WELCOME TO SUPPLY DIVISION
11 June 2018
Critical functions of Supply Division

• Support results for children with an effective, efficient supply operation
• Help meet UNICEF’s Core Commitments for Children in emergencies by providing rapid response to emergency supply and logistics needs
• Contribute to influencing markets to ensure sustainable access to essentials supplies for children
• Serve as a centre of expertise and knowledge on essential supplies for children and supply chains and build capacities of national governments
• Provide procurement services to governments and development partners on strategic-essential supplies
• Establish policies for supply chain activities
• Use product innovation to increase results and decrease costs
1. Programming for at-scale results for children
2. Gender responsive programming
3. Winning support for the cause of children from decision makers and the wider public
4. Developing and leveraging resources and partnerships for children
5. Harnessing the power of business and markets for children
6. UN working together
7. Fostering innovation for children
8. Harnessing the power of evidence as a driver of change for children

UNICEF SP Goals

- **Goal 1:** Every Child Survives and Thrives
- **Goal 2:** Every Child Learns
- **Goal 3:** Every Child is Protected from Violence and Exploitation
- **Goal 4:** Every Child lives in a Safe and Clean Environment
- **Goal 5:** Every Child has an Equitable Chance in Life

UNICEF Global Supply Strategies

- **Products & Markets**
  - Science of Delivery
  - Services
  - Humanitarian Development Continuum
  - National Systems Strengthening
  - Financing & Domestic Resource Mobilization
  - Supply Community
  - Monitoring
  - Optimizing UNICEF Supply
  - Strengthening Organizational Excellence

Cross Cutting Priorities
- Humanitarian action
- Gender equality

UNICEF SP Change Strategies

- 1. Programming for at-scale results for children
- 2. Gender responsive programming
- 3. Winning support for the cause of children from decision makers and the wider public
- 4. Developing and leveraging resources and partnerships for children
- 5. Harnessing the power of business and markets for children
- 6. UN working together
- 7. Fostering innovation for children
- 8. Harnessing the power of evidence as a driver of change for children

UNICEF Global Supply Strategies 2018 – 2021
Products & Markets futures goals/targets: Pushing boundaries

NB: Illustration. Size of bubbles denotes the potential impact should goals/targets be achieved. All information subjectively estimated. Subset (~40%) of all P&M futures targets.
UNICEF Supply Function – high level vision
UNICEF Procurement Value – 2017

TOTAL GOODS AND SERVICES PROCURED FOR 150 COUNTRIES AND AREAS

$3.46 billion

$2.342 billion Goods

$1.118 billion Services
UNICEF procurement value by major commodity groups (2017)

- **Vaccines**: $1.317 billion
- **Pharmaceuticals**: $164.2 million
- **Water & Sanitation**: $109.2 million
- **Nutrition**: $219.9 million
- **Medical supplies**: $108.7 million
- **Bed nets**: $39.7 million
- **Education**: $72.4 million
- **Cold Chain Equipment**: $80.1 million

$2.342 billion in procurement on behalf of self-financing governments and partners

$1.438 billion in collaboration with other UN agencies and partners

78% of UNICEF goods procurement is in collaboration with other UN agencies and partners
UNICEF has development programmes in two thirds of the countries where procurement exceeded $10 million.
UNICEF Global warehousing & transport

2017 Data

Kit packing operation since 1963

Technical Support

- Emergencies
- Local kit packing
- Warehouse assessment
- Warehouse inventory management
- Training

$107.7 million value of throughput:
- $98.7m from Copenhagen
- $6.2m from Shanghai
- $2.8m from Dubai
- $78,000 from Panama

209,000 kits shipped:
- 140,000 shipped from Copenhagen
- 60,500 shipped from Shanghai
- 8,500 shipped from Dubai
- 125 shipped from Panama

39% of outgoing orders were for emergency response

Average inventory in SD controlled warehouse/hubs, in 2017, was $48.4 million.
Emergencies: Critical supply responses in 2017

SYRIA & SURROUNDING REGION
Seven years of conflict in the Syrian Arab Republic have driven more than 5 million people, half of whom are children, into neighboring countries Turkey, Lebanon, Jordan, Iraq and Egypt. An additional 8 million people are internally displaced. UNICEF continued to send vaccines, education supplies, and clothing and footwear, among other supplies.

IRAQ
Armed violence in Iraq contributed to ongoing demand for humanitarian assistance, including access to safe water and sanitation facilities, and protection and schooling for displaced children, as well as psychosocial support and accommodation for those returning to formerly besieged areas. Nearly 250,000 internally displaced school-aged children were out of school. UNICEF responded with water & sanitation, sheltering and education supplies.

BANGLADESH
The large-scale displacement of Unaccompanied Myanmarese refugees in Myanmar left 729,000 children in need of humanitarian assistance in 2017. As the Rohingya refugee crisis escalated in August, UNICEF responded with essential commodities arriving by air charter, alongside other UN agencies and partners setting up camps in Cox's Bazar, Bangladesh. Vaccines, water & sanitation, nutrition and education supplies comprised the bulk of UNICEF's supply response.

CENTRAL AFRICAN REPUBLIC
Since 2012, the humanitarian crisis in the Central African Republic has continued to displace children and their families amidst violence and instability. Nearly one in four Central Africans is displaced, with 600,000 displaced internally and 351,000 living as refugees in neighboring countries. In this protracted crisis, some of the most important supplies sent by UNICEF in 2017 included vaccines, shelter and field equipment and nutrition supplies.

ETHIOPIA, KENYA, SOMALIA
Drought in the Horn of Africa, in addition to conflict in Ethiopia, left 18 million people in need of humanitarian assistance. This heightened the risk of disease outbreaks, and some 200,000 children were severely malnourished. An increasingly local approach to assessing nutrition supplies improved UNICEF's efficiency and sustainable response in the region. (See full story on page 30.)

YEMEN
Three years into thetracted conflict and humanitarian crisis, nearly the entire population of Yemen—25 million people—was affected by famine and a crumbling health system. More than 11 million children required urgent assistance. In response to largescale outbreaks of Acute Watery Diarrhoea or cholera, UNICEF sent WASH supplies, replacing water purification tablets to improve access to safe water. (See full story on page 30.)

THE DEMOCRATIC REPUBLIC OF THE CONGO
A surge of violent conflict in the Democratic Republic of Congo displaced more than 1.7 million people from their homes, designing access to basic sanitation, health and education. A cholera outbreak further complicated the crisis and over 2 million children suffered from severe acute malnutrition. UNICEF responded with water & sanitation, nutrition and transport supplies.

BANGLADESH

NIGERIA & THE LAKE CHAD BASIN
Ongoing conflict in the Lake Chad Basin affected more than 17 million people in Cameroon, Chad, the Niger and Nigeria, exacerbating the situation of displaced children and families. In northern Nigeria, where violence and conflict-related displacement also continued, an estimated 800,000 children were suffering from severe acute malnutrition. In 2017, UNICEF responded with vaccines, nutrition supplies and medical kits.

SOUTH SUDAN
Four years into the conflict, more than 4 million children were affected by famine, disease, forced recruitment by armed groups and lack of access to schooling. Vaccines were the biggest supply component to protect children from diseases, in addition to nutrition and water & sanitation supplies.

YEMEN

This image contains an infographic that provides an overview of critical supply responses in 2017 for various regions affected by emergencies. The infographic highlights the efforts of UNICEF in providing vaccines, education supplies, water & sanitation, and other essential commodities to affected children and families in Syria, Iraq, Bangladesh, the Central African Republic, Ethiopia, Kenya, Somalia, the Democratic Republic of the Congo, Nigeria, and South Sudan. Each region is depicted with a specific focus on the challenges faced and the supplies provided to address those needs.
STRENGTHENING SUPPLY CHAINS
Supply Chain Complexity
UNICEF’s support to supply chain operations differ by product, sector, transaction

<table>
<thead>
<tr>
<th>Different modalities of service-delivery</th>
<th>Definition of Need</th>
<th>Budgeting &amp; Planning</th>
<th>Procurement</th>
<th>Delivery &amp; Clearance</th>
<th>Inspection</th>
<th>Warehousing, Distribution &amp; Reorder</th>
<th>Utilization</th>
<th>Monitoring &amp; Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>UNICEF</td>
<td></td>
<td>UNICEF</td>
<td></td>
<td></td>
<td>Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>UNICEF</td>
<td></td>
<td>UNICEF</td>
<td></td>
<td></td>
<td>Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
<td>UNICEF</td>
<td></td>
<td></td>
<td>Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td></td>
<td>UNICEF</td>
<td></td>
<td></td>
<td>Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Government</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Capacity Development:** Focus on sharing UNICEF added-value (expertise on markets, products, inventory, monitoring & convene SIS (predominantly e)

**Strengthening together** (a, b, c, d)

**Optimising UNICEF** (a, b, c)
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.
INFLUENCING MARKETS
Overview of Influencing Markets activities

Publicly share analysis of market
- Reduce asymmetries of information
- Be specific & bold with targets
- Reflect market planning horizons
- Work with partners via diff. entry points
- Dialogue & take into account business views
- Convene industries

Advocate

Tactics

Collaborate

Decide on tactics based on the target. E.g.,
- Type of procurement
- Duration of forecast
- Issue a Target Product Profile
- Employ an Advance Market / Procurement Commitment
- Guarantee or pre-pay quantities
- Bring in an advisory board of experts, stakeholders

Draw on different influence, tactics and mandate (e.g., UNICEF, MSF, BMGF, WHO)
- Debate
- Coordinate
- Let others inside—while maintaining COI, confidentiality, authority
Cumulative savings from 2012-2017

TOTAL SUPPLY SAVINGS ACHIEVED FROM 2012 TO 2017

Total savings target for 2012–2017 was $810 million. This was exceeded by $1.241 billion by end-2017.
Savings by Commodity, 2017

**Rotavirus vaccine (RV)**
$3.9 million
Partners: Gavi, WHO, suppliers.

**Oral polio vaccine (OPV)**
$1.4 million
Partners: WHO, GPEI, suppliers.

**Pentavalent vaccine**
$145.4 million
Partners: BMGF, GAVI, WHO, suppliers.

**Pneumococcal vaccine (PCV)**
$69.4 million
Partners: BMGF, GAVI, WHO, AMC donors, suppliers.

**Human papilloma virus vaccine (HPV)**
$42.3 million
Partners: GAVI, BMGF, suppliers.

**Inactivated Polio vaccine (IPV)**
$103.4 million
Partners: WHO, Gavi, GPEI, BMGF, suppliers.

**Amoxicillin dispersible tables (DT)**
$5.7 million
Partners: WHO, UN Commission on Life Saving Commodities for Mothers and Children, suppliers.

**Tents**
$1.2 million
Partners: suppliers.

**Sleeping mats & thermal blankets**
$8,900
Partners: UNHCR, suppliers.

**Auto-disable (AD) syringes**
$2.2 million
Partners: WHO, Gavi, MRI, suppliers.

**Cold chain equipment**
$470,000
Partners: Gavi, BMGF, suppliers.

**Children’s winter clothing**
$11.1 million
Partners: suppliers.

**Auto-disable (AD) syringes**
$2.2 million
Partners: WHO, Gavi, MRI, suppliers.

**Freight services, handling fee**
$711,500
Partners: UN agencies, suppliers.

**Bed nets (LLINs)**
$2.0 million
Partners: African Leaders Malaria Alliance, The Global Fund, the Roll-Back Malaria Partnership, Alliance for Malaria Prevention, UNITAID, the UN Special Envoy for Malaria, UNDP, USAID, DFID, WHO, the World Bank, suppliers.

**Procurement approaches used**
- Strategic procurement
- UNICEF long-term arrangements (LTAs)
- Special contracting
- Price transparency
- Other (e.g., reduced material cost)
- Leveraging partnerships (e.g., coordinated forecasts and/or procurement, sharing LTAs)
GLOBAL RUTF PROCUREMENT (2006-2017)

UNICEF is increasingly sourcing supplies locally in programme countries
PRODUCT INNOVATION
Fit for purpose and value for money supplies for children in UNICEF’s programme areas such as

- Medicines
- Vaccines
- Nutrition
- Water, Sanitation, Hygiene
- Education
The purpose is to communicate requirements for products which are currently not available.

Less prescriptive than a RFP to allow for creativity and innovation flexibility. Not final procurement specifications

Useful tool to gain understanding of UNICEF and partners’ product needs and to gain internal buy-in for driving R&D

To date, 8 Target Product Profiles have been published

Available online here:

https://www.unicef.org/supply/index_91816.html
Objectives of the Supply Community strategy:

- Professional belonging & support
- Global team and togetherness – a supportive environment
- Professional development
- Career and mobility
- Knowledge sharing

- Logisticians
- Buyers
- Warehouse managers
- Shipping experts
- Market experts
- Monitoring specialists
- Product experts
- Pharmacists
- Nutritionists
- Planners/Forecasters
- Architects
- Engineers
- Inspectors
- Quality Assurance
- Financing experts
Thank You