

Distr.: General
27 January 2022

Original: English
English, French and Spanish only

For information

United Nations Children's Fund

Executive Board

First regular session 2022

8–11 February 2022

Item 12 of the provisional agenda*

Report of the visit to UNICEF Supply Division, Copenhagen, by members of the UNICEF Executive Board, 9–11 November 2021

I. Introduction

1. The following members of the Executive Board of UNICEF participated in the visit to UNICEF Supply Division, Copenhagen, Denmark, which was held from 9 to 11 November 2021: H.E. Mr. Rytis Paulauskas, Permanent Representative of Lithuania to the United Nations; H.E. Mr. Omar Hilale, Permanent Representative of Morocco to the United Nations; H.E. Mr. Rodrigo A. Carazo, Permanent Representative of Costa Rica to the United Nations; H.E. Ms. Hyunjoo Oh, Deputy Permanent Representative of the Republic of Korea to the United Nations; Ms. Katja Luopajarvi, Deputy Head of Mission, Embassy of Finland in Copenhagen (9–10 November 2021); Ms. Emmi Harlahti, First Secretary, Permanent Mission of Finland to the United Nations (11 November 2021); Ms. Liliane Tarnutzer, Programme Manager, Federal Department of Foreign Affairs, Switzerland; Mr. Daniel Zavala Porras, Minister Counsellor, Permanent Mission of Costa Rica to the United Nations. Mr. Gilles Fagninou, Secretary, and Ms. Stéphanie Kunkel, Deputy Secretary, joined the delegation from the Office of the Secretary of the Executive Board.

2. The visit to Supply Division gave the delegation an opportunity to gain first-hand understanding of the work of the Division and the complex operation of its warehouse, the largest humanitarian warehouse in the world. The delegation was presented with an overview of the function of Supply Division and its operations, strategic priorities and results.

3. The visit provided the delegation with insight into the role of supply in emergency preparedness and response, including in health emergencies and during the coronavirus disease 2019 (COVID-19) pandemic response, from the onset of the pandemic through to the present day.

4. The delegation also witnessed how Supply Division effectively leverages the convening power of UNICEF to engage with a highly diverse range of actors – United Nations entities, international financial institutions, manufacturers and Governments – to drive product innovation, ensure vaccine safety and promote access to and sustainable financing of supplies. The delegation saw concrete

examples of innovative products. This included taking a special tour of a UNICEF high-performance tent – an improved multipurpose tent used in emergency responses to support programmatic needs in education, health, nutrition and child protection. A visit to the product showroom highlighted, among many other products, education kits and water, sanitation and hygiene kits.

5. The delegation would like to express its gratitude to the Government of Denmark for its continuous support of UNICEF in general, and of the organization's supply and logistics operations in particular. The delegation is also grateful to have had the opportunity for a substantive dialogue with the Danish Minister for Development Cooperation. This conversation enabled the delegation to recognize and appreciate the ongoing multifaceted and multi-year partnership between UNICEF and Denmark. It focused on the normative mandate of UNICEF, as well as country-specific thematic partnerships for education, child protection and health, support to the UNICEF Venture Fund (which identifies and provides seed money to early-stage innovative technologies for children) and humanitarian action, as well as on the historic and strong partnership of the Government of Denmark with Supply Division.

6. The delegation would like to thank the Director, Supply Division, her senior management team and the entire UNICEF supply team in Denmark for the very carefully prepared and well-organized visit and for the ready availability of their dedicated staff throughout the visit.

7. The delegation was impressed by the commitment and dedication shown by UNICEF staff in Copenhagen, who were recognized with a UNICEF Staff Team Award presented to Supply Division at the 2021 annual session of the Executive Board.

8. The programme of the visit consisted of a visit to Copenhagen, Denmark, from 9 to 11 November 2021. It included meetings in UN City Copenhagen, including Campus 1 and Campus 2 (the main Supply Division campus and warehouse); the Ministry of Foreign Affairs of Denmark; meetings with members of United Nations staff in Copenhagen; and a virtual interaction with the UNICEF Ethiopia Country Office team.

9. The present report summarizes the briefings received by the delegation and concludes with the delegation's observations.

II. Description of the visit

10. The delegation toured UN City Copenhagen, which comprises two campuses. Campus 1 opened in 2013 and houses 1,600 employees from 108 different countries working in 11 different agencies. The delegation appreciated how sustainability remained a central aspect of the building process of Campus 1. Campus 2 is home to UNICEF Supply Division, which has 551 personnel, with 105 of them located in Campus 1. The delegation learned about the complex warehouse operations of Supply Division and the long-standing partnership between Supply Division and Denmark.

11. UNICEF emergency kit packing operations were established in Copenhagen in 1962, thanks to a generous donation from the Government of Denmark. Almost 60 years later, the UNICEF global supply and logistics hub in Copenhagen is the world's largest humanitarian warehouse. From here, UNICEF oversees global logistics and supply operations to help to advance the rights of children.

12. The UNICEF supply function lies at the core of the UNICEF global humanitarian supply chain. Supply operations support access to strategic supplies and services for children, their parents and their communities and thus accelerate the fulfilment of child rights. The visiting delegation from the UNICEF Executive Board had the opportunity to join the packing line in the warehouse and pack items into kits destined for shipment.

13. Today, UNICEF supply operations coordinate a modern and efficient global warehouse operation to ensure timely access to quality supplies for children globally. To ensure efficiency of its emergency and regular programme response, the global hubs are located closer to the demand: the global supply hub in Copenhagen (and the largest of UNICEF warehouses), and its global hubs in Accra, Brindisi, Dubai, Guangzhou and Panama. Only 5 per cent of all the supplies procured pass through these hubs, because most products are shipped from manufacturers directly to programme countries. These global hubs are complemented by 212 national warehouses in 68 countries.

14. The delegation was impressed with the modern and sophisticated facilities at the Supply Division warehouse, which has operated at full capacity throughout the COVID-19 pandemic. The warehouse is almost fully automated and manual labour is used only where it adds value.

15. Between 2005 and 2017, the UNICEF supply function expanded from direct delivery and procurement services to providing supply financing, capacity development, product innovation and evidence analysis and knowledge to meet new demands and support results for children. Today, Supply Division responds to emergencies, influences markets to ensure sustainable access to essential supplies for children; serves as a centre of expertise and knowledge on essential supplies for children and supply chains, while building capacities of national Governments; provides procurement services to Governments and development partners on strategic and essential supplies; establishes policies for supply chain activities; and uses product innovation to increase results and decrease supply costs.

16. During various spotlight sessions, delegates were briefed on a number of substantial issues. The session on product innovation featured the presentation of various products, analysis of lessons learned and current trends, such as the digitization of learning supplies. Another session focused on market shaping, providing an opportunity for the delegation to better understand the UNICEF market-influencing agenda. This spotlight addressed market barriers, the production and publication of market intelligence and the role of Supply Division in supplier financing and special contracting.

17. Product innovation is a key area of work within Supply Division and is part of the UNICEF innovation hub structure. As previously noted, Supply Division effectively leverages the convening power of UNICEF to engage with a diverse range of actors to drive product innovation, ensure vaccine safety and promote access to and sustainable financing of supplies. This work contributes to the UNICEF goal of strengthening partnerships and using innovation and digital technologies to deliver results for children.

18. UNICEF has a “whole-life-cycle” approach to product innovation to ensure a product’s sustainability throughout its life cycle. This approach includes promoting local manufacturing capacities to enable local production, using sustainable materials and technological innovation to enhance energy efficiency and increase climate change adaptation.

19. The delegation had the opportunity to learn first-hand about some early product innovations at UNICEF, including the school-in-a-box kit, which enables children in humanitarian contexts to receive an education; innovations in cold chain equipment that enable the last-mile transport of vaccines; and an obstetric kit. More recent innovations presented to the delegation included the use of drones to deliver vaccines quickly; an improved high-performance multipurpose tent that provides children with a safe space; solar-powered cold chain equipment; a suit to prevent post-partum haemorrhage, effectively reducing the risk of the leading cause of maternal mortality; aid devices for children with disabilities to use sanitary installations independently and privately; and ready-to-use food bowls to ensure the right amount of caloric intake for babies and toddlers.

20. The delegation acknowledged the many strategic partnerships with academia, the private sector and other United Nations agencies to drive innovation that is relevant, appropriate and affordable. The delegation noted that Supply Division works closely with the SDG Accelerator, in collaboration with the United Nations Development Programme. The SDG Accelerator serves as a platform for companies to develop new products, services and business solutions aimed at accelerating implementation of the Sustainable Development Goals.

21. The integrated approach of Supply Division means that product availability, affordability, acceptability and appropriateness are essential elements of access to a certain supply, and success in the supply function requires close collaboration with the UNICEF Programme Group.

22. The spotlight on scaling up local production illustrated the role of UNICEF in promoting local access to essential supplies. One example of this was ready-to-use therapeutic food. A briefing on procurement services and financing shed light on the UNICEF role in supporting government efforts to increase domestic financing as a way to expand access to essential commodities for children. The UNICEF role in supporting countries' efforts to improve the sustainability and resiliency of supply systems was explained in the context of supply chain and systems strengthening.

23. Through a market-shaping approach, UNICEF encourages suppliers to engage in markets that are relevant to children's needs, with the aim of accelerating novel production through innovation and increasing availability and affordability by localizing and diversifying production. For ready-to-use therapeutic foods, UNICEF has made important progress in building regional markets by contributing to the localization of the production and two thirds of products procured were supplied by programme countries in 2019.

24. Supply Division has established a supply chain maturity model to measure the performance of national supply chains and provide relevant support to Governments and partners.

25. The Supply Division engages in the High-Level Committee on Management Procurement Network, which is an important avenue for sharing knowledge. Seventy-five per cent of all procurement is done in partnerships, and many other United Nations agencies procure through UNICEF if the type of supplies needed is linked to those typically procured by UNICEF.

26. During the visit of the Executive Board delegation, there was a strong emphasis on the role of Supply Division in emergency preparedness and response, particularly the UNICEF response to the COVID-19 pandemic. An overview of the UNICEF role in helping to ensure equitable access to affordable and quality-assured vaccines, with vaccine security as a key priority, was provided to the delegation as part of the spotlight on Supply Division vaccine portfolio.

27. The capacity of countries to absorb vaccines is influenced by such factors as demand, acceptance and willingness. The UNICEF Programme Group plays an essential role in advocating with partners to ensure demand generation, that programme guidelines and national policies are in place, and that absorption capacities within countries are adequate.

28. National procurement capacities and regional alliances are important aspects of a healthy vaccine market, one that offers access to vaccines and value for money. Alliances are particularly important in situations where demand surpasses supply. The market notes issued by Supply Division on a regular basis provide transparency and important information to level the playing field in procurement, inform government decision-making and influence geographic production diversity.

29. The industry consultations, led by UNICEF on behalf of 11 United Nations agencies and civil society organizations, on personal protective equipment (PPE) to secure access to quality PPE materials, illustrates the ability of Supply Division to leverage existing partnerships. It also shows how the scale of operations at UNICEF can shape markets based on the needs of children and families, specifically focusing on appropriate quality standards.

30. A deep dive into the key role played by Supply Division in the COVID-19 Vaccine Global Access (COVAX) Facility brought to the attention of the delegation some of the challenges, opportunities and results of this effort. Specifically, the delegates were briefed on the many facets of Supply Division work through the COVAX Facility, encompassing procurement, cold chain, safe injection equipment, logistics, vaccine market shaping, data and dashboards.

31. With the development and roll-out of COVID-19 vaccines, and the enormous scale of COVID-19 vaccine delivery for all age groups, UNICEF continues to ensure that routine vaccination for children remains a priority for suppliers and for country offices and national Governments, and that it is not hampered by a shortage of materials.

32. The vaccine and medicines practitioner procurement exchange forum and industry consultation hosted on a yearly basis by UNICEF is an example of the organization's contribution to a global public goods agenda. Sessions are recorded and made publicly available.

33. A virtual interaction with UNICEF colleagues from the UNICEF Ethiopia Country Office gave the delegation an opportunity to learn about the Ethiopia country programme from a supply perspective. The meeting that followed provided a platform for Supply Division staff and the delegation to engage in a question-and-answer forum.

III. Observations

34. The delegation recognized and commended the outstanding work of Supply Division staff during the pandemic, for which they were awarded a UNICEF Staff Team Award in 2020. As the lead coordinating agency for the procurement and delivery of COVID-19 vaccines in the framework of the COVAX Facility, and drawing on the support of Supply Division to countries' vaccine procurement, UNICEF has effectively leveraged decades of experience in vaccine procurement and logistics supply to contribute to COVAX Facility operations and the equitable distribution of COVID-19 vaccines worldwide.

35. The delegation was impressed by the highly diverse and complex function of Supply Division on strategic procurement, including, among other areas, pre-financing mechanisms, product innovation, capacity development of local suppliers and national partners, and emergency goods supplies.

36. The delegation considered the work of Supply Division to be highly effective and efficient, providing innovative, tailor-made and scalable solutions for the needs identified in programme contexts, thus contributing to the achievement of the UNICEF Strategic Plan and the Sustainable Development Goals. The delegation commended the adaptive and anticipatory capacities of Supply Division and its use of digital technology solutions.

37. Members of the delegation recognized that Supply Division is well anchored at regional and country levels, as examples from the West and Central Africa and Eastern and Southern Africa regions demonstrated. Country contexts, such as that of Ethiopia, are important drivers for product innovation and for the localization of production, for which adequate capacities in procurement and supply are essential. Inter-agency cooperation and efficiency gains are ensured by regional supply and logistics teams at regional levels through an inter-agency logistics working group.

38. Likewise, the efforts of Supply Division to build national ownership and local capacities are an important contribution to the shift in UNICEF from direct implementation to policy support to national Governments and partners. The example of the shared warehouse with the Government of the Democratic Republic of the Congo in Kinshasa is an innovative approach to provide daily on-the-job training and ensure efficient vaccine supply.

39. The delegation noted that collaboration with the Programme Group is essential for rooting vaccination campaigns in the local context and identifying possible constraints to the demand for and acceptance of vaccines. The example of polio vaccination campaigns that include the delivery of other essential kits to beneficiaries is an important case study that should be shared broadly within and beyond UNICEF to highlight the need for context-adapted programming, and for an integrated approach across the UNICEF programme and divisions.

40. The delegation recognized the pioneering role of Supply Division in leveraging innovation and cultivating innovative thinking, including its transparent approach to providing open access to data and information online as public goods; and leading the way for the COVAX Facility online portal and providing the necessary quality assurance.

41. The delegation noted the engagement of UNICEF in inter-agency collaboration to synergize efforts, for both kits and individual products, and encouraged UNICEF to continue to cooperate with other United Nations partners to develop joint kits, particularly on cross-agency agendas such as water, sanitation and hygiene (WASH) to optimize procurement, packaging and shipping, where appropriate and feasible.

42. The delegation also acknowledged that the UNICEF procedure on sustainability for procurement is widely implemented and is an important contribution to decreasing procurement's carbon footprint everywhere.

IV. Conclusions

43. Adequate capacities in supply chain management are essential to sustain the high quality of performance and high levels of engagement in Supply Division, as well as the lead role of UNICEF globally in the supply, logistics and procurement of key commodities. UNICEF management should continue to invest in these capacities at the global, regional and national levels.

44. Adequate levels of regular resources enable Supply Division to finance supplies and provide pre-financing for countries, while handling fees are another important source of revenue for the Division.

45. UNICEF, through its Public Partnerships Division, should continue to pursue strategic partnerships within and beyond the United Nations development system, such as those with international financial institutions, to promote more coherence and coordination among United Nations agencies. The results of such partnerships should be reported regularly to the UNICEF Executive Board.

46. UNICEF should continue to leverage existing platform such as the SDG Accelerator and continue to share its knowledge on innovation, localization and business partnerships within UNICEF and with the whole of the United Nations development system.

47. The complexity and highly integrated nature of the work of Supply Division should be communicated, as focusing only on the warehouse and the delivery of emergency supplies captures a very small part of the diverse work of Supply Division, work that is highly adaptive, anticipatory and innovative.

48. UNICEF Supply Division should continue to seek ways to increase the use of biodegradable or recyclable packaging materials to reduce waste and lower the ecological impact of materials supplied to partner countries, ideally in collaboration with local manufacturers.
