

LNS and RUTF Industry Consultation

August 2022

Agenda

| Time | Duration | Topic | Speaker |
|---------------|----------|---|--|
| 14:00 -14:10 | 10 mins | Opening remarks | UNICEF: Hanne Bak Pedersen WFP: Abigail PERRY USAID: Prince Boateng |
| 14:10 - 14:25 | 15 mins | Programme update | UNICEF: Saul Guerrero Oteyza WFP: Gwenaelle Garnier USAID: Erin Boyd |
| 14:25 - 14:35 | 10 mins | Market update, supply base evolution and sustainability | UNICEF: Abraham Kofi Ntow |
| 14:35 - 14:50 | 15 mins | Inter-agency collaboration, Consolidated Demand Forecast 2022-2023 | UNICEF: Gemma Orta-Martinez WFP: Emmanuel Drouhin |
| 14:50 – 15:10 | 20 mins | Critical areas for QA during capacity extension <ul style="list-style-type: none"> Mitigation of risks during capacity extension Update on RUTF specification changes Extended run plans | UNICEF: Peter Svarrer Jakobsen UNICEF: Alison Fleet |
| 15:10 – 15:50 | 40 mins | Q & A Session How can we work together to understand and address bottlenecks to maximize the output of quality RUFs | Moderators: Alison Fleet Abraham Kofi Ntow |
| 15:50 – 16:00 | 10 mins | Closing remarks | UNICEF SD: Hanne Bak Pedersen |

Program Context update

**UNICEF, WFP, USAID Guiding Principles for Wasting Programming in the
Global Food and Nutrition Crisis**

August 31, 2022

Presentation outline

- Wasting landscape
- BHA Nutrition supplemental funding
- Wasting programming principles

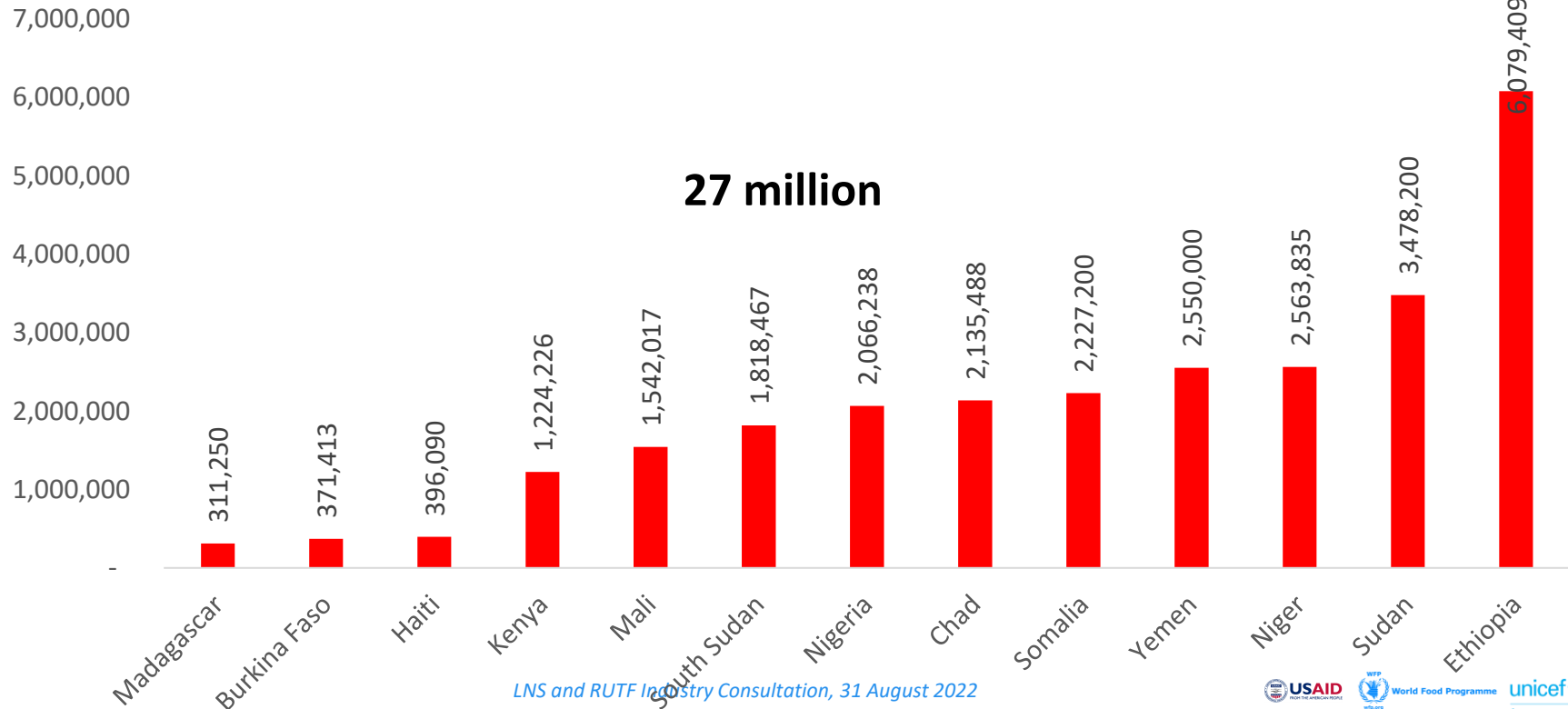
- Questions

Wasting landscape in 2022

- 45.4 million wasted (JME, 2021)
 - 13.6 million severely wasted (JME, 2021)
 - Additional 9.3 million wasted children from Covid (ST4N)
- Increased wasting- several factors have resulted in increased food insecurity and acute malnutrition:
 - Covid
 - Concurrent drought, climate shocks
 - Ukraine- food price crisis
- Global Action Plan on Child Wasting and Global Leadership
 - Renewed commitments to increasing the scale of wasting treatment

Projected needs 2022 - 2023

Estimated Number of Children with Moderate Wasting in Need of Treatment, 2022 -2023 (Selected Countries)



LNS and RUTF Industry Consultation, 31 August 2022



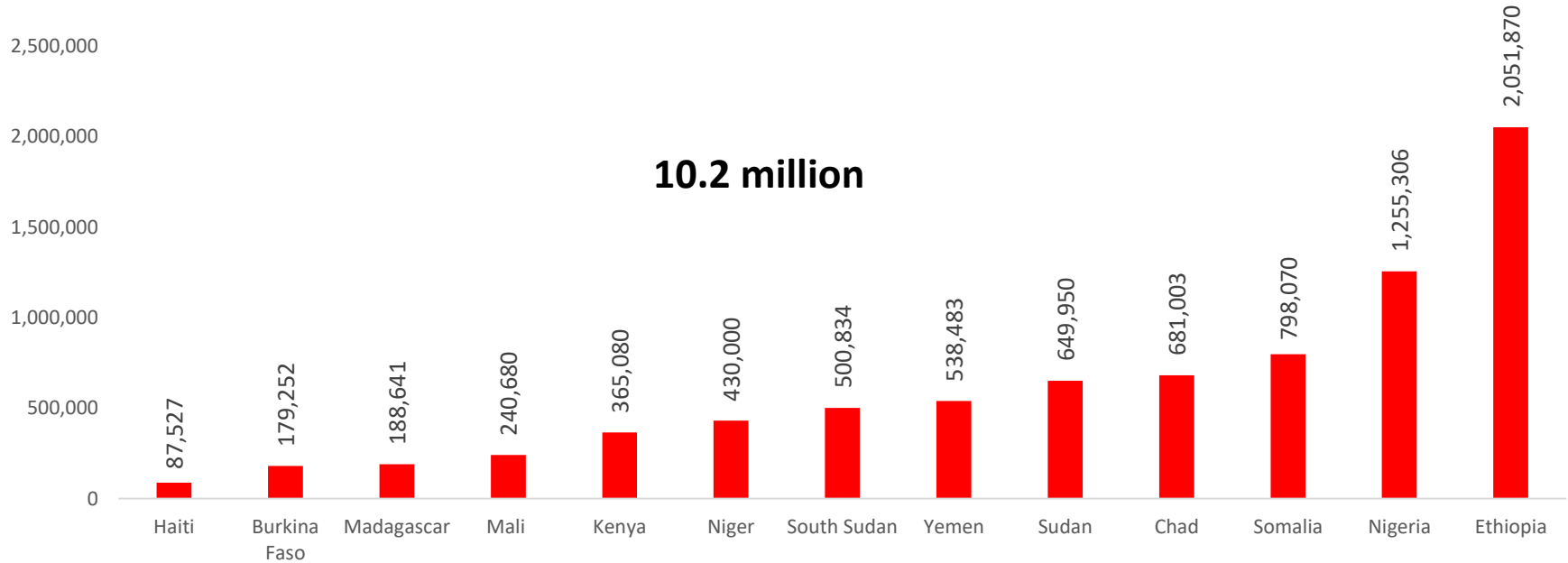
World Food Programme



for every child

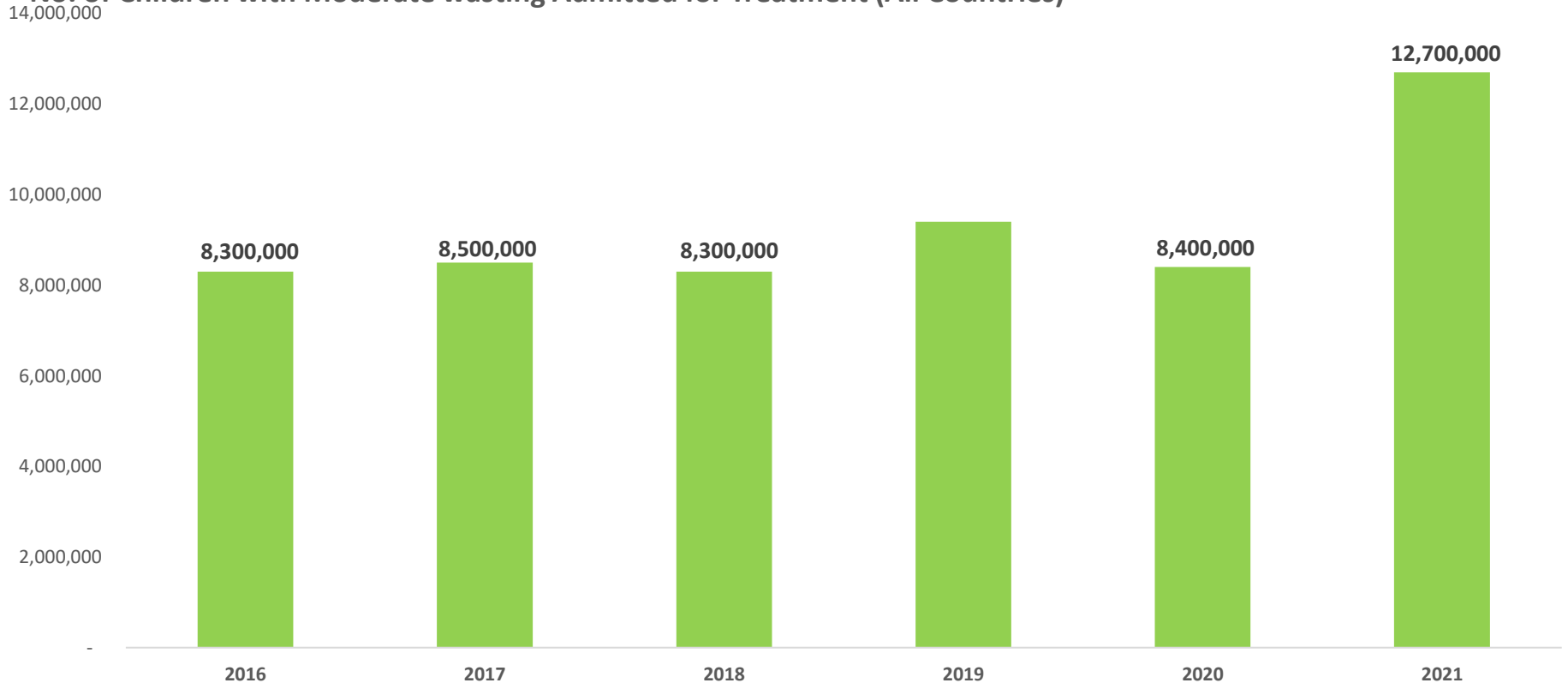
Projected Needs (2022-2023)

Estimated Number of Children with Severe Wasting in Need of Treatment, 2022-2023
(Selected Countries)



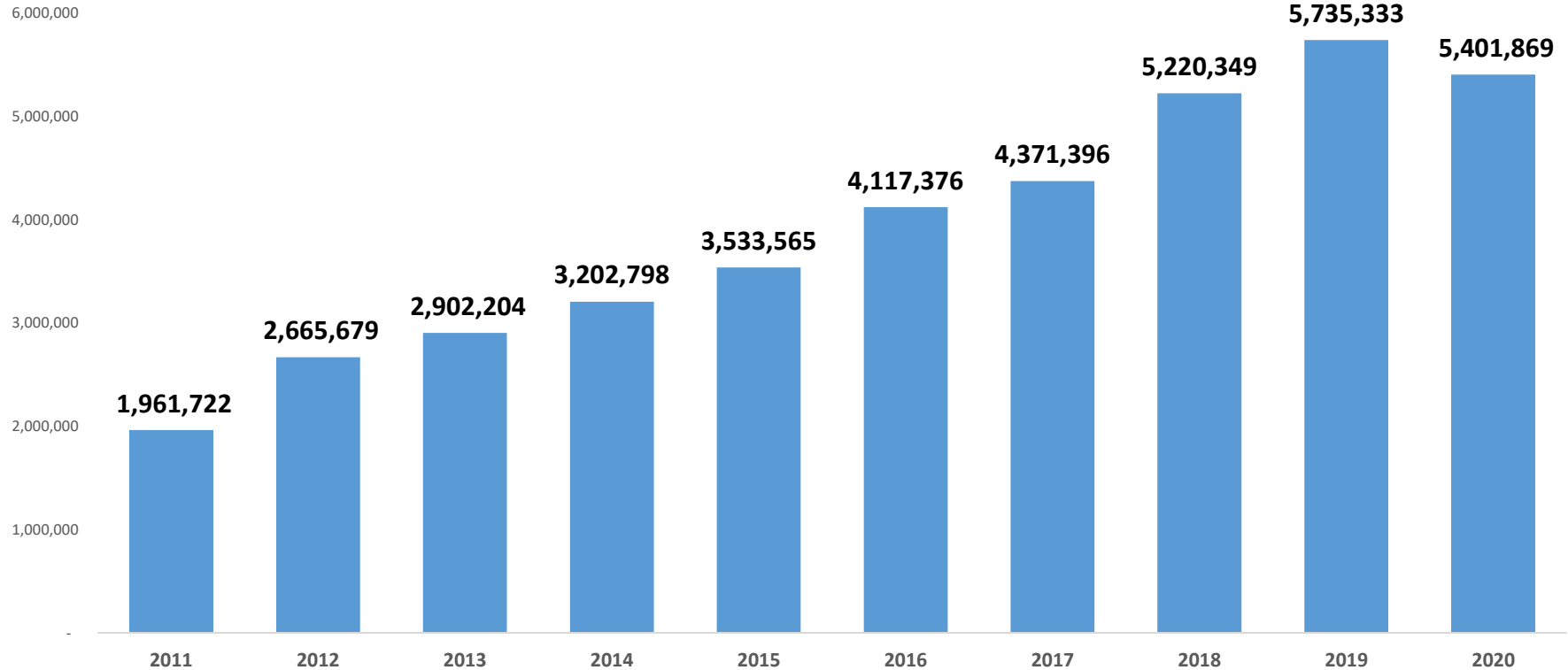
Past Treatment Trends (Moderate Wasting)

No. of Children with Moderate wasting Admitted for Treatment (All Countries)



Past Treatment Trends (Severe Wasting)

No. of Children with Severe Wasting Admitted for Treatment (All Countries)



Overview of BHA Nutrition Supplemental

- Brief background
- Supplemental intention
- Funding
 - \$284 million to UNICEF (200 global + 84 country awards)
 - \$217 million to WFP (country awards)
- Funding for commodities and program costs

Countries in IPC 4 and 5

Ethiopia

Kenya

Somalia

South Sudan

Sudan

Burkina Faso

Mali

Chad

Niger

Nigeria

Haiti

Madagascar

Yemen

Wasting programming principles

- Scaling up the services for the early detection and treatment of child wasting
- Supporting the implementation of the existing protocol at scale
- Ensuring access to RUTF and therapeutic milk for SAM and RUSF for MAM
- Prioritizing RUTF for SAM, but if enough quantity use it for MAM in the absence of RUSF
- Transparent and inclusive discussion consultation of any longer-term shifts concerning national protocol
- Additional support to families and households with wasted children

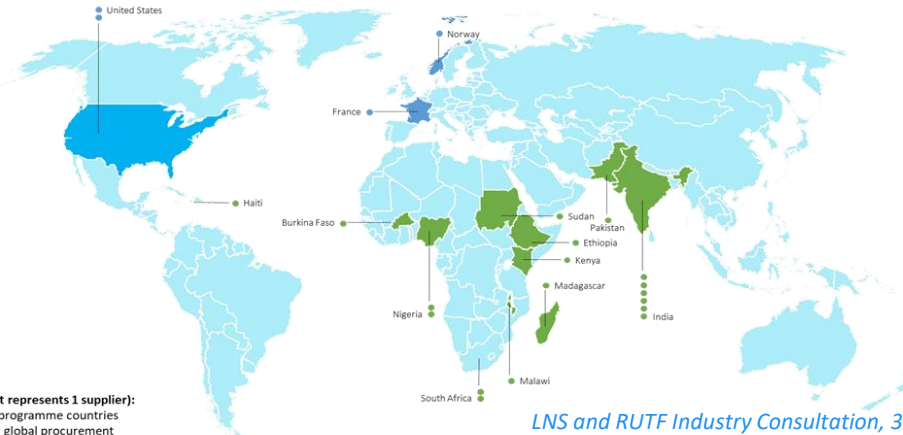
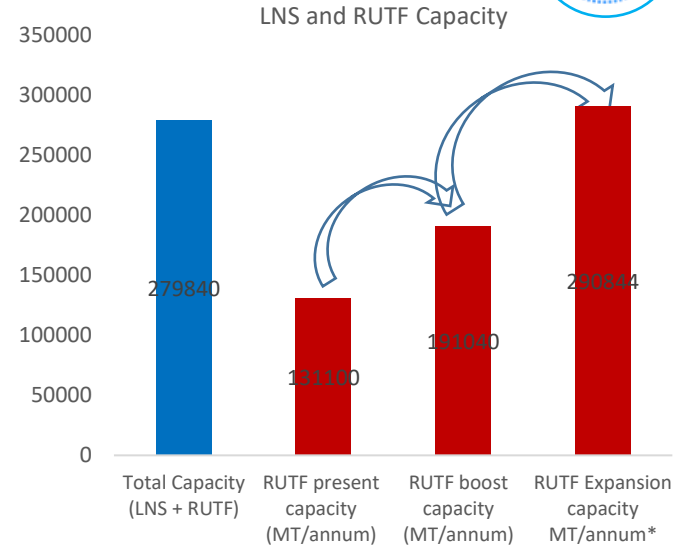
Questions

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LNS and RUTF Supplier base

- The goal of having a broad supplier base has been quite successful;
 - Moved from a single supplier in 2005 to 20+ in 2020
 - From single country of manufacture in 2005 to 15+ countries spread across 4 continents.
 - Logistical efficiency in having production close to where it's needed
- For many years, the RUF production capacity (estimated around 300K MT) was sufficient to meet the (funded) demand
- There's a sharp increase in demand in 2022-2023 but current available capacity could not meet this demand
- **Agile buffer capacity that can be ramped up over a short period in response to global emergencies is needed in this market**



Suppliers (1 dot represents 1 supplier):
 ● Suppliers in programme countries
 ● Suppliers for global procurement

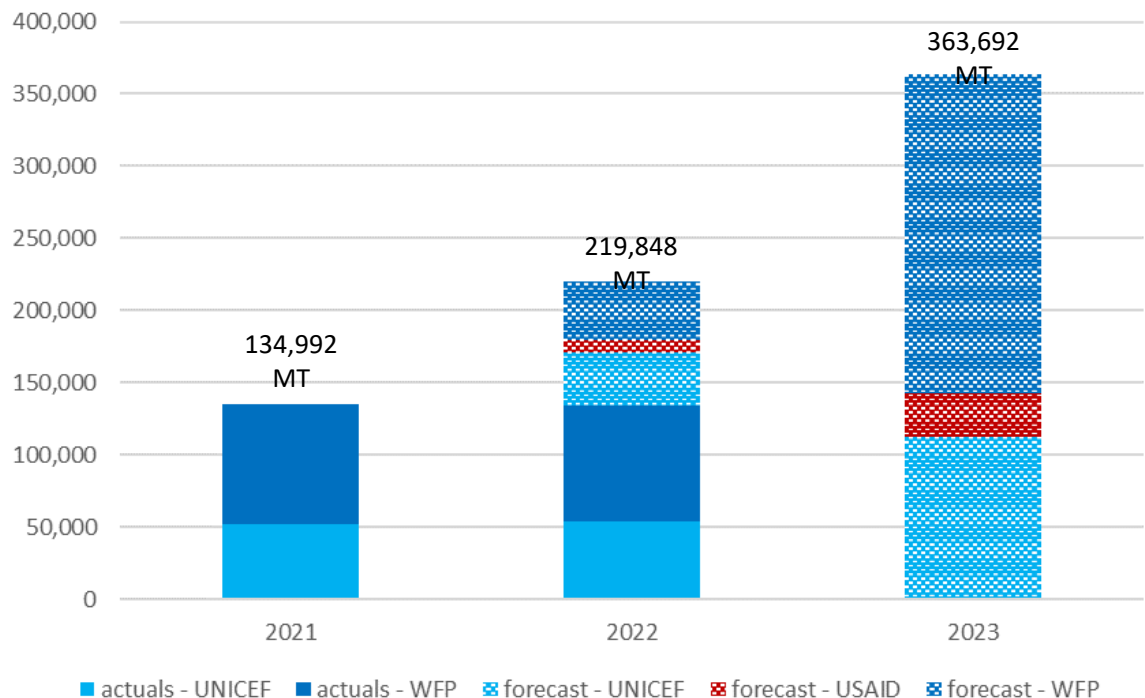
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Supplier reported challenges

- Working capital
- Liquidity/payment terms
- Increasing cost of ingredients
- Quality setbacks
- Forecasting

This map does not reflect a position by UNICEF on the legal status of any country or territory or the delineation of any frontiers.

The LNS forecast shows a **sharp increase** in product demand, +62% for 2022 over 2021, and additional 65% for 2023



- The figures reflect a funding-constrained forecast of country requirements
- Via UNICEF Country Offices, country governments have been consulted for inputs
- At the HQ level, the country inputs have been reviewed against available funding and supply chain intelligence
- The forecast figures were collected through August
- Figures have been generated by putting together forecasts from the 3 agencies and revised to prevent any duplication

However, today, most capacity is booked, and a Purchase Order placed will be served in ~6 months despite the urgent needs and available funding

Meeting the sharp increase forecasted with LNS product will require increased production capacity

- **Increase supply chain agility**, e.g., adapting sourcing according to the demand, safety stocks, etc.
- **Scale up the available capacity** in the next months to prepare for the 2023 demand surge (following WFP/UNICEF's approval processes & quality standards). **WFP/UNICEF/BHA open to discussion** on how to support suppliers to increase capacity.

Increases in agility will require increases in regularity and reliability of forecasts from WFP, UNICEF and USAID:

- Agencies are working on a **secured online platform to enable frequent visibility** on forecasts and orders committed with suppliers
- **Set up a quarterly meeting** with all stakeholders to discuss the updated demand forecasts and ensure sufficient time for scaling up or down as needed
- **Set up discussions between WFP/UNICEF and key suppliers** to commit tonnages and book capacity for the next months.

Mitigation of risks during capacity extension

Please be open and transparent. Voluntary share any observed quality issues.
E.g.

- Salmonella or EB issues
- Quality issues with raw materials
- Finish Product testing
- Any signs of leakage issue with sachets
- Please keep contracting colleagues of UNICEF, WFP and USAID informed about delays in delivery times

Please note that any new production area (or additional lines) would need a pre-approval prior to use. This also applies to major changes in production

Mitigation of risks during capacity extension

The agencies expect suppliers to increase the capacity in a safe way. The scale-up should not increase risks of production, for example:

- Safety and quality controls should be kept on the same level
- The downtime for cleaning and maintenance should not be reduced
- Only trained staff can work in production
- Training procedures should not be affected and stay robust
- Purchase of raw materials or new equipment should be done from validated suppliers
- Scale-up of throughput (e.g. increase of packing machine speed, installing new equipment) should be done only after validation

Mitigation of risks during capacity extension

- Agencies expect from suppliers to look into their process and identify areas where the capacity could be increased, e.g.:
 - Increasing production time (e.g. working in 3rd shifts, Saturdays, Sundays and holidays if local regulation permits so)
 - Optimizing production planning and identifying conditions for optimal output, e.g.:
 - recipes that use raw materials which are more accessible/have shorter lead time/less risky related with delays
 - options of recipes/packages that run on the line more smoothly or with bigger capacity
 - reducing changeover times, having larger orders of the same product/packaging/labelling requirements
 - focus on certain products
 - Purchasing equipment that could address the bottlenecks (e.g. new packaging machines)

Mitigation of risks during capacity extension

Other considerations during capacity extension:

- Re-qualification of your suppliers
- Re-initiate audit of raw material suppliers (after stop due to Covid-19)
- Changes in the manufacturing process in accordance with a change control procedure. Update HACCP flow chart. Validate changes in the manufacturing process. Assess impact on the stability of the product.
- Validate the manufacturing process
- Qualify and where relevant calibrate equipment
- For large projects – elaborate a construction plan that details how production (if any) will take place during construction
- Be realistic about your production capacity. Ensure you have sufficient time to deal with production issues as these will come!

Extended Production Run Plan

As a production run is extended (i.e. 2-shifts to 3-shifts or lengthier shifts), the movement of people and materials throughout the facility increases. This may increase the risk for pathogen positives (typically Salmonella and Listeria) in the environment, if such extended run is not matched with the appropriate increase in controls.

A responsible Extended Run Plan Includes Assessing

PEM Zoning Sourcing of Ingredients Employee Safety Sanitation Finished Product Testing Sampling sites and frequency Logistics/ Hold & Release Pace

RUTF Specification changes

Significant RUTF Specification updates for Codex guidelines/standard:

- Vitamin A max limit change to 1.6mg
- Calcium and phosphorus to change to 785mg max
- Updated omega 3 1-2.5% total energy and omega 6 fatty acid limits (3-7 % total energy) **Extended to end of 2023**
- Mandatory PDCASS >90 (where at least half of the protein contained in RUTF paste should come from milk/dairy products).
- Updated codex references, now including Code of Practice for reduction in 3MCPDs and GEs
- Additives section updated
- Primary packaging specs updated to be aligned with the Codex references in the Codex RUTF Guideline. Includes an adjustment to dose of RUTF to 135kcal-220kcal (please see draft 3.5)
- Inclusion of Spanish in the labels in addition to Arabic and French.



Thank you!

