, for example, sanitation coverage has risen by as much as 60 per cent compared to the pre-tsunami levels (from as low as 0 per cent).

14.5 Wider Observations Concerning Supply Benefits

The information gathered throughout this evaluation appears to support the view that in cases where UNICEF’s programmes have a significant supply component\(^{40}\), programme objectives are actively supported by supply, and the supply input helps to deliver tangible results. Quantitative and qualitative evidence gathered from internal reports (e.g. AWPs and mid-term reviews), internal UNICEF programme staff, and external stakeholders (including government counterparts and NGOs) suggest that the supply

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39 Government representatives, health workers and members of NGOs alike all felt this to be one of the key success stories of the tsunami response operation, especially within the context of large numbers of dead bodies, many displaced people and lots of flooding.

40 Each of the country case studies compiled as part of this evaluation assessed the impact of supplies within the context of programmes with a significant supply component. We are not able to offer a balanced view on the impact of supplies within the context of programmes that do not have a significant supply component.
component of Programme helps achieve results and supports UNICEF in delivering programmes against national government objectives.

UNICEF is heavily involved from a supply angle in the delivery of significant programmes that are helping to generate tangible results and support countries’ achievement of MDG targets within their national poverty reduction strategies. A good example is UNICEF’s support for malaria prevention and control programmes in Ethiopia, where UNICEF provides an estimated 80 per cent of all supplies brought into the country in support of these programmes.

UNICEF can successfully adjust its supply support depending on changing country contexts. Supply support within programmes includes the provision of hardware (e.g. diagnostic test kits for HIV/AIDS in Viet Nam); technical assistance (e.g. training government staff in the use of high-tech water testing kits and equipment in India); encouraging in-country manufacturing and production facilities (e.g. hand pumps in India); and IEC activities (in most countries and most programmes). In some cases, the type of support provided has changed significantly over time, as in the case of water supplies in Viet Nam and in India, where support has gone from hardware provision to facilitating the purchase of essential supply items by helping governments oversee the end to end procurement and distribution process. UNICEF appears to know when to provide direct supply and when to provide supply-centred capacity building.

UNICEF can work with others to help strengthen entire in-country systems. UNICEF can also help strengthen entire supply systems to generate wider change over the long term. For example, UNICEF played an important role in the development of a health sector logistics plan in Ethiopia, which aims to overhaul the national logistics and distribution systems and so facilitate the flow of essential medical supplies throughout the country.

The recent growth in new funding mechanisms presents a number of potential opportunities for growth in the scope and scale of supply support provided by UNICEF Procurement Services to governments. UNICEF is already taking steps to ensure it is well positioned in relation to these new funding mechanisms, such as GAVI and GFATM.

On a cautionary note, it is not clear how successfully UNICEF targets the poorest of the poor through its supply activities. UNICEF appears to take a ‘broad brush’ approach to programming, which does not take account of those at the very margins of society who may not be reached. We observed that in water and education activities in Viet Nam, and sanitation facilities in India, the poorest of the poor were not reached, as the individuals did not have the ability to pay to gain access to services. There may be scope for UNICEF to reconsider the programme design and approaches adopted for these hard to reach households and communities. For example, perhaps UNICEF can pay for the households to be connected to the water supply in Viet Nam rather than merely provide construction materials, which the Vietnamese government appeared to be able to provide in any case.

14.6 Success Factors for the Application of Supplies

Evidence indicates that several factors combine to determine the success (or failure) of UNICEF’s supply interventions. These are discussed in detail in the exemplars. In summary:

(i) **Supplies appear to be particularly effective when innovation and customization make them more applicable to the specific context.** Voice-enabled technology applied to sanitation facilities in primary schools in Viet Nam, for example, appears to have resulted in more children using the facilities and washing their hands. ‘Floating latrines’ developed for flood-prone areas in Viet Nam are also helping to ensure that infants in day care centres located near rivers have continued access to sanitation facilities in times of flooding.
(ii) **Supplies are more effective when delivered in parallel with IEC activities**\(^{41}\). Cultural acceptance and appropriate use and consumption are key challenges to ensuring supplies generate the anticipated benefits. Vaccines can be refused on the grounds that they will sterilize women; holes may be cut in bed nets for fear of not being able to breathe whilst sleeping underneath; sanitation facilities can be refused using the argument that bringing waste into the house is unhygienic; and women may make spaghetti for the entire family from Plumpynut mixture intended to alleviate acute malnutrition in their infants. Education and awareness-raising programmes help to tackle and address some of these cultural barriers and utilization issues.

(iii) **Harnessing new technologies can help achieve improved results with supplies.** Leveraging developments in the pharmaceutical and technology industries – such as Insecticide Treated Nets, Coartum and Rapid Diagnostic Tests for malaria (Ethiopia), and water testing kits for arsenic contamination (India) – can lead to improved results in two main ways:

- new technologies to support existing needs (e.g. better bed nets, anti-malarials with lower failure rates); and
- new technologies to support new needs (e.g. paediatric anti-retrovirals).

(iv) **An appropriate use of incentives around supplies can help tackle multiple root causes of premature death and morbidity more effectively.** Free malaria nets for women receiving all three pre-natal injections encourages an increased utilization of basic health facilities whilst simultaneously increasing coverage rates for vaccines and bed nets at the household level.

(v) **Supporting supplies relating to mobility and communications appear to help better target isolated communities.** Equipping hospitals and health centres in remote areas with radio communications equipment, for example, can help to mitigate the potential impact of epidemics by enabling alerts to be sent to isolated health centres.

UNICEF needs to equip itself to make judgements about the value of supply components within its programmes. Using the approach shown in Figure 32, UNICEF should improve its analytical capabilities to put supply-related interventions into high impact, high value for money combinations, while accepting that some high impact supplies will remain costly until costs can be driven down.

\(^{41}\) Qualitative evidence gathered in the field from internal and external stakeholders, across a range of countries and for all the essential supply items assessed under this evaluation concurs to support the view that IEC activities are a crucial part of ensuring the successful impact of supply items.
Continue some investment in activities falling in this quadrant where return justified

Majority of investments in activities that fall in this quadrant

Avoid investments in activities with a low outcome return

Figure 32: Anticipated Benefits of Impact Assessments
True/False Questions

2) Things that have life are called non-living or non-living objects. T/F

3) Things that do not have life or animate things. T/F

3) Living things are able to perform such as breathing. T/F

Plants and animals are examples. T/F

By walking or general movement. T/F

Four main living things are: plants, animals, air, and water. T/F

There are some but they cannot see and move. T/F

Metals, cotton, etc. T/F
15 RECOMMENDATIONS

This section presents recommendations drawn from the evaluation findings. Each of these recommendations will help improve one or more of the key drivers cited above. Please note that the recommendations are inter-dependent and will need to be sequenced.42

15.1 Focus on Strategic Supplies

In order to remain focused and effective in its supply role, UNICEF will need to define and implement a clearer and stronger categorization for the supplies it chooses to manage. Figure 33 below illustrates the categories into which supplies can be divided and then the benefits of following such a strategy.

**Figure 33: Procurement Segmentation**

UNICEF operates with 22,825 suppliers across 304 sub-categories. There should be a drive to reduce the number of suppliers and sub-categories and focus on essential supplies; this is the core business of UNICEF in which it already has, and can further develop, deep programme and supply experience. This is vital to allow UNICEF the space to maintain its leadership and comparative advantage in specific areas of supply core to the organization’s mandate.

As discussed in section 5.2 above, all strategic supplies are essential but not all essential supplies are strategic. UNICEF must remain alert and regularly review its portfolio of strategic supplies as suppliers,

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42 There is a high degree of overlap with the external auditors’ recent findings regarding the supply function (see Annex T). These are due to be reported on at the end of 2007, a timeline which matches the Evaluation Office’s request for a report on progress against this evaluation, which would normally come 12 months after the finalization of the evaluation.
markets and technologies mature for some products and new products requiring UNICEF intervention emerge.

15.2 Outsource Supporting Supplies and Use Online Procurement

Strong consideration should be given to outsourcing the procurement and supplier management of all supporting supplies to another agency, preferably a United Nations agency. Options include UNOPS, United Nations Procurement Service and IAPSO. Each option should be tested for feasibility. The new arrangements should include online requisitioning of supporting supplies, which will require significant investment. The benefits of this approach include clearer expectations of service and lead times, improved availability of supplies at reduced lead times, and allowing UNICEF to focus on supply activities that are core to the organization. It falls to the Programme Division, as the owner of the commodities portfolio, to define which supplies are ‘supporting supplies’.

This should allow UNICEF to reduce transaction costs and retain the tax and duty benefits of the United Nations family. At the same time, ethical procurement standards must be maintained. Outsourcing will allow UNICEF staff to spend more time on essential supply management and monitoring. Outsourcing could potentially include IT equipment and services, telecommunications, travel facilities, vehicles and maintenance, fuel, professional services, office supplies, office accommodation and facilities management.

15.3 Develop Partnerships for Supply-Related Services

To simplify the local procurement of services and reduce the local tendering process, UNICEF should develop MoUs and LTAs with key strategic partners. To this end, UNICEF should define a strategy for partnering with key international NGOs and identify the core services that they bring to assist UNICEF in delivering programmes. In addition, UNICEF should develop global agreements with regional/local agreements for service provision, and mandate the use of these NGOs as preferred global partners across UNICEF. This strategy will utilize the expertise and experience of partners to deliver supplies that are core to their organizations. Only when UNICEF improves its working practices will partnerships as a medium to long term mutual commitment begin to emerge. Benefits should include access to best practice skills and expertise when required; increased knowledge sharing and joint working; and less local bidding and tendering.

15.4 Increase the Use of Cash Transfers

In line with aid harmonization, greater use of cash transfers for supplies to government should be considered where there is local availability of supplies in the market and where there are appropriate government controls in place surrounding the government procurement process. This requires a change of UNICEF policy as cash transfers have not been used for supplies up to now. This will reduce UNICEF work on non-standard supplies and local bidding and supply management, and so free up staff time. Changes to the UNICEF IT systems should be made so that all supply-related cash spend can be clearly identified and monitored.

15.5 Update the Supply Catalogue

As the range of supplies expands and becomes more complex, there is a need to update the supply catalogue and use this to define the standard range of supplies and then reduce the number of suppliers.

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43 Unsuccessful efforts have been made in the past to bring these organizations together. While IAPSO is reported to be keen to take on some of UNICEF’s requirements, they were not willing to stop competing for UNICEF core supply for business for e.g. bed nets

44 While accepting that government purchases made using cash transfers cannot appear as UNICEF inventory.
This update is overdue, having last been done in 2003. The review will clarify what is in the range and remove supplies that have been duplicated, outmoded, or discontinued. In addition, the number of suppliers should be reduced. Programme should commit to include only standard supplies within UNICEF programmes. Supply Division should limit the range of supplies it is prepared to obtain for country offices. Where there are alternative suppliers for non-standard items, Supply Division should encourage offices to buy directly from these alternatives using normal procurement procedures.

15.6 Implement a Balanced Scorecard to Measure Supply Performance

Introduce a common scorecard with KPIs, including measures for cost, service, quality, lead times, and compliance, for use in all supply locations to allow UNICEF’s total supply chain performance to be managed. This will require an update to the current Supply Division scorecard.

Standard lead times and service level responses should be defined and agreed upon for each range of supplies and captured in a Service Level Agreement. These performance measures should be included in the individual performance plans of the appropriate programme and supply staff.

15.7 Develop a Segmented Approach to the Management of Supply Portfolios

Lead time, costs and service levels should be agreed upon for each set of products, while different supply categories require different supply chain strategies, for example:

- Make to forecast, e.g. vaccines
- Supply from UNICEF stock, e.g. school in a box
- Supply from consignment stock, e.g. blankets
- Make to order, e.g. cold chain equipment

One of the benefits of this approach is clarifying the lead times customers can expect and against which supplier and Supply Division performance can be measured.

15.8 Improve the Forecasting of Supplies

Within country offices with major supply components, it is recommended that there should be a monthly review and update of the country office supply forecast for essential supplies, which is forwarded to Supply Division and procurement centres. This will bring Programme and Supply together to discuss supplies on a regular basis, including an 18 month rolling forecast of supply requirements. The Country Representative becomes responsible for the development of a comprehensive supply plan.

Supply Division needs to improve its forecasting by combining top-down macro-level planning with country office supply planning and thereby provide suppliers with better plans to achieve more on-time deliveries to the country offices.
15.9 Establish Regional Procurement Teams

Regional supply teams (virtual or co-located, and not necessarily corresponding to current UNICEF regions) should be established to perform regional and local procurement to increase the sourcing of supplies closer to the point of need; Copenhagen will then become one of several supply centres with a reduced share of total supply throughput\(^{45}\).

UNICEF should also perform global procurement responsibility for defined commodities; promote the use of regional sourcing and inter-country trade within the region; develop more LTAs for global and regional supplies; and provide supply support and oversight to country offices.

The above approach will take advantage of globalization to reduce total UNICEF supply chain costs. It implies changes to UNICEF processes, tools and staffing. It may require the migration of some procurement posts to regional procurement centres from Supply Division and perhaps also from country offices – though potential cost savings are primarily in staffing and these would not be realized if there is substantial international staff relocation.

Benefits of this approach would include lower total acquisition cost of supplies; more supplies sourced from within regions; and reduced lead times. In some cases, the regional procurement centre could manage regional stocks and warehouses. Implementation will require a business case to be developed to quantify economic and performance benefits and risks of selected locations.

15.10 Allow International Bidding

UNICEF should implement international bidding so local and regional procurement can take advantage of improved access to varied and quality supplies as globalization proceeds. International bidding also has the potential to cut lead times, increase purchasing from developing country producers, and enable oversight and improved compliance through the use of e-procurement systems. Further benefits include reduced risks of collusion where UNICEF is operating in markets with limited suppliers, greater use of approved suppliers in the region rather than bidding locally in each country, and eliminating the need for a country office Contract Review Committee meeting. This assumes an e-procurement tool can be purchased, installed and maintained as part of a UNICEF ERP solution spreading to all country offices.

15.11 Implement e-Commerce

UNICEF has long debated the introduction of e-commerce and its adoption is overdue. UNICEF should adopt e-commerce to eliminate time consuming and unreliable paper-based systems; reduce costs; speed up procurement; improve compliance; and improve management information for global supply management. An online system should allow country offices to select an order from the UNICEF range of supplies and services. This system should provide cost, specification and lead time information. Figure 33 below illustrates how the supply chain flow is intended to operate once the recommendations for online catalogues, outsourcing, regional procurement and e-procurement are implemented.

\(^{45}\) There will also be an impact on the 1669 Danish companies currently supplying $38 million in supplies.
15.12 Increase the use of LTAs

While progress has been made, more than $220 million is still spent on supplies procured outside of LTAs, a figure which should be reduced. This is one of the key drivers to improve the efficiency of the procurement process.

15.13 Create a UNICEF Global Supply Chain Community

UNICEF should use the supply chain community as the basis for education, training and development. A Supply human resource lead should be appointed for all supply staff, and career progression and learning budgets should be centralized so as to provide opportunities for knowledge sharing and create a sense of community and professional belonging, which is currently lacking. These measures will require harmonized training for all supply staff, investment in supply-specific learning courses, and increased use of e-learning tools.
15.14 Increase the Focus on the Access and Affordability of Essential Supplies in all Programme Countries

UNICEF should embed the CAEC within the CPAP process and the Mid-Term Review, and lobby with the United Nations Development Group for a change to UNDAF to incorporate the CAEC. This will enable United Nations agencies to decide upon how they will contribute to increasing access to and availability of essential supplies, which should really be a coordinated government/United Nations/International Financial Institution exercise.

15.15 Generate Solid Evidence to Drive Investment Decisions for Supplies

UNICEF should use impact assessment to: improve investment returns for supplies and programme interventions in general; provide an evidence base for understanding the relationship between inputs and outcomes; and raise the profile of UNICEF as a knowledge-driven organization with recognized leadership and expertise.

End-user monitoring of supplies should be used as a key input to the impact assessment process, including further use of household and cluster surveys. This will build understanding of supplies that are ‘fit for purpose’ and quickly identify problems relating to supply interventions. Grass-roots feedback can drive iterative improvement around Research and Development for supplies, while increasing UNICEF/government credibility through listening to users. End-user monitoring will require partnerships at the community level (via, for example, academic institutions and NGOs) and new tools for effective capture of data (building on MICS/Dev Info experience).

Adoption of these recommendations will mean programme managers (and representatives) will become accountable for their application. This will require UNICEF to develop and communicate a strategy for impact assessment, and the development and dissemination of training courses on impact assessment. It also implies a revision of programme indicators and a redefinition of data collection to include supply usage and outcomes. It implies new reporting cross-functions, especially programme, supply, finance and M&E.

A solid evidence base will better inform programme theory, models, and planning and investment decisions, as well as support innovation around supply interventions. The improved awareness of ‘what works and why’ will deliver operational benefits through more efficient use of UNICEF resources and staff.

There are several requirements for this recommendation to be properly implemented: central leadership; new, e-enabled data capture and collation tools; more resources for tracking, monitoring and supply benefits studies; and technical support from specialist partners (such as NGOs, academics and research organizations).

15.16 Improve M&E and Knowledge Management

More complete, consistent and reliable programme performance information (including on supplies) is required. To this end, UNICEF should define a comprehensive quality control process within M&E (including impact assessment) to improve the consistency, credibility and timeliness of both performance and impact information. A quarterly meeting at the country office level between programme, supply, finance and M&E is recommended. In order to improve quality and depth of M&E, the organization will have to build on current tools and introduce new data capture methods. For programmes with major supply components, a supplies impact scorecard is advisable, covering cost, quality, accessibility and usage.

An organization-wide, integrated, results-focused M&E capability team should be created to provide global leadership and capacity across the organization, making best use of the expertise in various divisions/offices, which is not currently being fully exploited. This requires attention to recruitment, training and skills development, and better integration of approaches across the organization.

UNICEF should integrate supply and programme data using, for example, ProMS, and build on the new WCARO pilot to enable more effective use of data and information already captured and to identify gaps.
UNICEF needs to determine if ProMS programme management modules are adequate, and if so training programmes will be required. If not, new or redesigned tools should be investigated. (Decision depends in part on IT strategy decisions within the Organizational Review.)

UNICEF should build on the work begun by the Division of Policy and Planning and Programme Division to establish an Inter/Intranet-enabled best practice portal to capture and disseminate information relating to best practice for supply implementation. This will provide improved awareness of ‘what works’ to better inform programme theory, models, planning and investment decisions and innovation around supply interventions.

15.17 Increase the Level of Benefit Generated by Supply Items

Using the exemplars from this evaluation and other current (for example Accelerated Childhood Survival and Development, West Africa evaluation) and future studies, UNICEF should build on best practice for the more efficient and effective use of supplies to increase positive impact for children. Generalizing across the exemplars, we conclude that the impact of supplies can be enhanced as follows:

- bundle supplies in more sophisticated ways to tackle root causes of premature death and morbidity;
- better capitalize on existing channels as an effective means of increasing coverage rates for key supplies, especially amongst isolated and nomadic communities;
- explore greater use of incentives to increase the reach of supply-dependent interventions;
- increase the focus on investment and venture capital opportunities to encourage in-country production and manufacturing facilities;
- leverage new technologies to encourage the development of sustainable models of development over the longer term; and
- increase the delivery of IEC activities in parallel with supply interventions to secure behaviour change and generate long-term sustained improvements in well-being.

15.18 Manage Country Office Supply Staff within Programme

A resolution of how to integrate Supply more fully into Programme is long overdue. With the proposed bulk of procurement sourcing decisions moving to regional procurement centres, the requisitioning function should remain at the country level and should be performed by Programme. This will allow for better supply planning and updating of forecasts during the year as this is the responsibility of Programme, along with supply distribution and monitoring. Under these proposals, supply staff will only be deployed to support country office capacity-building programmes and supply activities agreed upon in addition to those defined in the basic cooperation agreement.

15.19 Build National Capacity in Supply Planning, Procurement and In-country Logistics

Demand. Governments are increasingly aware of the need to improve their supply capabilities. In the changing aid environment, donors and global funds want to see recipient government supply chains functioning well. As a result, there is likely to be more demand on UNICEF to provide or source capacity-building services and UNICEF needs a revised strategy to meet this need.

Move from substitution to strengthening. UNICEF country offices must justify their involvement in substituting for government capacity. Just because UNICEF can import, store or move goods more effectively than the government does not mean that UNICEF should be taking on the role that properly belongs to government. UNICEF should move from substituting for government capacity to strengthening capacity.

Increase capacity. UNICEF will need to increase its staff capacity and skills, as well as the financial resources allocated to supply capacity building. One funding source could be the surplus from
Procurement Services handling fees (see also under Procurement Services). UNICEF should raise resources for this function.

Agreements. Capacity-building plans should be included in agreements with government, including the CPAP and AWP. It is essential that UNICEF remove the ambiguity around its role. All agreements should provide for an exit strategy.

Outsourcing. UNICEF should outsource parts of this role to specialist partners to work with counterparts and, where necessary, build UNICEF capacity.

15.20 Recognize and Support In-country Logistics

Joint Accountability. UNICEF and its counterparts should recognize that they are jointly accountable for ensuring that UNICEF supplies reach the point of need, whether supply delivery is managed through the national systems or directly through UNICEF, and information systems to enable this tracking should be set up.

Capacity Building. In places where UNICEF is performing warehousing and in-country logistics on behalf of the government, this should be identified as a capacity-building programme and built into the planning processes. UNICEF should determine how it will manage this programme of transition to government, whether it is through the use of its own skilled and experienced staff, or through external providers supporting capacity building.

Warehouse/distribution management. Where required, a simple warehouse tool should be deployed to facilitate the management of the in-country warehouses/distribution centres, for example, using UNITRACK in all country offices that require this capability.

UNICEF Stock. All stock that is still the property of UNICEF (even though in-country) should be recorded within the UNICEF inventory and asset systems until it is formally transferred to the counterpart. This can be done using storage locations in FLS for all country distribution centres to reflect the financial value and quantity of supplies held in the warehouse.

15.21 Improve Emergency Response

Preposition emergency stocks in-country. UNICEF’s experience shows that its capacity to meet its Core Commitments for Children in emergencies often depends on the availability of pre-positioned contingency stocks in-country. UNICEF should amend its policy to allow the funding of pre-positioned stocks in-country for high risk countries using programme budgets, a portion of the expanded Emergency Programme Fund (for which a change of rules will be required) or other mechanisms. Increasing warehouse stocks in-country carries the risk of loss and waste and will require UNICEF to work with counterparts to implement better warehouse management. Contingency stocks are only necessary where supplier agreements to hold emergency stock are not available locally or will not in practice provide fast enough response times. As international collaboration in humanitarian response develops, UNICEF should build on its interagency collaboration to maximize shared facilities.

Update the range of Supplies and include more kits. UNICEF should revise the range of emergency supplies to include more ‘kits’ of supplies and additional supplies to support UNICEF’s obligations as Interagency Standing Committee cluster lead.

Improve identification of Emergency Activities and devise an Emergency Scorecard. The classification of emergency-related activities in UNICEF systems should be improved so that all emergency-related supply activities can be analysed and tracked separately from country programme supply and Procurement Services, including data on rapid response and replenishment delivery performance; inventory value and quantity of supplies pre-positioned across the network; per cent of non-standard items requested; value of emergency supplies provided; number, scale and type of emergencies responded to; and whether the emergencies were forecasted or not.
**Improve Replenishment of Emergency Supplies.** UNICEF should conduct a review of the supply chain for replenishment of emergency supplies to improve responsiveness, including contingency arrangements with suppliers.

**15.22 Increase Reach of Essential Supplies using Procurement Services**

*Allow the carefully managed growth of Procurement Services.* The evaluation has seen the powerful multiplier effect of Procurement Services when aligned with UNICEF programme strategy. UNICEF should thus allow Procurement Services to expand under careful management.

*Clarify the objectives of Procurement Services.* The mandate and purpose of Procurement Services needs restating to reduce internal and external misconceptions over its role. UNICEF should re-establish that: Procurement Services is not a money-making activity for UNICEF; Procurement Services does not take part in competitive bidding; and UNICEF does not ‘sell’ Procurement Services but ensures that potential customers are aware of what is available.

*Define Procurement Services as a channel within Programme.* We found that although Procurement Services played a key role in ensuring the delivery of UNICEF-supported programmes, it was largely seen as a supply activity. We would recommend that Procurement Services is defined and positioned as a channel within Programme, while the supply organization should treat all requisitions for supplies in the same way, irrespective of channel.

*Improve transparency of the handling fee.* The per cent and value of service charges levied by Procurement Services are questioned by all parties. UNICEF should better explain how Procurement Services fees are calculated and agree upon a fee structure that is more closely based on the work performed.

*Change the use of the handling fee.* To allow greater support to Procurement Services activities and to avoid it being seen as a means of subsidizing UNICEF’s budget, all handling fees should contribute directly to covering direct and indirect costs in both Supply Division and the relevant country office and be used to strengthen the customer’s capacity to manage the supplies. Any surplus should go to strengthening supply and logistics capacity in the regions and not be returned to central funds. Procurement Services should not aim to offer the lowest costs, but rather to provide added value through quality service including capacity building where appropriate.

UNICEF should use the Procurement Services review committee (PROSERVE) as a Supply Division/Procurement Services /DFAM Committee to review and approve Procurement Services contracts. PROSERVE to provide guidance to country offices through Programme Division on which supply commodities to generate Procurement Services demand and improve access to supplies in country.

The country office team should be made responsible for Procurement Services’ customer management.

**15.23 Redefine the Supply Organization and Responsibilities**

UNICEF should appoint a Director of Supply who is accountable for supply performance globally, in line with the revised UNICEF Operating Model to improve efficiency and effectiveness and align accountability with responsibility for procurement performance. This will increase compliance with policy and procedures and accountability for all Procurement activities. This will mean: fewer, more skilled buyers will perform all procurement work; specialist skills in the procurement of essential supplies can be further developed; all buying decisions will be the responsibility of the Procurement Organization; country and regional offices will need to refer to Procurement Organization for non-standard supplies; and procurement staff will report to the Global Procurement Organization, not locally. (Decision will be influenced by results of the Organizational Review.)

A new global supply structure should be created that extends beyond the boundaries of the Supply Division and is responsible for the overall performance of the UNICEF supply chain; global procurement; and supply capacity building.
Country offices should no longer be responsible for procurement. A defined range of supplies that country offices can buy should be agreed upon, and additional procurement requests should be supported through regional procurement centres.

UNICEF should position supply activities within programme teams in the country offices. This means the programme team will then encompass planning for programme and supply (including emergencies), forecasting for essential supplies, supply requisitioning, monitoring the receipt of supplies, and customs clearance.

In-country capacity building should be defined at the United Nations Country Team level within the UNDAF, with the UNICEF CPAP/AWP reflecting the organization’s contribution. Additional deep skilled specialist supply resources can be brought in as and when required. Capacity building should be a United Nations responsibility and not a task only for UNICEF.

A career management framework for supply staff should be created. To this end, UNICEF should develop competency frameworks for each capability area and level; use the supply competency frameworks to define alternative career paths; recognize supply staff as supply professionals first and UNICEF staff second; and invest in supply-specific education and training for supply staff.

UNICEF should work on creating a supply chain community from the supply staff based in Supply Division and regional and country offices. Regional supply hubs and procurement centres can then use this community as a basis for knowledge, skill-building, career development and a collective sense of responsibility. Mentors within the supply chain community and technical capability leaders responsible for developing and sharing best practice within the organization should also be appointed.

The Director of Supply should be empowered to proactively manage the career of the supply staff pool. It should be mandated that all supply staff appointments are joint appointments endorsed by both the local representative and the Director of Supply.
APPENDICES
APPENDIX 1: TERMS OF REFERENCE

Evaluation of UNICEF’s Supply Function

12th December 2005

Background

UNICEF holds that children’s rights cannot be achieved without affordable access to essential supplies including vaccines, essential drugs, medical items, vitamin supplements, basic foods, textbooks, other school materials, clean water and sanitation, impregnated bednets, fuel, clothing, shelter materials and prosthetics. These are considered strategic supplies in working towards the achievement of the Millennium Development Goals (MDGs). This is expressed in the Mission Statement for the UNICEF supply function, agreed upon in 2004:

“We, in UNICEF, have the commitment and joint responsibility within the supply function to facilitate the demand, access to, delivery and proper use of essential quality supplies and supply related services, in a timely, efficient and cost effective manner for the survival, development, protection and participation of Children and Women in the realization of their rights.”

The future strategic direction for the UNICEF supply function is set by the Medium Term Strategic Plan (MTSP) for 2006-2009, which states, inter alia:

- During the period 2006-2009, UNICEF will increasingly offer a mix of programme and procurement services to governments as a unified basket of support that can have a positive impact on access by children and families to essential commodities and services. (Number 155)
- The strategic perspective of UNICEF is to strengthen national capacities to meet the essential commodity needs of children, using both public and private sources and through ‘child-friendly’ budgeting. (Number 156)
- UNICEF will provide leadership in the provision of essential commodities, including pharmaceuticals and micronutrients, bednets, and materials for immunization, education, water and sanitation. (Number 157)
- UNICEF will assess and monitor with governments and other partners the accessibility and affordability of a range of key commodities, especially for marginalized groups (Number 158)
- Resources from governments and development partners will be leveraged by providing procurement services that combine the global procurement and field office operational capabilities of UNICEF…Partnerships with global funds, UNAIDS, UNFPA, WHO, the World Bank and regional banks will be consolidated. (Number 159)
- Emphasis will be placed on establishing lead agency roles, increasing the level of common contracting within the United Nations and outsourcing non-essential commodities to United Nations agencies and selected distributors. (Number 160)

The Board document ‘Review of the UNICEF Supply Function in the Context of the Medium-Term Strategic Plan’ (E/ICEF/2003/7) highlights several improvements in the efficiency of supply operations, including:

- improved supply planning;
- better evaluation of suppliers;

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46 At the Vision Ting exercise – see below
47 See full extract from MTSP 2006-2009 attached.
• upgrading of the Copenhagen warehouse;
• training for decentralized procurement;
• expansion of regional supply centres; and
• support to in-country distribution and logistics systems.

The same document cites several challenges for UNICEF that may be pertinent to an evaluation of the supply function, including:
• ensuring a secure supply of vaccines;
• increasing access to anti-retroviral medicines;
• increasing and speeding up the supply of insecticide impregnated bednets;
• developing staff capacity to handle an increasingly complex business environment; and
• improving arrangements for direct purchase by UNICEF field offices.

According to the Supply Division annual report for 2003, “UNICEF has identified five priority areas where it can make the most impact on the lives of children and contribute to the Millennium Development Goals. Supplies are essential to the individual and combined success of each priority.”

The responsibility for the supply function is widely spread amongst UNICEF programme and other managers. Oversight of UNICEF procurement rests with the Director of the Supply Division.

In addition to its core supply chain tasks, the Supply Division:
• supports national supply capacity in programme countries and in-country or local procurement;
• aims to provide a worldwide knowledge network on essential commodities for children;
• establishes long-term arrangements with manufacturers to assure global availability of essential supplies for children;
• holds stocks for emergency preparedness and response;
• contributes to UNICEF resource mobilization and advocacy through alliances and partnerships with UNICEF National Committees, governments, donors and suppliers;
• trains UNICEF country and regional staff in procurement, supply and logistics; and
• maintains oversight and is accountable for setting the strategic direction for UNICEF’s global procurement and supply function.

The Supply Division has its main offices and a 25,000 square metre warehouse in Copenhagen, provided rent free by the Danish Government. The Supply Division warehouse holds 700 stock items, and the division processes some 6,500 purchase orders yearly. Supply Division employs approximately 230 staff in Copenhagen and 15 staff in UNICEF Headquarters in New York. The Supply Division structure includes a system of checks and balances to ensure that the procurement results, i.e. timely delivery of programme supplies, are balanced with compliance with the business rules. The aim of the Supply Division structure is to minimize the risk of malpractice or procurement fraud while ensuring timely and effective support to country programmes. Supply Division holds emergency stocks for 450,000 people in the Copenhagen warehouse and also in regional ‘hubs’ in Dubai and Panama.

Total UNICEF procurement in 2004 was $797 million, the fourth largest by value in the United Nations system. UNICEF procurement in 2005 is expected to exceed $900 million. Of this, over 60 per cent

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48 See also graphic from the 2003 annual report illustrating the links between supply and the five priorities at the end of this document.
49 Recently reduced from 1100
50 The Supply Division structure is being revised from January 2006
51 These warehouses primarily hold bulky relief items. All medicines are held in Copenhagen because of their special storage requirements. The Panama warehouse has been set up in partnership with the Red Cross Red Crescent.
comprises of emergency supplies and Procurement Services, which is procurement performed on behalf of governments and non-governmental organizations (NGOs) who request this form of support. Based on recent trends, Procurement Services-funded supply delivery is expected to grow from $250 million in 2004 to $400 million by 2007. UNICEF handles 40 per cent of all children’s vaccines and is the world’s largest supplier. At least one third of these vaccines are purchased via Procurement Services.

Over the past 10 or more years, the scale and range of locally executed supply and procurement has increased in country and regional offices. In 2004, local procurement was $140 million and accounted for about 25 per cent of all programme-funded supply. UNICEF’s level of local procurement is amongst the highest of any agency in the United Nations system. UNICEF Representatives have a blanket authorization for procurements of a range of materials up to $50,000 without prior Supply Division approval, subject to local Contract Review Committee procedures. The blanket authorizations do not include supply of particularly sensitive commodities like vaccines and pharmaceuticals for which supplies are managed centrally.

The Supply Division has implemented a set of Key Performance Indicators for customer impact covering speed, price, quality and compliance, which are monitored quarterly. The Key Performance Indicator for inventory forecasting versus actual procurement is still to be implemented.

Evaluation Rationale

In 1994, UNICEF commissioned management consultants Booz Allen Hamilton to undertake a management study of UNICEF. This led to the establishment of the Management Excellence Programme and a series of follow-up studies on UNICEF’s supply function, including Genrho SA’s ‘Review of the Role of the Supply Function’ (1996), and Mercer Management’s study of UNICEF and the vaccine industry (1996). Since then, further studies have included the KOM Review of Forecasting and Inventory Planning (1997), and the TASK report on regional procurement for emergency stockpiles (2003).

Serious concerns about the Supply Division arose after the discovery of a major procurement fraud in 1996, and the Division was reorganized in 1998. Concerns resurfaced in 1999-2000 because of a slump in performance. In response, between 2001 and 2004, the Supply Division undertook a series of ‘Ting’ exercises as part of an extended business process improvement exercise, including:

- Vision Ting – resetting vision and mission for UNICEF’s Supply Division;
- Plan Ting – making detailed recommendations for policy, process and people;
- ConsulTing – developing a detailed outline for supply planning systems; and
- Evalu@ting – adjusting targets and strategy for 2004-2005 and developing vision and direction for 2006-2010.

There has been no external review of the supply function since 1996 and therefore an external evaluation is overdue, especially given the growth, scale and strategic significance of the goods and services procured by UNICEF. According to audits conducted by the Internal Audit Office and the Medium-Term Review of the MTSP and other reviews, the performance of the Supply Division has significantly improved since 2000. However, the impact on the performance of the supply function in the past decade’s external and internal exercises has not been evaluated.

In addition, to date there has been no attempt in UNICEF to evaluate the contribution of UNICEF supply to the access of children to essential commodities in programme countries. The evaluation aims to break new ground in this regard.

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52 Supplies procured by UNICEF on behalf of governments and other partners, outside UNICEF programme budgets.
53 Procurement Services accounted for supplies valued at $170 million in 2003 and $250 million in 2004.
54 Some commodities, such as vaccines and pharmaceuticals, are excluded from this blanket authorization.
55 This takes the name from a Viking form of governing assembly.
In its Decision 2002/09, the Executive Board of UNICEF endorsed the “Report on the evaluation function in the context of the medium-term strategic plan” (E/ICER/2002/10), which included the conduct of an evaluation to examine strategic considerations of the supply function of UNICEF. A supply function evaluation now forms part of the Integrated Monitoring and Evaluation Framework of the MTSP 2006-2009. The Director of the Supply Division is ready to support an evaluation in 2006.

**Evaluation Purpose and Scope**

The evaluation will examine how well UNICEF is placed to improve children's access to essential commodities and to strengthen national capacity to make them available. The evaluation will test the relevance, efficiency, effectiveness (including cost-effectiveness) and impact of the UNICEF supply process. The evaluation will review the complete supply cycle in: 1) development programmes, starting with the country office planning process for a multi-year country programme of cooperation and finishing with the goods being received and used by the beneficiaries; and 2) supply and logistics for emergency operations. The evaluation will document the supply systems and capacity, and assess UNICEF performance in supplying the right goods to right place at the right time and price.

The evaluation will go beyond the Supply Division and will be institutional and inter-divisional in scope. The evaluation will include the Supply Division Copenhagen centre, Private Sector Division, Geneva, and selected country offices, regional offices and regional supply centres, with countries being selected for a range of size and type of supply operation. The evaluation will assess the suitability of the current structures, management and competencies to present and future supply policy, workload and profile.

The evaluation will examine the UNICEF supply function's conformance with ethical standards and evaluate its efficiency and effectiveness. It will benchmark the services offered by UNICEF against similar agencies and against alternative service providers, using data analysis and customer feedback. Services provided by Supply Division will be assessed for their added-value.

Given that UNICEF procurement decisions are made in hundreds of locations, the evaluation cannot cover a representative sample of locations. Instead, the evaluation will take a case study approach, targeting a variety of supply and logistics situations.

The evaluation report will be accepted by the evaluation steering group to be chaired by the Deputy Executive Director overseeing the Supply Division. The Director of the Supply Division will be responsible for coordinating the follow-up to the evaluation findings and recommendations. The summary evaluation findings will be widely disseminated within UNICEF and the final evaluation report will be published on the UNICEF website. The evaluation report will be presented to the Evaluation Committee and the Evaluation Office will report back to the Evaluation Committee on progress made in the implementation of recommendations.

**Evaluation Objectives**

The main objective of this evaluation is to assess and make recommendations to the UNICEF Executive Board and secretariat for the enhancement of:

1. the impact on children’s access to essential goods through supplies to programme countries and the capacity-building of governments; and
2. the efficiency, effectiveness and added-value of the Supply Division ‘business offering’, including Procurement Services, and the management, organization, capacity and resourcing of the UNICEF supply function at country, regional (including regional hubs) and Headquarters/Copenhagen levels.

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56 The supply cycle covers planning and budgeting for the supply support needed, specifying commodities, identifying competitive sources of good quality supplies, managing the solicitation and purchasing work processes, delivery to counterparts as agreed, assuring distribution to the planned participants, use, end use monitoring, contract closure, and reporting.

57 Private Sector Division, Geneva, is responsible for purchases of greeting cards and branded products.
In evaluating the above, the evaluation will focus on five strategic commodity groups, selected because of their percentage of UNICEF procurement by value and their potential contribution to the achievement of the MDGs:

1. vaccines and immunization supplies for polio eradication and child survival;
2. anti-retrovirals and HIV/AIDS diagnostics for control of paediatric HIV/AIDS;
3. Anti-malarial Combination Therapies\(^{58}\) and Long Lasting Impregnated Nets for malaria reduction;
4. education supplies and construction materials for girls’ education; and
5. water and sanitation supplies, including school latrines for girls’ education and child survival.

The evaluation will assess the performance and activities of the supply function over the last decade. UNICEF supply data is deemed to be reliable from 1999 onwards.

**Evaluation Components**

The evaluation has two major components, corresponding to the two principal objectives. This section sets out the questions to be answered under each component.

**Component A: Impact of Supply on Children’s Access to Essential Commodities**

- How well is the supply function aligned with the MTSP 2006-2009 and the MDGs?
- What has been the role of UNICEF in ensuring that children have access to essential supplies, and what progress has the organization made in:
  - addressing financial and demographic barriers by, for example, providing subsidies, removing taxation, assessing affordability, etc.
  - fundraising, provision of and/or advocacy for essential supplies
  - predicting the needs for essential supplies
- How well has UNICEF used its knowledge of programme country essential commodity needs to encourage the production and supply of new products?
- How well have UNICEF supplies been targeted to those least able to afford essential goods?
- What contribution does country office supply management and capacity building make to the achievement of country programme objectives?
- How well has UNICEF assessed the performance of the government and private sector in making essential supplies available, accessible, and affordable for children?
- How has UNICEF engaged with and influenced the utilization of CAP/CCA/PRSP/SIPS/SWAPS through its supply function?
- How well has UNICEF made use of Procurement Services transactions to ensure the provision of essential supplies for children?
- How well have UNICEF and government tracked and monitored the distribution and use of goods and services supplied? Has UNICEF provided effective warehouse and logistics management assistance to government\(^{59}\)? How successful was UNICEF in building the capacity of government in the areas of supply management?
- Is UNICEF able to track utilization over time? In the case of capital equipment, to what extent is equipment still in place, working, and being used for its intended purpose?
- How has evaluation of the impact of supply on the situation of children affected UNICEF and/or government programme and supply planning?

**Component B: Performance of the UNICEF Supply Function**

**Efficiency**

- How efficient are UNICEF business processes for the supply function? To what extent do business processes support speed, low cost, quality, flexibility, accuracy and low transaction

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\(^{58}\) Artemisinin-based combination therapy

\(^{59}\) Guidelines for in-country logistics were introduced on 14 March 2005.
costs while maintaining accountability and ethical standards of fairness, openness and transparency in procurement? Are contracting procedures and financial controls appropriate?

- How well do recharges levied by UNICEF (and within UNICEF) cover the real costs of the supply services?

**Effectiveness**

- Is UNICEF making the best use of its mandate and reputation to achieve cost-effective solutions? To what extent does UNICEF’s reputation have a beneficial effect on prices paid?
- How effective is forecasting used for offshore procurement and warehouse replenishment?
- How well has UNICEF maintained its relationships with and serviced new funding mechanisms such as GFATM and GAVI?
- How effectively does the supply function provide technical specifications, cost estimates and delivery to country offices?
- How effective is the local/regional procurement authorization as a process control and safeguard?
- How well is the fulfilment process monitored and reported on (from receipt of supply requisition through shipment to delivery)?
- How effective are the selection and contracting processes for ensuring competitive pricing, reliability and quality of supplies?
- How effective are pre-delivery quality control procedures and practices?
- To what extent is the supply function utilizing state-of-the-art techniques, for example, e-procurement?
- To what extent do UNICEF information systems (i.e. ProMS and SAP) allow the performance of the supply operations to be monitored? To what extent is UNICEF using systems to monitor or improve the performance of the supply operation?
- What obstacles does UNICEF face in providing an effective supply operation both for itself and for third parties?

**Ethics**

- To what extent does UNICEF staff understand public procurement principles, the specific responsibilities of procurement staff in relation to the UNICEF general terms and conditions of contract, and the ethical standards expected of international civil servants?
- What measures are in place to deal with transgressions of these standards?
- How well does UNICEF maintain its reputation with clients and the private sector through the application of ethical and industry norms and standards?
- Do UNICEF suppliers in various countries and sectors sense that they are on a ‘level playing-field’?

**Benchmarking**

- How do UNICEF policy, structure, costs and inventory compare with supply functions in similar humanitarian agencies such as WFP, UNDP and WHO, and non-United Nations agencies such as ICRC and IFRC, MSF, OXFAM, SCF and CRS?
- How well does UNICEF supply performance compare in terms of overhead, speed, price, reliability and quality with commercial procurement companies such as Crown Agents, Mission Pharma, JSI, Simed and IDA?
- How is the UNICEF supply service perceived by internal and external clients compared with alternative suppliers? Are the recharges competitive and do they provide value for money for customers?
- To what extent are the ‘added-value’ service elements (over and above pure supply and logistics) perceived as valuable by principal clients? To what extent do internal and external customers value the Supply Division’s ‘one-stop-shop’, including the service offerings of training, technical advice, sourcing, purchase, shipment and follow-up?

**Emergencies**

- How well has the UNICEF supply operation supported the fulfilment of the Core Commitments to Children in Emergencies, including responding with speed, reasonable cost and quality?
Procurement Services
- How does the range of services offered via Procurement Services compare with services provided as development assistance through regular country programme implementation? What are the relative merits of Procurement Services with handling fees, and supply input management within approved country programmes using cost recovery?
- What is the expansion potential for Procurement Services? What limits, if any, should UNICEF place on its provision of procurement services to third parties, and what risk factors should be evaluated?

United Nations Reform
- What is the role of UNICEF’s supply function within the United Nations reform process? What are the lessons learned in the supply function regarding United Nations reform, for example, regarding joint procurement services? How will the supply function need to evolve to further integrate with the ‘one United Nations’ approach and the move to common services and joint offices?

Management and Organization
- How effective are the supply structures in the context of the global UNICEF structure?
- To what extent has authority for procurement, sourcing and stockpiling been decentralized? How effective is decentralization and how can UNICEF best balance central and dispersed procurement?
- Does management effectively lead the supply structure and develop competencies that will enable UNICEF to achieve its key objectives?
- Are the staffing, competencies, structures and funding for supply well matched to the future goals and likely future supply throughput of the organization?
- Are regional supply advisors equipped to meet their accountabilities? What staffing and funding levels are required for regional oversight of supply performance? What are the relative merits of regional vs. central oversight of the supply operations?
- How well-designed are the current structures at Headquarters, regional and country offices for ensuring business rules compliance and prevention of fraud (structures include Supply Division Copenhagen, New York Headquarters, regional, country, zonal and sub-offices)? How well is the principle of segregation of responsibilities applied within the Supply Division’s procurement process?

UNICEF Supply-Programme Linkages
- To what extent is supply planning an element of programme planning?
- To what extent do programme plans consider the impact of the supply function on the programme’s outcome?
- To what extent are central (Headquarters/Supply Division) and global supply forecasts made available to guide country programme goals and objectives and to monitor implementation and achievements?
- To what extent have Headquarters and regional offices provided support to country offices in effective forecasting, technical specifications, inventory management, distribution and end-use monitoring to reach programme objectives?
- To what extent has the supply function been involved in programming (for example supply planning discussions with counterparts, supply inputs including specifications, costing and quantities, participation in multi-year programme development, essential commodity assessments, annual work planning and the Mid-Term Review)? To what extent were supply inputs ordered ad-hoc, i.e. not in Annual Work Plans?
- How well has UNICEF analysed the means by which children access essential goods (such as via markets and social services)?

Monitoring and Evaluation of Programme Implementation and Supply Inputs
- What monitoring and evaluation mechanisms are used by a country office to assess the supply component of programme effectiveness? Does supply form part of the country office Integrated Monitoring and Evaluation Plan?
Has monitoring and evaluation led to the improvement of future supply inputs?

**Evaluation Report**

The evaluation report for Component A will:

- draw conclusions on the impact of the goods supplied through UNICEF on the lives of children, based on selected cases;
- analyse the current and potential role of UNICEF supply in meeting the MTSP goals and contributing to the achievement of the MDGs;
- explore the expansion potential for Supply, the limitations and risks involved, and how structures, skills and systems will need to evolve in order to allow an expansion of the supply function; and
- present a methodology for use by UNICEF in future assessments of the impact of the supply of goods in programme countries.

The report will make recommendations for:

- increasing the access of children to essential goods and services through the UNICEF supply function at country office, regional office and Headquarters levels;
- building the capacity of governments to manage supply and logistics;
- identifying and providing particular products that can make a significant difference to the situation of children;
- making the supply of goods a coherent part of UNICEF poverty reduction strategies, along with cash and technical assistance;
- using Procurement Services as a means of achieving greater impact on and support to achievement of MTSP and MDGs;
- improving relationships with new funding mechanisms and funds and maximising UNICEF contribution to and from such mechanisms, developing new funding sources for goods and services, and building new and influential partnerships;
- engaging with CAP/CCA/SIPs/SWAPs/PRSPs to make essential goods and services cheaper and more accessible;
- adjusting UNICEF policy to favour local supply sourcing in sectors where poor people work and live; and
- remaining socially responsible in UNICEF’s procurement approach.

The report for Component B will:

- document the UNICEF supply function;
- assess the performance and value of the supply function overall and the Supply Division in particular, as perceived by internal and external clients;
- highlight regional differences in essential supply trends, supply management practices, indicators and capacity;
- highlight best practice and innovations from UNICEF and elsewhere that can be used to improve the performance of the supply function;
- describe how country environment (governance, stability and the functioning of basic services) impacts on supply management; and
- assess the suitability of UNICEF supply organization, management and resources to meet the organization’s business goals.

The report will make recommendations for:

- the evolution of the supply function in case of a UNICEF income of $5 billion by 2015, comprised mostly of Other Resources;
- the development of a management ratio for the ratio of staff cost to volume/value of procurement;
- the proper location of accountability in UNICEF for the use of goods and services as a tool for bringing benefits to children;
appropriate organizational structures for the supply function, including support to the country level, the geographic location of hubs or support centres, the roles of different components and the competencies required for each;
the definition and location of the supply oversight function;
an increase in UNICEF staff capacity to deal with an increasingly complex business environment;
the improved application of information and communications technology to the supply function, including web-based systems;
making UNICEF offices more effective in their direct purchase of supporting supplies;
the effective contribution of the UNICEF supply function to the future of United Nations reform; and
the means to make UNICEF supply function more effective, efficient and attractive to internal and external clients (where necessary, the report will consider alternative means to meeting client needs).

Reports must conform to the UNICEF Evaluation Report Standards and UNICEF Style Guide. The final report should be provided in hard-copy and electronic version in Microsoft Word. Any survey data will be provided in Microsoft Office compatible format. All electronic files will be submitted on a CD-ROM.

Methodology
The evaluation is to be carried out by an evaluation team comprised of external consultants. The evaluation methodology will be developed with the involvement of the evaluation team and will include:

- document review60;
- data analysis using various UNICEF data sources, including ProMS and SAP;
- key informant interviews (these can be face-to-face, via telephone/conference calls, with video as necessary/feasible, and should ensure a balance of male and female interviewees) with:
  - selected Headquarters staff in a variety of functions, with gender-balance
  - UNICEF regional, country office and Regional Support Centre staff
  - external key informants from comparable or related organizations for benchmarking and gathering examples of good practice
- e-mail or Internet based customer surveys and supplier surveys, involving all programme countries and a sample of international and national suppliers;
- country case studies, with field visits, on a total of eight countries:
  - Component A – at least 4 countries, including one with a recent emergency
  - Component B – at least 4 countries, including one with a recent emergency
  - case studies covering Components A and B would be completed in an average of 15 working days, with Component A requiring 12 working days, and Component B six working days
  - Component B should include two days at a regional supply hub, probably Dubai
- an Internet survey of all UNICEF offices to ascertain views on current performance of the UNICEF supply function; and
- a workshop bringing together key internal and external actors and informants to consider preliminary findings and recommendations, with a workshop report.

Between Components A and B, countries will be selected for case studies so as to cover:

- at least one country in all UNICEF regions;
- a range of supply volumes by value – major, average and small;
- emergency and/or unstable situations;
- countries with close and not so close working relationships with government; and

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60 Key documents will be assembled by UNICEF in advance of the evaluation. These will include external and internal reviews and reports from the UNICEF Office of Internal Audit (country office audits since 2000, Audit Findings related to Unsatisfactory Rating of the Supply Function in country offices since 2000, and Findings of 2005 Internal Audit of offshore freight processes and performance).
• countries where UNICEF has/has not provided warehousing/logistics assistance to government.

Evaluation Phases and Timeline
The evaluation will run from early February to late July 2006. Stages and approximate timelines are as follows:

• Tendering process, consultant selection and contracting (early December 2005 – late January 2006).

• Preparation (March 2006) – including finalization of an evaluation plan based on discussions with stakeholders; design of methodology; planning of travel timetable and respective team responsibilities (cross-checked with evaluation steering group); development and testing of tools with the input of reference groups and/or ad hoc groups focused around specific technical issues.

• Desk review (mid to late March 2006) – leading to a first paper outlining emerging issues and the history and development of supply function over the past 10 years. This would be developed using external consultants’ reports, internal audit reports, commodity assessments, annual Supply Division reports and office management plans, the Ting documents and the Supply Manual.

• Consultations, interviews, field missions and data analysis (April-May 2006) – including further documentary reviews, interviews, country cases, consultation workshops to validate findings/conclusions and involve key stakeholders in analysis of possible recommendations, the production of a workshop report, and customer and supplier surveys.

• Preparation of initial findings (mid-June 2006) – including production of initial findings for presentation to the steering group and feedback from case study countries and reference group members.

• Completion of Draft Report (end-June 2006) – using the results of the initial feedback.

• Consultation phase and findings presented (until mid-July 2006) – including collection of feedback from a wide range of stakeholders on the draft report; collation of this feedback to update the report; and presentation and feedback session on findings and recommendations to a senior management group.

• Finalizing the Report (end-July 2006) – updating the report using the report back session with senior management. Further development of recommendations and submission of final report.

Evaluation Management
Evaluation Steering Group
The steering group will be comprised of representatives from Supply and other divisions and the Evaluation Office, and will be chaired by the Deputy Executive Director overseeing the Supply Division. Accountabilities of the steering group will include:

• approval of key aspects of the evaluation design and process and adjustments to Terms of Reference;
• ensuring the evaluation process adequately involves key stakeholders to ensure ownership of analysis and recommendations;
• decisions on intermediate products;
• consolidating the reference group comments on key products;
• deciding on a post-evaluation dissemination strategy, prior to full completion of the report;
• approving the final report in terms of meeting the Terms of Reference; and
• agreeing upon a management response to the evaluation.

Evaluation Reference Group
A reference group will provide advice and challenge to the evaluation. Internal stakeholders and external experts will be used to guide and challenge the evaluation process. The reference group will ensure that
the evaluation draws on current best practice. External members will be asked to donate their time and expertise. The group will mostly operate via phone and email exchange.

UNICEF Evaluation Office

The UNICEF Evaluation Office will be the contracting office and will supervise and support the evaluation team and the Evaluation Management Group. Specific Evaluation Office responsibilities will include:

- facilitating the selection process;
- contracting the evaluation team;
- facilitating discussion and finalization of the Terms of Reference with key stakeholders;
- facilitating access to UNICEF information sources including documentation and monitoring data, as well as key informants and interviewees.

Evaluation Team

Under the guidance of the UNICEF Evaluation Office and the Evaluation Steering Committee, the evaluation team will be responsible for:

- further developing the evaluation methodology;
- building ownership of common analysis and recommendations;
- developing and testing data collection tools, including questionnaires and interview questions;
- developing any databases needed for processing quantitative and qualitative data;
- systematic data collection and data analysis;
- designing and facilitating workshops or meetings; and
- preparing and delivering draft and final reports and presentations.
# APPENDIX 2: SCHEDULE OF INTERVIEWS

## Steering Group

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Office/Division</th>
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<tbody>
<tr>
<td>Kul Gautam (Chair)</td>
<td>Deputy Executive Director</td>
<td>Office of Executive Director</td>
</tr>
<tr>
<td>Steve Jarrett</td>
<td>Deputy Director</td>
<td>Supply Division</td>
</tr>
<tr>
<td>Jean Quesnel</td>
<td>Director</td>
<td>Evaluation Office</td>
</tr>
<tr>
<td>Sharad Sapra</td>
<td>Director</td>
<td>Division of Communication</td>
</tr>
<tr>
<td>Philip Gerry Dyer</td>
<td>Chief, Humanitarian Response Unit (HRU)</td>
<td>EMOPS</td>
</tr>
<tr>
<td>Kayode Oyegbute</td>
<td>Senior Programme Officer (Health)</td>
<td>Programme Division</td>
</tr>
<tr>
<td>Wanda Krekel</td>
<td>Regional Adviser - Supply</td>
<td>EAPRO</td>
</tr>
<tr>
<td>Ann Hasselbalch</td>
<td>Principal Adviser - Supply</td>
<td>India CO</td>
</tr>
<tr>
<td>Deborah Dishman</td>
<td>Regional Supply Adviser</td>
<td>WCARO</td>
</tr>
<tr>
<td>Anthoony Bloomberg</td>
<td>Representative</td>
<td>DRC CO</td>
</tr>
<tr>
<td>Simon Lawry-White</td>
<td>Senior Programme Officer (Evaluation Manager)</td>
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## Reference Group (Launch Workshop, Copenhagen, 18-19 May 2006)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Shanelle Hall</td>
<td>Deputy Director</td>
<td>Supply Division</td>
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<tr>
<td>Mikko Lainejoki</td>
<td>Chief Contracting</td>
<td>Supply Division</td>
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<tr>
<td>Soren Hansen</td>
<td>Chief, Warehouse and Logistics</td>
<td>Supply Division</td>
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<tr>
<td>Magi Abdel-Latif</td>
<td>Customer Services Officer</td>
<td>Supply Division</td>
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<tr>
<td>Surangkana Pitasuntipan</td>
<td>Chief Human Resources</td>
<td>Supply Division</td>
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<tr>
<td>Robert Bell</td>
<td>Assistant Procedures Officer</td>
<td>Supply Division</td>
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<tr>
<td>Tanny Nourlandu</td>
<td>Emergency Officer</td>
<td>Supply Division</td>
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<tr>
<td>Franscisco Blanco</td>
<td>Contract Officer - Immunization</td>
<td>Supply Division</td>
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<tr>
<td>Ann Hasselbalch</td>
<td>Chief Operation officer</td>
<td>India CO</td>
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<tr>
<td>Joselito Nuguid</td>
<td>Reg. Supply Officer</td>
<td>ESARO</td>
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<tr>
<td>Sharif Alam</td>
<td>Supply &amp; Logistics Officer</td>
<td>Afghanistan CO</td>
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<tr>
<td>Matlood Malik</td>
<td>Supply &amp; Logistics Officer</td>
<td>Sudan CO</td>
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<tr>
<td>Simon Lawry-White</td>
<td>Senior Programme Officer</td>
<td>Evaluation Office</td>
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<tr>
<td>John Gilmartin</td>
<td>Consultant</td>
<td>USA</td>
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### Copenhagen

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<tr>
<td>Shanelle Hall</td>
<td>Director</td>
<td>Supply Division</td>
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<tr>
<td>Sandie Blanchet</td>
<td>Communication Officer</td>
<td>Supply Division</td>
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<tr>
<td>Mikko Lainejoki</td>
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### EAPRO

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<tr>
<td>Wanda Krekel</td>
<td>Regional Supply</td>
<td>EAPRO</td>
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<tr>
<td>Chris Davids</td>
<td>Regional Planning</td>
<td>EAPRO</td>
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<tr>
<td>John Flanagan</td>
<td>Supply Officer</td>
<td>Cambodia CO</td>
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### ESARO

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<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Jonathan Cauldwell</td>
<td>Regional Planning</td>
<td>ESARO</td>
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### ROSA

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<th>Name</th>
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<tbody>
<tr>
<td>Ann Hasselbalch</td>
<td>Principal Officer</td>
<td>India CO</td>
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<tr>
<td>Vichitra Laksananan</td>
<td>Emergency Supply</td>
<td>Pakistan CO</td>
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### WCARO

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<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Irma Alofa</td>
<td>Supply Officer</td>
<td>Benin CO</td>
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### New York, HQ

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<tr>
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<tbody>
<tr>
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<tr>
<td>Deborah Dishman</td>
<td>Programme Officer</td>
<td>Programme Division</td>
</tr>
<tr>
<td>Nazir Ahmad</td>
<td>President, GivingWorks</td>
<td>GivingWorks</td>
</tr>
<tr>
<td>Mutsumi Shirai</td>
<td>Executive Officer</td>
<td>Org. Review</td>
</tr>
<tr>
<td>Simon Lawry-White</td>
<td>Senior Programme Officer</td>
<td>Evaluation Office</td>
</tr>
<tr>
<td>Xavier Foulquier</td>
<td>Asst. Programme Officer</td>
<td>Evaluation Office</td>
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### Copenhagen, Denmark

#### UNICEF – Supply Division

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Ann Fabiani</td>
<td>Contracts Officer (Bednets and Medical)</td>
</tr>
<tr>
<td>Annika Salovaara</td>
<td>Contracts Officer</td>
</tr>
<tr>
<td>Bonface FundaFunda</td>
<td>Procurement Services Officer</td>
</tr>
<tr>
<td>Francisco Blanco</td>
<td>Contracts Officer, Immunization</td>
</tr>
<tr>
<td>Jakob Agersnap</td>
<td>Logistics Officer, Emergency</td>
</tr>
<tr>
<td>Joelle Eynard</td>
<td>Contracts Officer (Nutrition and Essential Medicines)</td>
</tr>
<tr>
<td>Lars Jensen</td>
<td>Shipping Officer</td>
</tr>
<tr>
<td>Name</td>
<td>Position / Details</td>
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<tr>
<td>Mikko Lainejoki</td>
<td>Chief, Contracting Centre, Supply Division</td>
</tr>
<tr>
<td>Mortaga Abdel-Latif</td>
<td>OIC, Country &amp; Communication Support Centre</td>
</tr>
<tr>
<td>Paul Molinaro</td>
<td>Logistics Officer, Emergency</td>
</tr>
<tr>
<td>Raju Shrestha</td>
<td>Contracts Officer</td>
</tr>
<tr>
<td>Robert Matthews</td>
<td>Contracts Officer (Vaccines)</td>
</tr>
<tr>
<td>Sandie Blanchet</td>
<td>Communication Officer, Supply Division</td>
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<tr>
<td>Shamsul Farooq</td>
<td>Director Supply Division</td>
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<tr>
<td>Shanelle Hall</td>
<td>Director, Supply Division</td>
</tr>
<tr>
<td>Soren Winther Hansen</td>
<td>Chief, Warehouse and Logistics</td>
</tr>
<tr>
<td>Stephen Jarrett</td>
<td>Deputy Director Supply Division</td>
</tr>
<tr>
<td>Suvi Rautio</td>
<td>Contracts Officer (HIV/AIDS and Malaria)</td>
</tr>
<tr>
<td>Tanny Noorlander</td>
<td>Emergency Coordinator</td>
</tr>
<tr>
<td>Thomas Sorenson</td>
<td>Contracts Officer, Polio</td>
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<td>Contracts Officer, Education</td>
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**External**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position / Details</th>
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<tbody>
<tr>
<td>Lars Hormann</td>
<td>Chief Advisor, Minister Counsellor Development Policy / MDGs, Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>Christine Tonker</td>
<td>Director IAPSO</td>
</tr>
<tr>
<td>Kim Brodersen</td>
<td>VP, Global network and Key Account Relations Mahé (Freight Forwarder)</td>
</tr>
<tr>
<td>David Smith</td>
<td>Chief, Procurement Services Section UNFPA</td>
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**Dubai**

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<thead>
<tr>
<th>Name</th>
<th>Position / Details</th>
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<tbody>
<tr>
<td>Barbara Castek</td>
<td>Aid and Humanitarian City</td>
</tr>
<tr>
<td>Graham Hunter</td>
<td>Kuehne &amp; Nagel</td>
</tr>
<tr>
<td>Mats Person</td>
<td>WFP</td>
</tr>
<tr>
<td>Mona Mirza Addulla</td>
<td>DP World</td>
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**Ethiopia**

**UNICEF Country Office**

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<thead>
<tr>
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<tbody>
<tr>
<td>Balma Yahaya</td>
<td>Emergency Officer</td>
</tr>
<tr>
<td>Beyene Arega</td>
<td>Procurement Officer</td>
</tr>
<tr>
<td>Bjorn Lundquist</td>
<td>Country Office Representative</td>
</tr>
</tbody>
</table>
Hendro Supaat  Procurement Services Officer
Isa Achoba  Monitoring & Evaluation Officer
Keith Bartrup  Acting Senior Supply and Logistics Officer
Mazen Manna  Administration and Finance Officer
Muhammad
Peter Krouwel  Logistics Officer
Rory Nefdt  Programme Officer (Malaria)
Satya Pal Vohra  Director Human Resources
Saydou Dia  Emergency Assistant
Tauhider Rashid  IT Officer
Viviane van Stirteghem  Programme Chief Health
Jeff Wiffin  Regional Advisor Emergency

External
Meracu  Department Planning Preparedness  Ethiopian Government
Augusto  Co Chair of Donor group on Health  Italian Corporation
Bernard Fabre  Director  Jon Snow International
Zelalem Letyibelu  OCHA Dire Dawe Support Unit based in Addis Ababa  OCHA
Kazuhiko Yamazaki  Logistics Officer  WFP

Geneva
UNICEF
Everett Ressler  EMOPS Emergency Officer  EMOPS
Jean McCluskey  Regional Advisor Water & Sanitation  CEE/CIS RO
Nhan, Tran Nguyen  Regional IT Officer, Geneva  Geneva RO

India
UNICEF Country Office
Ann Hasselbach  Director of Operations
Barbera Atherly  Tsunami Recovery Program Officer
Caroline Bogren  Chief, Supply and Procurement
Cecilio Adorna  Country Office Representative
Chetana Kohli  Project Officer, Education
Joan Howe  Donor Coordination
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<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Kalesh Kumar</td>
<td>Procurement Officer S&amp;P</td>
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<tr>
<td>Lesty Santos</td>
<td>Chief, IT</td>
</tr>
<tr>
<td>Lizette Burgers</td>
<td>Chief, Water &amp; Sanitation Section</td>
</tr>
<tr>
<td>Michael Galway</td>
<td>Chief, Programme Communications</td>
</tr>
<tr>
<td>Paul Deverill</td>
<td>Programme Officer, Child Environment Section</td>
</tr>
<tr>
<td>Ram Trivedi</td>
<td>Procurement Officer</td>
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<tr>
<td>Reeba Alfred</td>
<td>Procurement Assistant</td>
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<tr>
<td>Robert Jenkins</td>
<td>Chief, Monitoring and Evaluation</td>
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<tr>
<td>Rudolf Schwenk</td>
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<tr>
<td>Samphe Lhalungpa</td>
<td>Chief, Education Section</td>
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<tr>
<td>Shirley McQuenPatterson</td>
<td>Emergency Programme</td>
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<tr>
<td>Srdjan Stojanvic</td>
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<tr>
<td>Subramaniyan T V</td>
<td>Assistant Procurement Officer</td>
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<tr>
<td>Sumaira Chowdhry</td>
<td>Programme Officer Monitoring and Evaluation</td>
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<tr>
<td>Tejinder Sandhu</td>
<td>Programme Officer Monitoring and Evaluation</td>
</tr>
<tr>
<td>Venkatesh Malur</td>
<td>Education Officer Uttar Pradesh</td>
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<tr>
<td>RG Venkatraman</td>
<td>Regional Programme Assistant, Child Development &amp; Nutrition</td>
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<tr>
<td>Werner Schultzink</td>
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<tr>
<td>Eimar Barr</td>
<td>Director of Programme</td>
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<tr>
<td>Dr Biswal</td>
<td>Director OPV Programme Department of Health - Indian Govt</td>
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<td>Nagapattinam District director education</td>
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<tr>
<td>Tamil Nadu State Director for Health</td>
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<td>Nagapattinam District director health</td>
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<tr>
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<tr>
<td>Government Medical Storage Warehouse, Karnal, Haryana</td>
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<tr>
<td>Nagapattinam District director water and sanitation</td>
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<tr>
<td>Sarbjit Singh Sahota</td>
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<tr>
<td>Name</td>
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<tr>
<td>Arundhati Das</td>
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<tr>
<td>Anupam Mazumdar</td>
<td>TBC - Supply Officers WFP</td>
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<tr>
<td>Dr G. N. V. Ramana</td>
<td>OPV Procurement, The World Bank</td>
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**Indonesia**

**UNICEF Country Office**

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Mansoor M Ali</td>
<td>Chief Emergency Operations</td>
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<tr>
<td>Nakoum Diakite</td>
<td>Supply Officer</td>
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**External**

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<tbody>
<tr>
<td>Alessandra Casazza</td>
<td>Programme Officer</td>
<td>UNDP</td>
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<tr>
<td>Elvi</td>
<td>Vitalan Programme Coordinator</td>
<td>Helen Keller International</td>
</tr>
<tr>
<td>Saryadi</td>
<td>Program And Information Section</td>
<td>Indonesian Government</td>
</tr>
<tr>
<td>Takashi Mizuno</td>
<td>Deputy Resident Representative</td>
<td>JICA</td>
</tr>
<tr>
<td>Reikop Niimi</td>
<td>Deputy Resident Coordinator</td>
<td>OCHA</td>
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**Kenya**

**UNICEF**

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<tbody>
<tr>
<td>Mohammed Nowai</td>
<td>Procurement Officer</td>
<td>Kenya CO</td>
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<tr>
<td>Philip Wilson</td>
<td>Senior Operations Officer</td>
<td>Kenya CO</td>
</tr>
<tr>
<td>Jeff Wiffin</td>
<td>Regional Advisor Emergency</td>
<td>ESARO</td>
</tr>
<tr>
<td>Joselito Nuguid</td>
<td>Regional Supply Officer</td>
<td>ESARO</td>
</tr>
<tr>
<td>Per Engebak</td>
<td>Regional Representative</td>
<td>ESARO</td>
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<tr>
<td>Geoffrey Keitwan</td>
<td>Kenya Red Cross</td>
<td>Kenya Red Cross</td>
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<tr>
<td>Edward Buluma</td>
<td>KEMSA Procurement Manager</td>
<td>Kenyan Government</td>
</tr>
<tr>
<td>Ignatious Kaburu M'Arithi</td>
<td>KEMSA Logistics Manager</td>
<td>Kenyan Government</td>
</tr>
<tr>
<td>Name</td>
<td>Position</td>
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<tr>
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</tr>
<tr>
<td>Miriam van den Berg</td>
<td>Head of Procurement</td>
<td>WFP</td>
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<tr>
<td>Dr. Eliab Some</td>
<td>Programme Officer Health</td>
<td>Malawi</td>
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<tr>
<td>Dr. Juan Ortiz-Iruri</td>
<td>Programme Officer (Deputy Representative)</td>
<td>UNICEF Country Office</td>
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<tr>
<td>Elizabeth Quaye</td>
<td>Operations Officer</td>
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<tr>
<td>Henry N. Neufville</td>
<td>Operations Section- Supply Unit</td>
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<tr>
<td>Samayog Karmacharya</td>
<td>Supply &amp; Logistics Officer</td>
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<tr>
<td>Maha Bahamdoun</td>
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<tr>
<td>Samuel Munzele</td>
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<tr>
<td>Alan Court</td>
<td>Director Programme Division</td>
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<tr>
<td>Afshan Khan</td>
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<td>UNICEF HQ</td>
</tr>
<tr>
<td>Alain Fortin</td>
<td>Team Leader &amp; Contracts Officer</td>
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<tr>
<td>Andre Spatz</td>
<td>Chief Information Officer and Director</td>
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<tr>
<td>Anne-Marie Grey</td>
<td>Chief/International &amp; Corporate Alliances</td>
<td></td>
</tr>
<tr>
<td>Bijayashwar Mallapaty</td>
<td>Deputy Director</td>
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<tr>
<td>Cream Wright</td>
<td>Chief/Education Section</td>
<td></td>
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<tr>
<td>Dan Tool</td>
<td>Director</td>
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</tr>
<tr>
<td>Deepak Gupta</td>
<td>Business Process Review, Manager</td>
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<tr>
<td>Detlef Palm</td>
<td>Deputy Director Internal Audit</td>
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<tr>
<td>Dina Craissati</td>
<td>Senior Education Advisor</td>
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<tr>
<td>Enedelsy Escobar-King</td>
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<tr>
<td>Fiachra Mcasey</td>
<td>Internal Auditor</td>
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<tr>
<td>Flora Sibanda</td>
<td>Senior Adviser-Nutrition Security/Emergency</td>
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**TBC**

**Merlin**

**UNICEF Country Office**

**External**

**UNICEF HQ**

**New York**

**UNICEF Country Office**

**External**

**UNICEF HQ**
<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Division/Department</th>
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<tbody>
<tr>
<td>Francois Gasse</td>
<td>Sr. Project Officer-Health Section</td>
<td>Programme Division</td>
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<tr>
<td>Gerry Dyer</td>
<td>Chief, Humanitarian Response Unit</td>
<td>EMOPS</td>
</tr>
<tr>
<td>Henk van Norden</td>
<td>Chief, Water and Sanitation</td>
<td>Programme Division</td>
</tr>
<tr>
<td>Jean Cedric Meeus</td>
<td>Logistics Officer</td>
<td>EMOPS</td>
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<tr>
<td>Jean Quesnel</td>
<td>Director</td>
<td>Evaluation Office</td>
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<tr>
<td>Jeffrey McFarland</td>
<td>Consultant-Health Section</td>
<td>Programme Division</td>
</tr>
<tr>
<td>Karin Hulshof</td>
<td>Director</td>
<td>Programme Funding Office</td>
</tr>
<tr>
<td>Kul Gautam</td>
<td>Deputy executive Director</td>
<td>OED</td>
</tr>
<tr>
<td>Mark Beatty</td>
<td>Chief, ProMS &amp; Systems Integration</td>
<td>IT Division</td>
</tr>
<tr>
<td>Michael Exler</td>
<td>Procurement Officer</td>
<td>Supply Division</td>
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<tr>
<td>Mutsumi Shirai</td>
<td>Executive Officer, Organisational Review Team</td>
<td>OED</td>
</tr>
<tr>
<td>Nita Dalmiya</td>
<td>Project Officer-Micronutrients</td>
<td>Programme Division</td>
</tr>
<tr>
<td>Pascal Villeneuve</td>
<td>Chief, Health Section</td>
<td>Programme Division</td>
</tr>
<tr>
<td>Pilar Aguilar</td>
<td>Project Officer-Education Section</td>
<td>Programme Division</td>
</tr>
<tr>
<td>Richard Morgan</td>
<td>Chief/Strategic Planning &amp; Programme Guidance</td>
<td>Division of Policy &amp; Planning (DPP)</td>
</tr>
<tr>
<td>Rosemary McCreery</td>
<td>Director, Organisational Review</td>
<td>OED</td>
</tr>
<tr>
<td>Runar Holen</td>
<td>IT Officer - Communications</td>
<td>IT Division</td>
</tr>
<tr>
<td>Saad Houry</td>
<td>Director</td>
<td>DPP</td>
</tr>
<tr>
<td>Sharad Sapra</td>
<td>Director,</td>
<td>Division of Communication (DOC)</td>
</tr>
<tr>
<td>Simon Lawry-White</td>
<td>Senior Programme Officer</td>
<td>Evaluation Office</td>
</tr>
<tr>
<td>Steven Allen</td>
<td>Director</td>
<td>Division of Human Resources</td>
</tr>
<tr>
<td>Terry Brown</td>
<td>Comptroller</td>
<td>DFAM</td>
</tr>
<tr>
<td>Toshi Niwa</td>
<td>Deputy executive Director</td>
<td>OED</td>
</tr>
<tr>
<td>Vanessa Tobin</td>
<td>Chief/Water, Environment Sanitation Section</td>
<td>Programme Division</td>
</tr>
<tr>
<td>Xavier Foulquier</td>
<td>Assistant Programme Officer</td>
<td>Evaluation Office</td>
</tr>
</tbody>
</table>

**External**

Akin Babayigit          | Consultant (Business Process Review)          | Dalberg                                   |
James Mwangi            | Consultant (Business Process Review)          | Dalberg                                   |
Nazir Ahmad             | Consultant (Organisational Review)            | Giving Works                              |
James Provenzano        | Office of Legal & Procurement Support, UNDP   | UNDP                                      |
### Niger

**UNICEF Country Office**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Role</th>
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</thead>
<tbody>
<tr>
<td>Abdoudou Karimou Adjibade</td>
<td>Representative</td>
</tr>
<tr>
<td>Alain Balandi</td>
<td>Operations Officer</td>
</tr>
<tr>
<td>Arsene Azandossessi</td>
<td>Office Representative Maradi</td>
</tr>
<tr>
<td>Robert Ndamobissi</td>
<td>Monitoring &amp; Evaluation officer</td>
</tr>
<tr>
<td>Sara Poelman Doumbouya</td>
<td>Acting Section Chief, Education</td>
</tr>
<tr>
<td>Isselmou Ould Boukhary</td>
<td>Senior Programme Officer</td>
</tr>
<tr>
<td>Nassane Sanda Maiga</td>
<td>Office Representative, Agadez</td>
</tr>
<tr>
<td>Khaled Bensaid</td>
<td>Senior Project Officer, Health</td>
</tr>
<tr>
<td>Ayih Kougbeadjo</td>
<td>Supply Officer</td>
</tr>
<tr>
<td>Housseini Noma</td>
<td>Supply Officer</td>
</tr>
<tr>
<td>Hamadou Tinni</td>
<td>Supply Assistant</td>
</tr>
<tr>
<td></td>
<td>Warehouses Officer Agadez</td>
</tr>
<tr>
<td></td>
<td>Warehouses Officer Maradi</td>
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<td>Maradi local office lead, SBI</td>
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**External**

<table>
<thead>
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<th>Position/Role</th>
<th>Organization</th>
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<tbody>
<tr>
<td>Francois Giovalucchi</td>
<td>CO - Representative</td>
<td>Agence Française Développement (AFD)</td>
</tr>
<tr>
<td>Michel Lambrechts</td>
<td>Ambassade de Belgique</td>
<td>Belgian Embassy</td>
</tr>
<tr>
<td>Maiga Amsou Amadou</td>
<td>National President Niger</td>
<td>Coniprat</td>
</tr>
<tr>
<td>Dr Pierre Adou</td>
<td>Country Representative</td>
<td>Helen Keller International</td>
</tr>
<tr>
<td>Dr Yacouba Harouna</td>
<td>Immunization Medical Officer</td>
<td>Médecin Santé Publique</td>
</tr>
<tr>
<td></td>
<td>1 school, 2 villages, 1 hospital and 1 health centre (Maradi)</td>
<td>Niger Government</td>
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<td>Director, MEBA</td>
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<td>Director, vaccine programme</td>
<td>Niger Government</td>
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<td>Regional Director, Health</td>
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<tr>
<td>Kongori Ibrahim</td>
<td>General Director</td>
<td>Olga Oil</td>
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<tr>
<td>Natalie Hogg</td>
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<tr>
<td>Vincent Schaefer</td>
<td>Logistics Coordinator</td>
<td>Save the Children</td>
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<td>Marlene Francois Lays</td>
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<tr>
<td>Gian Carlo Cirr</td>
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<tr>
<td>Dijhrilla Karamoko</td>
<td>Senior Health Specialist</td>
<td>World Bank</td>
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<tr>
<td>Aow Bawa</td>
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<tr>
<td>Marc Goita Otozie</td>
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**Ottawa, Canada**

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Alison Greig</td>
<td>Programme Officer</td>
<td>Micron Nutrient</td>
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<tr>
<td>Mark Fryars</td>
<td>Director of Program Services</td>
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**Tajikistan**

**UNICEF Country Office**

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<thead>
<tr>
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<tbody>
<tr>
<td>Amir Ansari</td>
<td>Project Officer</td>
<td>EPI</td>
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<tr>
<td>Anton Tsyganov</td>
<td>Supply Assistant</td>
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<tr>
<td>Babakhanova Nargiz</td>
<td>Project Assistant</td>
<td>WES</td>
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<tr>
<td>Bakhtibekova Zulfiya</td>
<td>Project Assistant Child Protection</td>
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<tr>
<td>Farhod Kalonov</td>
<td>Supply Assistant</td>
<td></td>
</tr>
<tr>
<td>Ibrakhimova Gulchekhra</td>
<td>Project Assistant HIV/AIDS</td>
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</tr>
<tr>
<td>Khamidov Farhod</td>
<td>Project Assistant</td>
<td>M&amp;E</td>
</tr>
<tr>
<td>Mukhamedkhojaeva Parveena</td>
<td>Senior Secretary</td>
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<tr>
<td>Mutribdjon Bakhruddinov</td>
<td>Assistant Project Officer Nutrition</td>
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<tr>
<td>Ruth Leano</td>
<td>Programme Coordinator</td>
<td></td>
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<tr>
<td>Sabir Kurbanov</td>
<td>National Project Officer</td>
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<tr>
<td>Sadykova Umeda</td>
<td>Project Assistant EPI</td>
<td></td>
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<tr>
<td>Yukie Mokuo</td>
<td>Representative UNICEF Tajikistan Country Office</td>
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<tr>
<td>Zhukova Marina</td>
<td>Project Assistant Child Development</td>
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**External**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organization</th>
</tr>
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<tbody>
<tr>
<td>Nisso Mirsalimova</td>
<td>Program and Administration Officer</td>
<td>JICA</td>
</tr>
<tr>
<td>Yukiya Saito</td>
<td>JICA Project Formulation Advisor</td>
<td>JICA</td>
</tr>
<tr>
<td>Daler Manonov</td>
<td>Managing Director Polygraph Printer</td>
<td>Polygraph</td>
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<tr>
<td>Sulaimoni Khushdil</td>
<td>Senior Procurement Officer</td>
<td>PSF</td>
</tr>
<tr>
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<tr>
<td>Dr Jabirov</td>
<td>S.S. Ministry of Health, EPI Programme</td>
<td>Tajikistan Government</td>
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<tr>
<td>Safaraly Nozimov</td>
<td>Ministry of Education</td>
<td>Tajikistan Government</td>
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<tr>
<td>Ilhom Muhomediev</td>
<td>UNDP Assistant Representative</td>
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</tbody>
</table>

**Thailand**

**UNICEF EAPRO**

- Christopher Davids: Programme Officer
- Mark Henderson: Regional Advisor Water & Sanitation
- Scott Bamber: Project Officer HIV/AIDS
- Wanda Krekel: Regional Supply Officer

**Vietnam**

**UNICEF Country Office**

- Anne Atttard: Operations Officer
- Chander Badloe: Section Chief Water and Sanitation & Team
- Dan Seymour: Planning and Social Policy
- Isabelle Sévédé-Bardem: Project Officer Child Protection
- Jama Gulaid: Section Chief, Health and Nutrition
- Jesper Morch: Representative
- Mahfoud Bouhembel: Supply Officer
- Maniza Zaman-Cespedes: Senior Programme Officer
- Noala Skinner: Section Chief, Education
  - Chief Monitoring and Evaluation
- HCMC UNICEF representatives

**External**

- Junko Sato: Senior Project Formulation Advisor
  - JICA
- David Kuhl: Procurement Lead MSH
  - Management Sciences for Health
- Phan Duc Thang: Senior Assistant Resident Representative
  - UNDP
- Sonny Jensen: Factory Manager
  - Vestergaard
- Do Thi Nghia: Chief of Office
  - VietNam Government
- Dr Ho Son Lam: Associate Professor, Superior Scientist
  - VietNam Government
<table>
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<tr>
<td>Dr. Le Thi Kim Dung</td>
<td>Governement Officials</td>
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<tr>
<td>Dung Hoai Thi Nguyen</td>
<td>Project Expert HIV/AIDS</td>
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</tr>
<tr>
<td>Dzung Van Nguyen</td>
<td>Head of Laboratory for Environmental Physico-Chemistry</td>
<td>VietNam Government</td>
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<tr>
<td>Ho Son Lam</td>
<td>Director</td>
<td>VietNam Government</td>
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<tr>
<td>Kinh Van Nguyen</td>
<td>Project Deputy Director HIV/AIDS</td>
<td>VietNam Government</td>
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<tr>
<td>Le Thi Thuy</td>
<td>Director of Center for Women Development</td>
<td>VietNam Government</td>
</tr>
<tr>
<td>Mr Nam</td>
<td>Government Official</td>
<td>VietNam Government</td>
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<tr>
<td>Nguyen Thi Son</td>
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<tr>
<td>Pham Thi Thanh</td>
<td>Project Assistant</td>
<td>VietNam Government</td>
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<tr>
<td>Professor Do Si Hien</td>
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<td>VietNam Government</td>
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<tr>
<td>Tran Quoc Huy</td>
<td>Vice-President</td>
<td>VietNam Government</td>
</tr>
<tr>
<td>Vuong Duy Nam</td>
<td>Director, Rural Water and Sanitation</td>
<td>VietNam Government</td>
</tr>
<tr>
<td>Mr Fujitam</td>
<td></td>
<td>WHO</td>
</tr>
</tbody>
</table>

**Yemen**

**UNICEF Country Office**

- Abdul Kudos Al Marwani       | Economist                                     |
- Dr Solofo Ramaroson          | Senior Programme Officer                      |
- Dr. Abdulhalim Ayyash        | Assistant Project Officer Health              |
- Dr. Kamel Ben Abdallah       | Health & Nutrition Officer                    |
- Fadhl Bashir                 | Field Officer                                 |
- Ismail Kamil                 | Operations Officer                            |
- Nada Abdelwahab Mahyoup      |                                               |
- Sami A. Saeed                | Asst. Project Officer Water & Sanitation     |
- Suad Nabhan Alwan            | Child Development Project / Area Based Program Officer |
- Taghrid Saffo                | Supplier Officer                              |

**External**

- Maaike van Vliet             | First Secretary for Education, Netherlands    |
- TBC                          | WHO                                           |
- Ministry of Public health & Population | Yemen Government |
APPENDIX 3: IMPACT ASSESSMENT: APPROACH AND METHODOLOGY

This section discusses the approach and methodology used to support the objectives of Component A. Several recommendations around how this approach might best be implemented in the future are provided in section 7 of this document.

Context

Programme-level impact assessment is in its infancy across the development sector. Few development assistance organizations currently undertake this type of analysis on a systematic basis. Impact assessment is understood as an analysis of the causal relationship between the activities and investments of one or more organizations and the results consequently generated. The environmental factors that combine to influence a given type and level of benefit are also taken into account. Impact assessment attempts to identify the ‘drivers’ of change, and articulate how – either in isolation or combination – these drivers appear to generate a series of benefits and business results. In this way, impact assessment supports the identification of successful strategies and operations, enabling these to be replicated to deliver improved outcomes. In other words, impact assessment produces an evidence base that can be used to inform investment and resource allocation decisions to deliver against objectives, whilst also producing value for money.

The limitations of existing measurement techniques have constrained programme-level impact assessment to date. These limitations are visible both within UNICEF and across other agencies and include:

(i) **A lack of clarity around programme goals with limited articulation of results in a form that can support impact assessments.** This has resulted in poorly defined and inconsistent measures, producing unreliable data and a limited ability to track change over time.

(ii) **A focus on outputs rather than outcomes.** Development organizations have tended to measure their success in terms of outputs (e.g. the number of schools or hospitals built) rather than outcomes (e.g. a change in levels of learning or levels of health).

(iii) **Too many performance measures, which can conflict and/or drive the wrong behaviours.** Focusing on a large number of different performance measures and indicators can lead to a lack of focus on those activities and outcomes that really matter.

(iv) **Poor data.** The quality and consistency of data collected and analysed, and the way in which this data is stored, managed and used, has hampered the ability of many organizations to conduct impact assessments in the past.

(v) **An inconsistency between the aspirations for impact assessment and the resources that are assigned to it.** Whilst the importance and relevance of impact assessment is now being recognized, this recognition has not been met with appropriate levels of resource allocation – both in terms of human capital as well as investment in the tools required to support it (for example, e-enabled data capture systems).

Development agencies are increasingly results-driven and this is set to intensify in an environment of ‘off-track’ MDG targets, United Nations reform and increased accountability. Impact assessment, as a measurement technique, has the potential to support agencies’ needs to better articulate how effectively money is being spent, and focus on strategies that deliver improved results.

In view of these recognized limitations and the lack of a ‘best practice’ approach for assessing the impact of supplies, the evaluation team developed – throughout the course of the study – an approach (tailored

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61 The World Bank and the Canadian International Development Agency are two of the organizations exploring how impact assessment might best be conducted.
Methodology

The evaluation team assessed the impact of and benefits associated with five types of UNICEF’s strategic supply items in both a development assistance (i.e. programme) and emergency context. The five types of supplies were selected by the steering group to represent a variety of contexts. Most were selected to show areas where UNICEF supply has been a significant proportion of the whole and where an effect or impact at some scale might be detected. The findings in relation to supplies are therefore biased in favour of those where UNICEF supplies might be expected to have had an impact (though without prejudice to whether this is positive or negative).

The approach comprised three main phases, detailed in Figure 1 below. Each benefits assessment was conducted over an intensive five-week period. It is important to note that based on our experience, five weeks is an unrealistic timescale within which to conduct an impact/benefits assessment and our views on a more realistic number of days and the length of time required to support this exercise are outlined in section 10 of this document.

Figure 1– Approach and Methodology for UNICEF Supply Function Evaluation, Component A

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Specifically, the approach was piloted in a development context for the following essential supplies in the following countries: vaccines and immunization supplies in Niger; anti-retrovirals & HIV/AIDS diagnostics for control of pediatric HIV/AIDS in Viet Nam; Anti-malarial Combination Therapies & Long Lasting Impregnated Nets for malaria reduction in Ethiopia; education supplies & construction materials for girls’ education in Niger; water and sanitation supplies in India. The benefits of these essential supply items were also assessed in an emergency context (tsunami in India).
The Preparation phase (1 week) was conducted pre-departure, and aimed to establish an understanding of the in-country context. This stage of the assessment was largely desk-based and drew on existing materials to build an understanding of national government programmes and the programme and supply profile of UNICEF’s in-country operations. The information gathered was used to establish a ‘Fields of Cooperation Results Framework’ – a table setting out the expected results of UNICEF support to the UNICEF/national government cooperation programme over the planning period. This framework provides the basis for assessing the extent to which supply related objectives are being met and are helping to drive wider programmatic results. It also helps to clarify the data required to support a supply-centric impact assessment.

The purpose of the country visit (2 weeks) was to gather quantitative data and qualitative information on the benefits associated with supplies. Meetings were held with internal and external stakeholders (the Country Representative, the Senior Programme Officer, section chiefs, programme officers, the Monitoring & Evaluation – M&E – office, government counterparts, donors and members of the NGO community) and field visits were used to gather insight from women and children. The process of field enquiry drew on the principles and some of the techniques (e.g. timelines) of rapid rural appraisal and lines of questioning on ‘Most Significant Change’. A thorough review of all available quantitative programme data and previous evaluations was also undertaken to gather data to support the analysis.

The ‘Assess and Write Up’ phase (2 weeks) focused on consolidating the material gathered to generate an informed and evidence-based view on the benefits associated with UNICEF’s supplies. Quantitative analyses – including running multiple correlations to try and identify the drivers of success – were supplemented with qualitative insight gathered during the country office visit and from the field. The information was summarized in a case study or ‘exemplar’. A series of results tables were also produced to capture information relating to an assessment – where there was a supply component – of progress against programme outcomes, and the delivery of supply-related programme outputs. This provides the basis for forming a judgment on the contribution of UNICEF supplies (looking at the outcome + output level) and for a view on attribution (output + input level).

A series of frameworks (see examples below) were developed to support the specific purpose of the current evaluation, including:

(i) An Input-Output-Outcome Model – this is a flow diagram that sets out and summarizes the combination of factors that collectively produce a given level of benefit. This model is based on a standard approach, customized for the specific purposes of this evaluation.

(ii) Benefits trees – this is a flow diagram that summarizes the benefits associated with UNICEF supplies and sets out the sequencing of these benefits. This is a new model and was developed by the evaluation team for the specific purposes of the current evaluation.

The views and observations set out in this document (in relation to benefits) are illustrative rather than absolute. The breadth and depth of the analysis undertaken within the impact assessment was constrained by the short time scales and the demands associated with the scope and scale of the evaluation (10 days were spent in each country and four countries were visited, involving a total of 52 on-site consultant days). In hindsight, the time allocated to Component A was insufficient. This was...
exacerbated by a series of limitations within UNICEF’s current M&E function (discussed in section 6 of this document).

The application of this approach and methodology in four countries and across five different types of supply items has generated a series of insights around:

(i) the identifiable areas of benefit that can be associated with UNICEF’s supply items;
(ii) the factors that combine to support (or limit) the level of benefit generated by UNICEF’s essential supply items;
(iii) the limitations of UNICEF’s current M&E function in relation to supporting impact assessments; and
(iv) the changes that UNICEF might usefully consider implementing within its current M&E function in order to conduct impact assessments on a systematic basis in the future;
Example Benefit Tree
# Example Input – Output – Outcome Model

## Context
- Millennium Development Goal Education for All sets target of universal primary education by 2015
- Donors’ involvement in increasing availability and quality of education: UNICEF, Oxfam, JICA and Action Aid
- 10-year government education plan initiated in 2003
- Poverty Reduction Strategy Paper identifies primary education as a priority area and sets specific targets (e.g., achieve an attendance rate of 42% by 2008. Government invests $2 billion in 2003–04)
- UNICEF programme with targets for improved access to educational facilities and quality of teaching (e.g., contribute to an annual increase of 4% for overall attendance rates, budget allocation $1.4 billion in 2003–04)
- Immense geography with limited accessibility and many isolated communities
- Low primary enrolment rates (32% in 1998) and low primary attendance rates
- Limited availability of and access to schools and essential education supplies
- Poor communication infrastructure
- Cultural pressures and traditional views of women
- Low primary enrolment rates (32% in 1998) and low primary attendance rates
- Cultural pressures and traditional views of women
- Predominance of agriculture means formal education undervalued in parents’ eyes
- Widespread disease, malnutrition and undernutrition means many children too ill to attend school

## Inputs
- Upstream advocacy to influence government policy
- Grassroots advocacy to persuade parents to send children to school
- Teacher training courses (pre-primary and primary level)
- Participative school management training delivered
- Adult literacy courses
- Environmental education
- Curriculum development
- Education supplies: School structure, school kit, books, recreation kits
- Supporting materials for teacher training courses
- Other essential supplies: water pumps, millets, latrines
- Oxfam supports, regional cross-border education programme
- JICA provide upstream technical assistance to Government
- ACTION AID support a small number of schools

## Outputs
- 400 schools receive some kind of support from UNICEF
- School curriculum adapted to local environment
- Plan of action developed with parents’ associations
- National literacy policy developed
- 8 manuals to support training of female girls created
- A number of school and recreation kits delivered
- Schools built
- Training of women and children in literacy centres
- Regional and sub-regional education council members received training
- 1,000 books printed and distributed
- Adult literacy centres established
- 32 teacher trainers trained
- 96 primary community teachers trained
- 67 schools supported nationally, regional cross-border education programme
- 1823 children enrolled in 30 schools built by Oxfam in Tillaberry
- Support provided to a number of NGOs working to support education

## Benefits
- Greater availability of and access to essential education supplies in UNICEF supported schools when compared to the departmental average
- Tangible improvement in key education outcomes in UNICEF supported schools
- Cleaner and more secure school environment
- Sense of pride in owning personal learning tools
- Greater enthusiasm to learn and desire to attend school
- Behaviour improves
- Greater confidence amongst female students

## Outcomes
- Higher numbers of more educated children
- Adult literacy rates increase
- Sustained pattern of increasing levels of education

## Contributors
- Context
- UNICEF
- Other contributors
- Benefit
Example Approach to Impact Assessment

<table>
<thead>
<tr>
<th>Step</th>
<th>Identify country level Outcomes (to which UNICEF contributes) establish current levels of performance against these Outcomes</th>
<th>Example</th>
<th>Rationale</th>
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<tbody>
<tr>
<td>1</td>
<td>e.g. reduced levels of infant mortality &amp; maternal mortality</td>
<td>Understand where UNICEF support fits in the bigger picture</td>
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<tr>
<td></td>
<td>Identify national targets relevant to 5 commodities &amp; establish performance against these targets</td>
<td>e.g. EPI to reach 90% coverage: Hep B vaccines nationally</td>
<td>Understand where 5 commodities fit in the bigger picture</td>
</tr>
<tr>
<td>3</td>
<td>Identify relevant UNICEF programme targets and establish levels of performance against these targets</td>
<td>e.g. no new cases of wild polio; contain measles at 10/15,000</td>
<td>Understand where 5 commodities fit in UNICEF programmes</td>
</tr>
<tr>
<td>4</td>
<td>Identify role of supply within the programmes and gather cost and supply data</td>
<td>e.g. Supply proportion of Health programme: cash vs. supply; which supplies in which volumes; to where; costs</td>
<td>Understand the role of supply in terms of overall size contribution to programme &amp; shape (which supplies); understand efficiency</td>
</tr>
<tr>
<td>5</td>
<td>Gather qualitative data to understand the role of supplies, the perceived benefits &amp; current mechanisms to track benefits</td>
<td>e.g. Interview immunization officers, supply officer, counterparts and donors</td>
<td>Understand where supplies are felt to have had the greatest impact and why why not?</td>
</tr>
<tr>
<td>6</td>
<td>Conduct field visits to substantiate qualitative information and quantitative data gathered at national and regional levels</td>
<td>e.g. visit a hospital or clinic where EPI is available; speak to doctors and nurses, women and children</td>
<td>Better understand at first hand the benefits of specific supplies to illustrate trends found in secondary data</td>
</tr>
<tr>
<td>7</td>
<td>Set out a series of high level informed views on benefits and causality, &amp; a series of ideas around improved monitoring capability</td>
<td>e.g. UNICEF supplies have made a high/medium/low contribution to x immediate/mid term/long term benefits;</td>
<td>Set out an informed view on benefits, set out recommendations on how a more accurate picture of benefits could be established</td>
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