Supply Chain of Nutrition Products
Upstream and Downstream

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**Operations:**
The activities and processes along a supply chain, including **upstream, midstream, and downstream** operations.

**Enablers:**
The fundamentals needed to manage and run the supply chain effectively.
Definition of Need
Definition of need and demand forecast: country forecast is at the base of UNICEF’s forecast – and internal intelligence is then layered on to it.

Country data collection via local data systems

National level data & quantification process, including UNICEF & partner input in NutriDash

Government approved country forecast

Submission by CO to UNICEF SD, via NutriDash

Global intelligence layered on country data

UNICEF Global Forecast: (i) shared with industry, (ii) used to manage & disaggregate demand for planning

But: Our context is dynamic and requires that we have a process to manage changes to the forecast.
Current ecosystem gives UNICEF potential to play key role in country to support quantification, e.g. by improving visibility.
Budgeting & Planning

Definition of Need

Budgeting & Planning

Procurement

Delivery & Clearance

Inspection

Warehousing, Distribution & Reorder

Utilization by End User

Monitoring & Evaluation

Human Resources

Data Management

System Design & Practice

Financing and Resource Mobilization

Policies and Regulatory Frameworks
Nutrition planning and financing must be considered as a part of the broader budgeting process.
Supply Financing support towards self-Financing sustainability

- Clear fiscal picture and realistic spending levels
  Level of overall expenditure given policy goals, expected revenues, level of national deficit. Projection of sources of revenue both "on-budget" and "off-budget" streams.

- Reporting to ensure accountability, Efficiency and equity in spending decisions
  Funding flows are tracked and linked to expenditures (which helps in identify overspending, under-spending and savings) through monthly/quarterly/yearly reporting.

- Efficient Public Financial management systems (PFM)
  Timely collection of revenues and disbursement of funds in full so activities are carried out as planned (expenditures are incurred).

- Multi-year budget based on realistic costing
  The result of a costing process reflecting e.g. co-financing obligations, new interventions, operational costs. Budget proposals (of line ministries) are developed, reviewed and approved. Once approved, line ministries (example: health) determine spending priorities. (cMYP, MTEF)

Increase of Fiscal Space

- Increasing availability of funds / budgets

Pre-financing

- Addressing cash-flow timing gaps
Pre-financing – what is it?

**Recurring pre-financing**
- Formal access to VII Capital Fund (“credit card like mechanism”)
- Pre-Financing Source: VII = Vaccine Independence Initiative
  - Revolving fund since 1991
  - Not just vaccines → all essential commodities
  - Initially $9m, now $35m, approval for $100m

**“Ad-hoc” pre-financing**
- Delayed self-funded Country disbursement, grants or multi-lateral arrangement (e.g., World Bank loan)
- Pre-Financing Source: (unallocated) VII, U.S. Fund for UNICEF, Blocked OR, RR, and Other mechanisms (incl. commercial financing tools (such as bank guarantees))
What is VII?

• Vaccine Independence Initiative launched by UNICEF in 1991.

• A financial mechanism to ensure a systematic, sustainable essential commodities supply for countries which can afford to finance their own programme needs but may require certain support services.

• Flexible credit terms which enable the country to pay after the vaccine is received
Since 2015, VII has provided nearly $170m of pre-financings, via more than 120 standard pre-financing transactions and over 60 ad hoc transactions. This has led to the delivery of some 430 million doses of lifesaving vaccines for children (who otherwise would have missed vaccination sessions, increasing their vulnerability), as well as the supply of RUTF and essential medicines and other commodities.
Utilization by End User
RUTF Availability: RUTF consistently reaches the service delivery points and households

RUTF Quality: RUTF is properly stored at the facility so that quality is maintained

RUTF Use: RUTF is provided and used by the intended beneficiaries in the right quantities at the right times

UNICEF Visibility

Country-bound Transport

Manufacturer

Central Warehouse

National Point of Entry

Local Procurement

Hand over

SDP

Facility Level

Community Worker

End-User

Government Visibility

RUTF Use: RUTF is received and used by the intended beneficiaries in the right quantities at the right times

Last-mile distribution
EUM Data Collection and Use At Household level

Percentage of caregivers surveyed that did not receive RUTF at last visit because it was stocked out

Percentage of caregivers received damaged, or expired RUTF

Percentage of caregivers that know the correct daily dose for the child

Legend

- 3.8 - 25.0
- 25.1 - 50.0
- 50.1 - 75.0
- 75.1 - 100.0

Legend

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- 75.1 - 100.0
How do we measure impact of support to EUM?

Supply Chain Maturity Model

Supply chain performance

Supply chain maturity

Processes are ad hoc, reactive

Initial analysis completed, gaps identified

Improvement plan developed, initial changes implemented but not consistent or sustainable

Changes are sustained, strategy is implemented and progress regularly monitored

Improvements fully integrated into long-term plans and embedded into larger processes; continuous improvement
SUPPLY CHAIN RAINBOW

- Definition of Need
- Budgeting & Planning
- Procurement
- Delivery & Clearance
- Inspection
- Warehousing, Distribution & Reorder
- Utilization by End User
- Monitoring & Evaluation

- Human Resources
- Data for Management
- System Design & Practice
- Financing and Resource Mobilization
- Policies and Regulatory Frameworks