


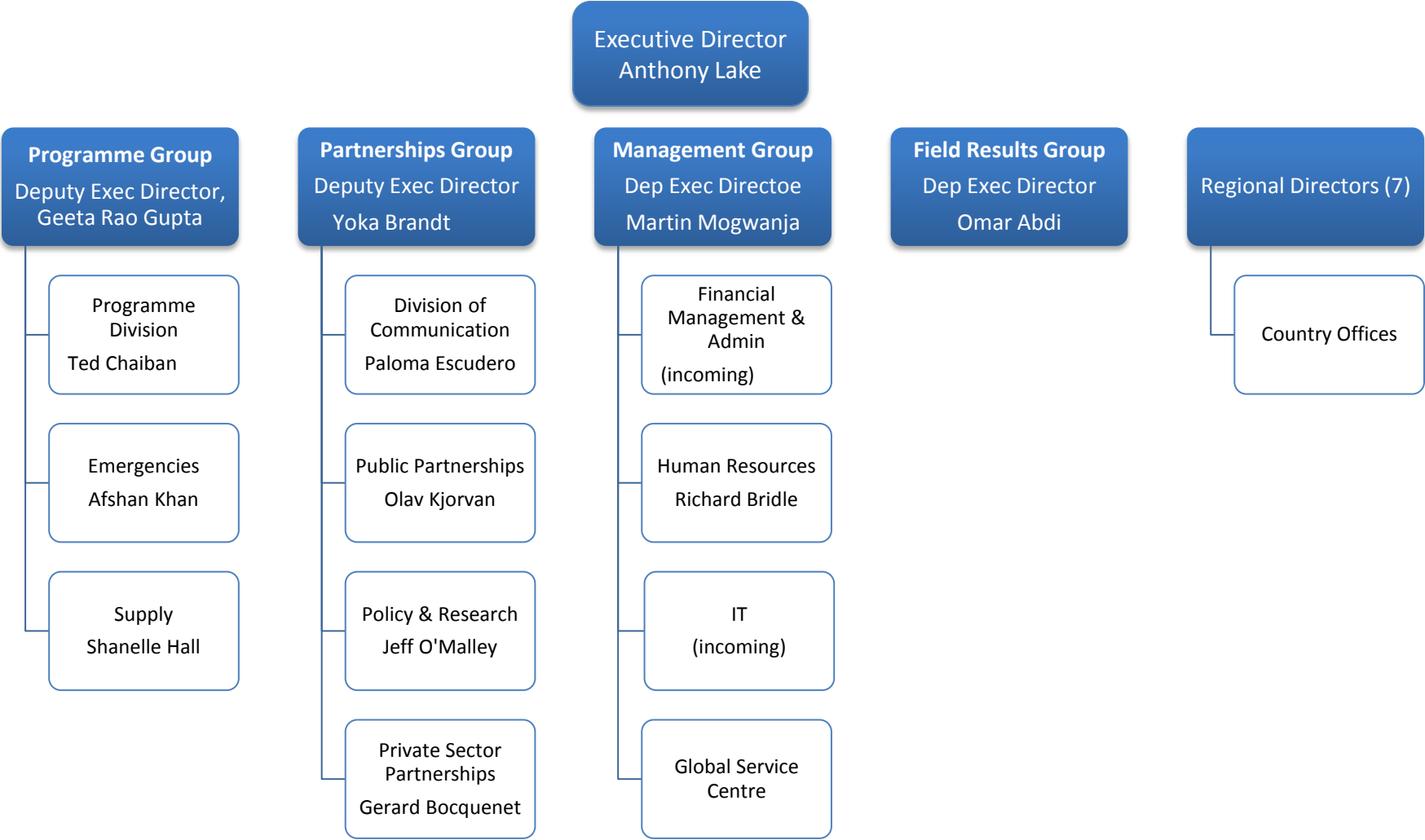


GAVI pre-Board Technical Update
UNICEF Supply Division
9 December, 2014

unite for
children

unicef 

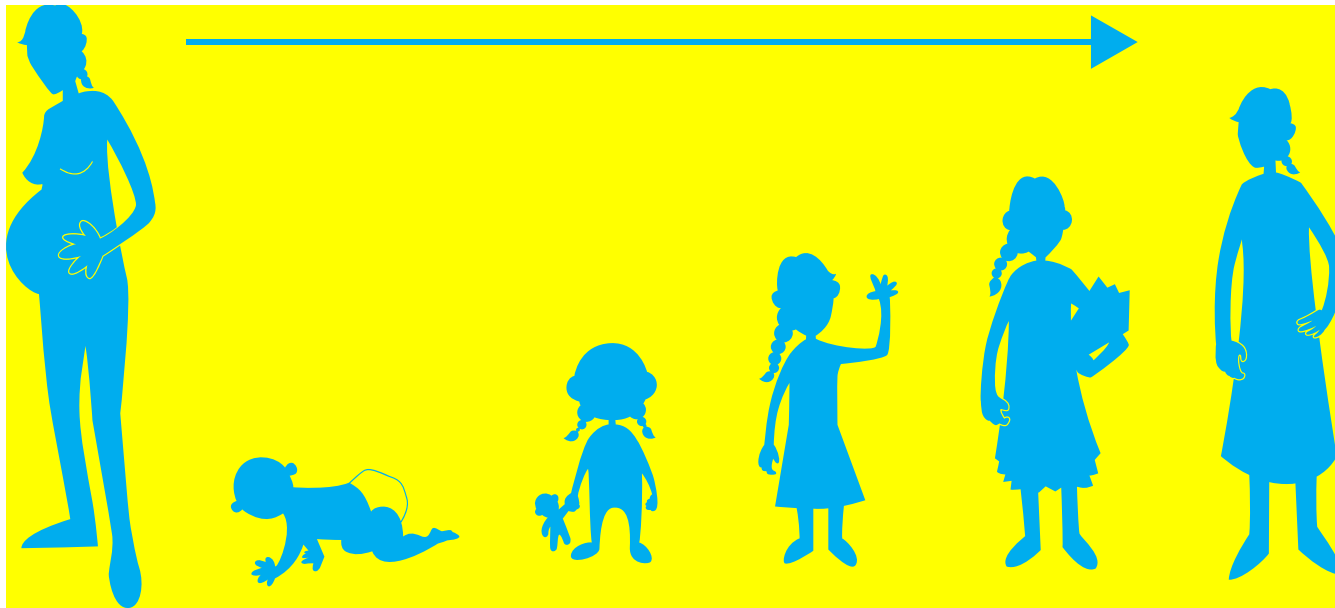
Supply in the UNICEF structure



UNICEF Strategic Plan 2014-2017- realizing the rights of every child, especially the most disadvantaged

SURVIVE
FROM ARRIVAL

TO THRIVE
INTO ADULTHOOD



1
HEALTH

2
HIV & AIDS

3
WASH

4
NUTRITION

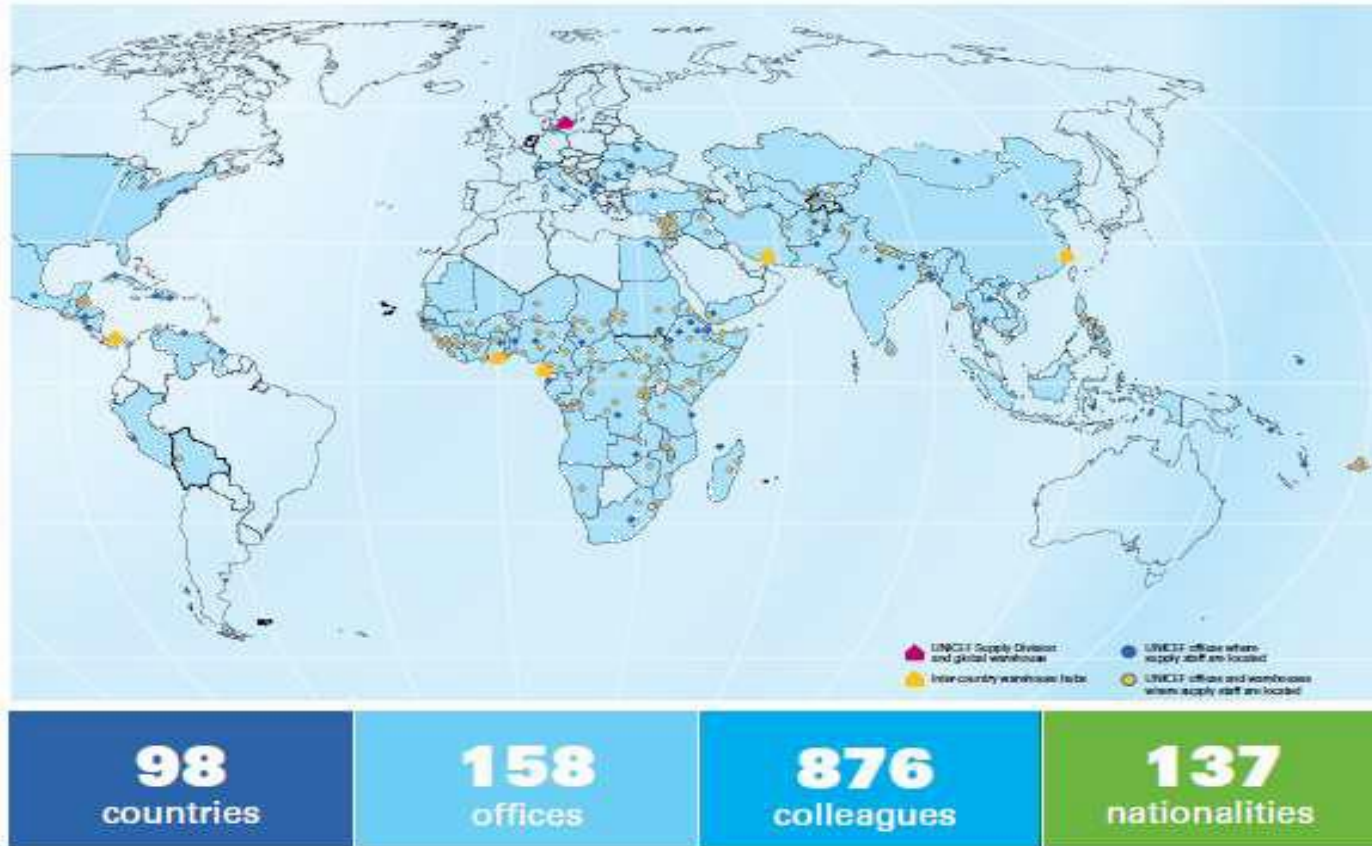
5
EDUCATION

6
CHILD PROTECTION

7
SOCIAL INCLUSION

Realizing the Rights of Every Child

UNICEF's Supply Community



While headquartered in Supply Division (Copenhagen), the Supply Function is a core area of work for UNICEF in 98 countries, plus 60 sub-offices,

66% of UNICEF Country Office have plans to support the strengthening of Government supply chains



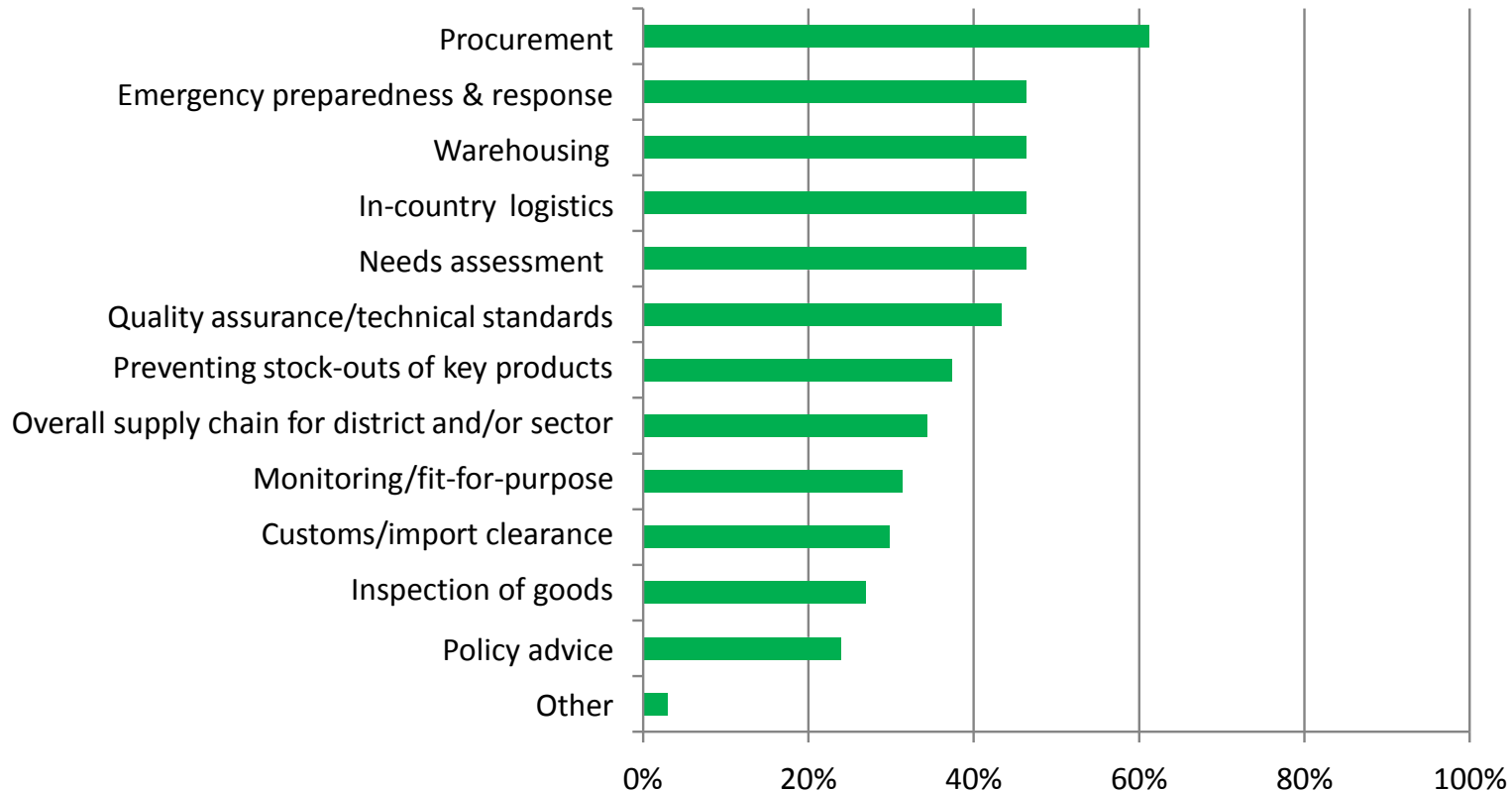
- No
- No response
- Yes

Tanzania
DRC
Sierra Leone

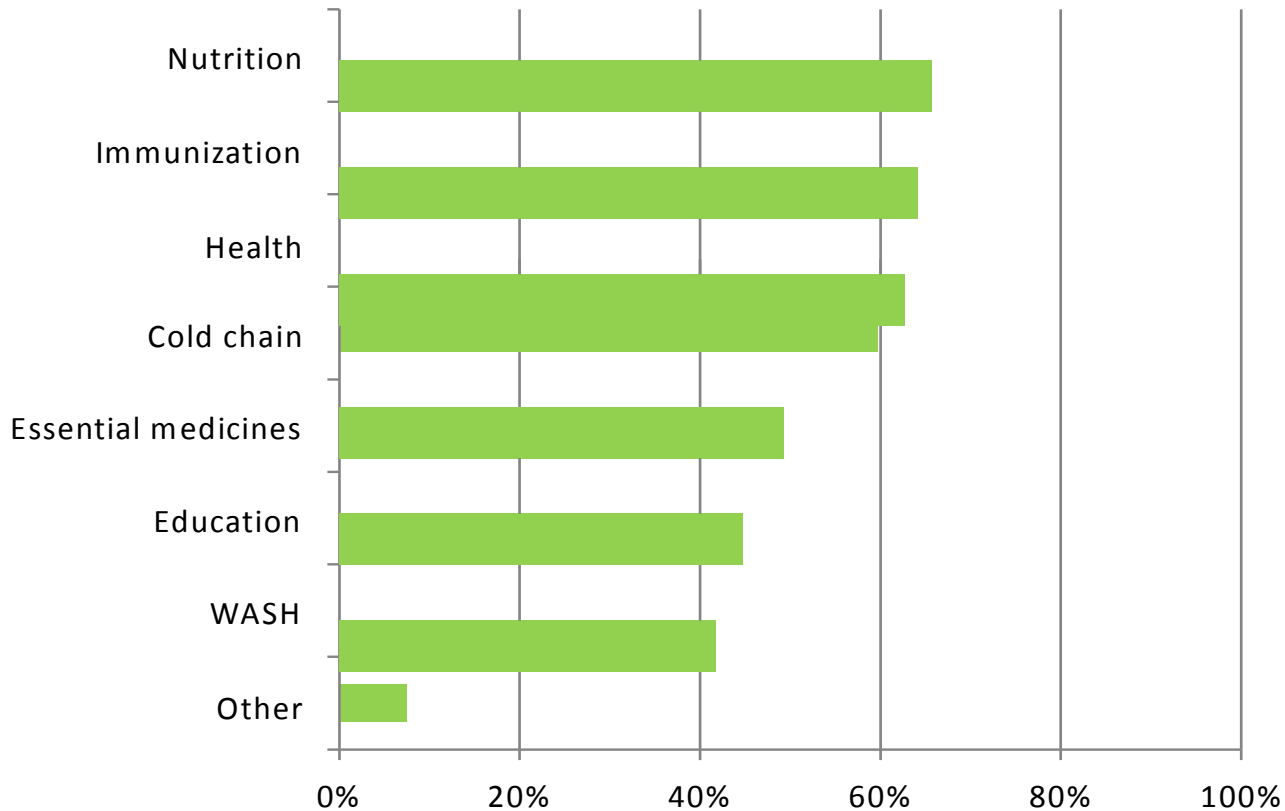
} COs planning support to optimisation on all supply chain elements

98% of the 102 participants responded

Supply chain strengthening engagement covers range of supply chain aspects



Supply chains for health sectors receive greatest focus

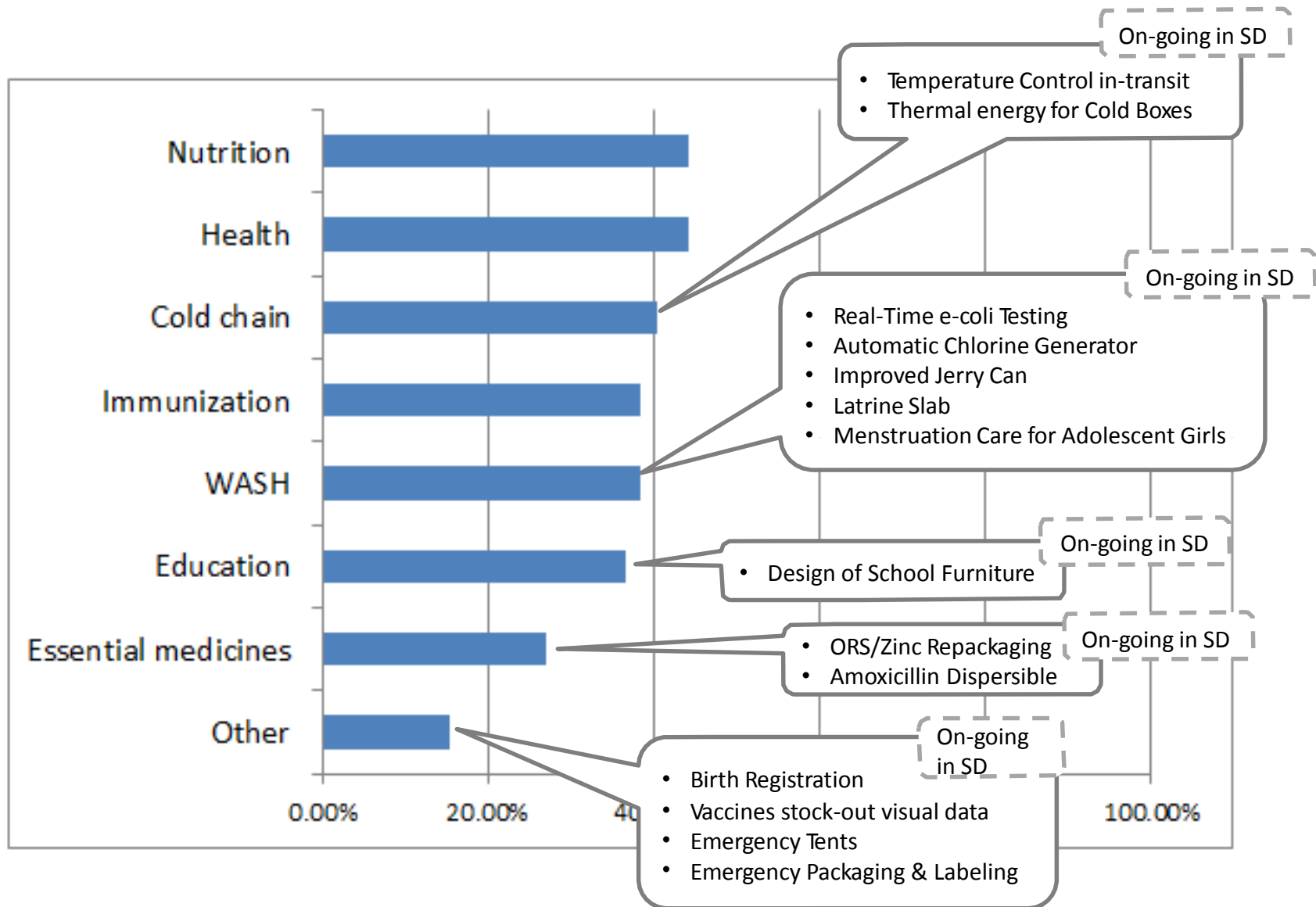


98% of the 102 participants responded

66%, provided sector information

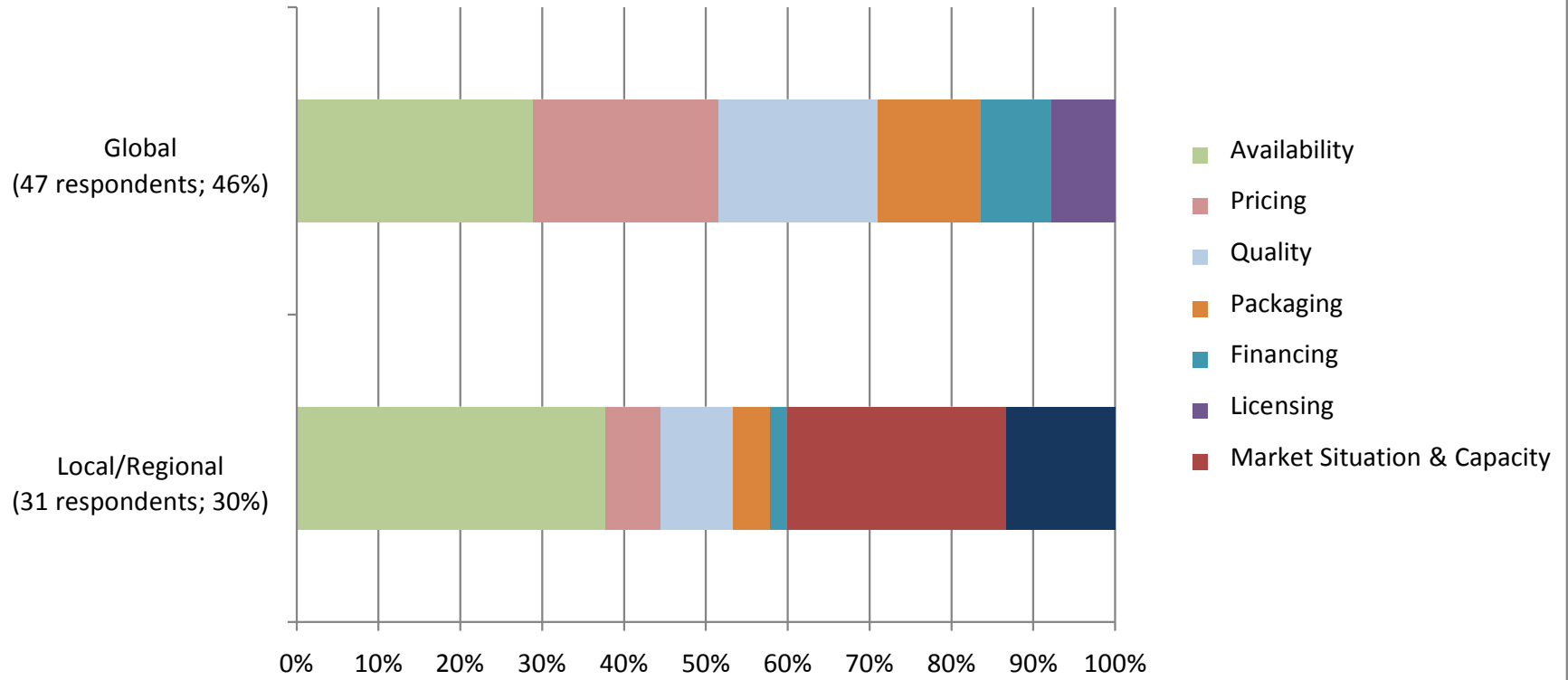
- COs work with a variety of partners: public & GVT, UN agencies, MSF, CHAI, PATH, JSI...

UNICEF country offices have product innovation planned across programmes



Country Offices note product and market issues key to access at global and local levels

Market Access Issues



SUPPLY DIVISION & IMMUNIZATION SUPPLIES



UNICEF Supply Strategies 2014-2017

UNICEF Outcome Areas

Health
HIV/AIDS
WASH
Nutrition
Education
Protection
Inclusion

UNICEF Global Supply Strategies

Service Delivery
Emergencies
Strengthening Supply Chains with Governments
Influencing Markets
Product Innovation
Monitoring
Supply Community
Optimising UNICEF Supply Working
Together for Results
Evaluation
Partnerships

Supplies are a key component to achieve programme results- **major commodity groups**

2013: \$2.9 billion in supplies and services



Vaccines
\$ 1,286



Pharmaceuticals
\$ 197



Nutrition
\$ 166



Medical supplies and equipment
\$ 111



International freight
\$ 101



Bed nets
\$ 91



Construction
\$ 70



Water & Sanitation
\$ 91



Education Supplies
\$ 57



Printing
\$ 42

Approximately \$1.4 billion via Procurement Services

Procurement on behalf of governments and other partners, including GAVI (approx. \$.8B).

Not subject to regular UNICEF recovery (5-8%) but a fee to defray costs. For vaccines ~1.3% - 4%.

Supply Division- the Organisation

Director
Supply Division
Shanelle Hall

Programme & Market Expertise

Normative & Supply Chain

Operations

Cross-cutting & Catalytic

Deputy Director
Supply Programme

Medicines &
Nutrition
Centre

Health Technology
Centre

Vaccine
Centre

Procurement
Services Centre

Water Sanitation
& Education Centre

Innovation

Deputy Director
Supply Chain

Contracting
Centre

Emergency

The Warehouse

The
Transport
Centre

Quality Assuranc
Centre

SD Supply
Chain Optimisation

Deputy Director
Operations

Operational
Analysis &
Technology Centre

Human
Resources
Centre

Financial
Management &
Administraion Centre

Evaluation
Manager

Market,
Finance & Data

Supply
Chain Strengthening

Know ledge
Sharing and Solutions
Unit

2014 (P5-D1-D2)
52% female
42% programme country

Roles across the GAVI vaccine Supply Chain- from supply strategy to delivery

	Supply strategy, LT plan	Country program / cofinancing consolid.	Tendering, supplier contract	Short-term forecast / shipment plan	Financial forecast	Funds request / CTN process	Funds transfer	Purchase Order management	Shipment coordination & delivery	Payment & reconciliation	Local tracking & coordination	Reports (supply & financial & perf)
UNICEF PD	I	A		I							I	
UNICEF SD	R	R	R	R	R	R	I	R	R	R	A	R
GAVI	R	R	A		A	I	R					
UNICEF Country Office		A		A					A		A	A
Receiving Country	I	A		A	I				I		R	A
Vaccine supplier	A		A	A				A	I	A		
Freight forwarder				I				I	R	A		
		Execution / Lead	R	Responsibility	A	Active support	I	Important interface		Limited / no involvement		

Source: BCG analysis, UNICEF SD

70% of flight to Africa arrived after 20:00
80% of flights met by UNICEF CO staff

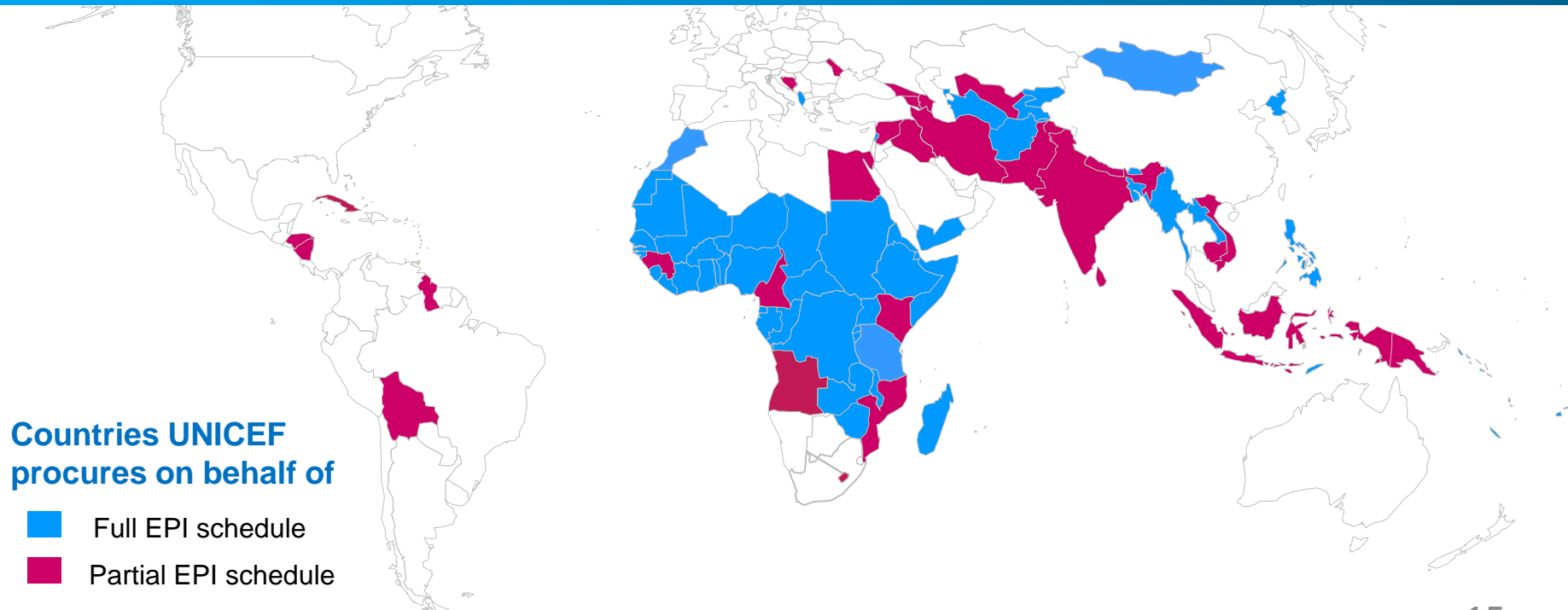
UNICEF procuring range of immunization supplies on behalf of 80-100 countries annually

Vaccines: BCG, DTP, TT/Td/DT, Measles containing, OPV, HepB, YF, DTP-HepB, DTP-HepB/Hib, DTP/Hib, Hib, MR, Meningitis, MMR, PCV, RV IPV, HPV, etc.

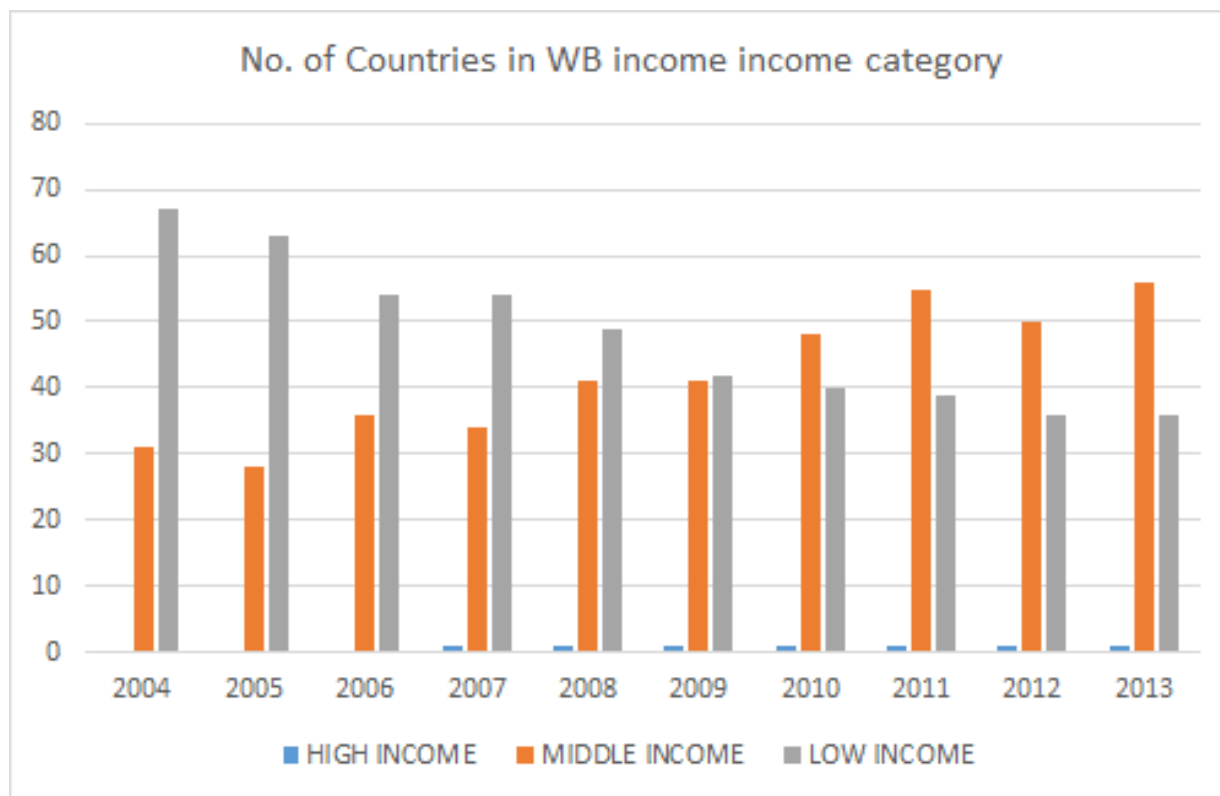
Safe Injection equipment

Cold Chain Equipment

Vaccines Supplies: US\$ 1.285 billion **2.79 billion doses** **2,185 deliveries**

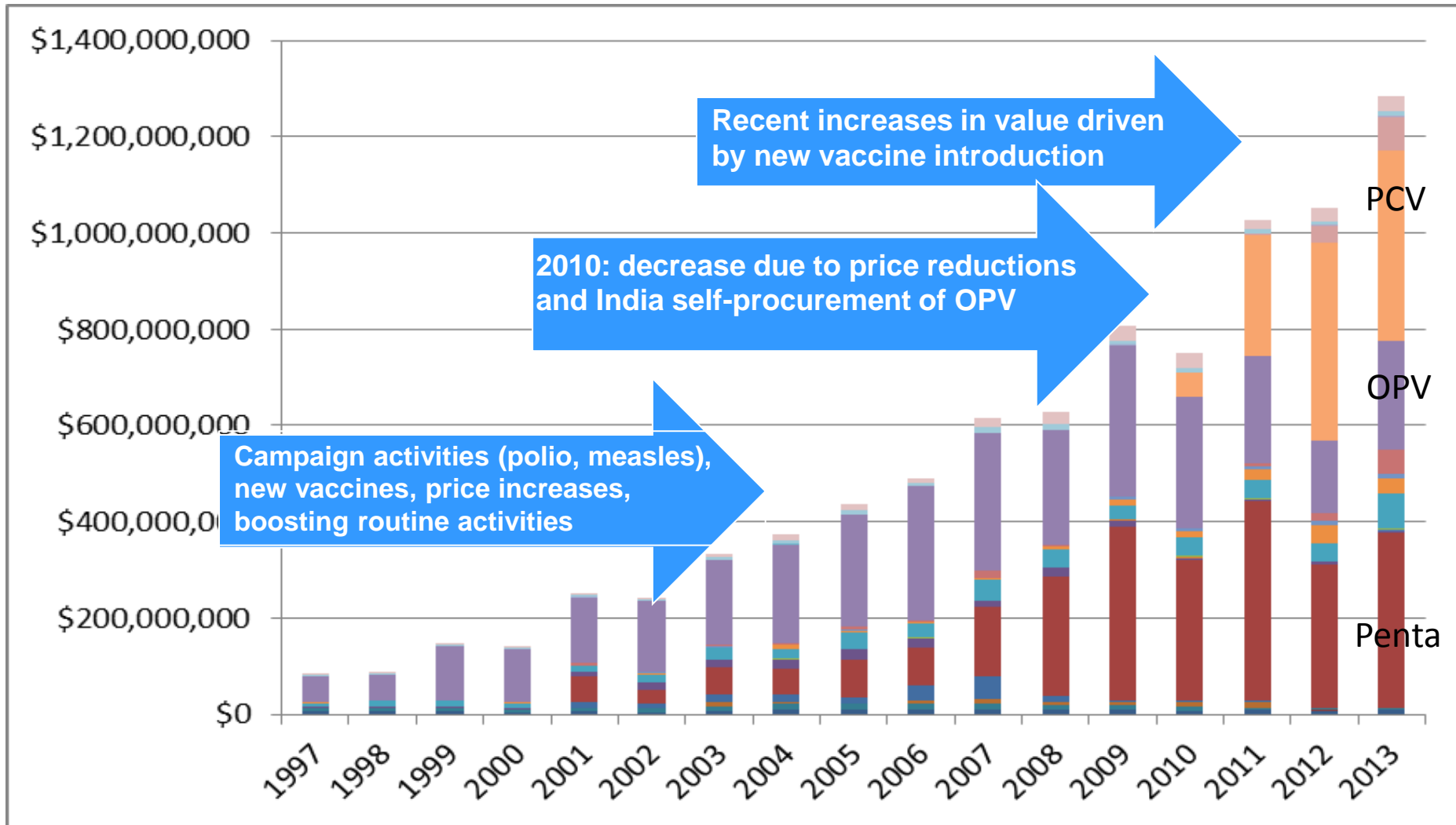


GNI classification of countries procuring through UNICEF



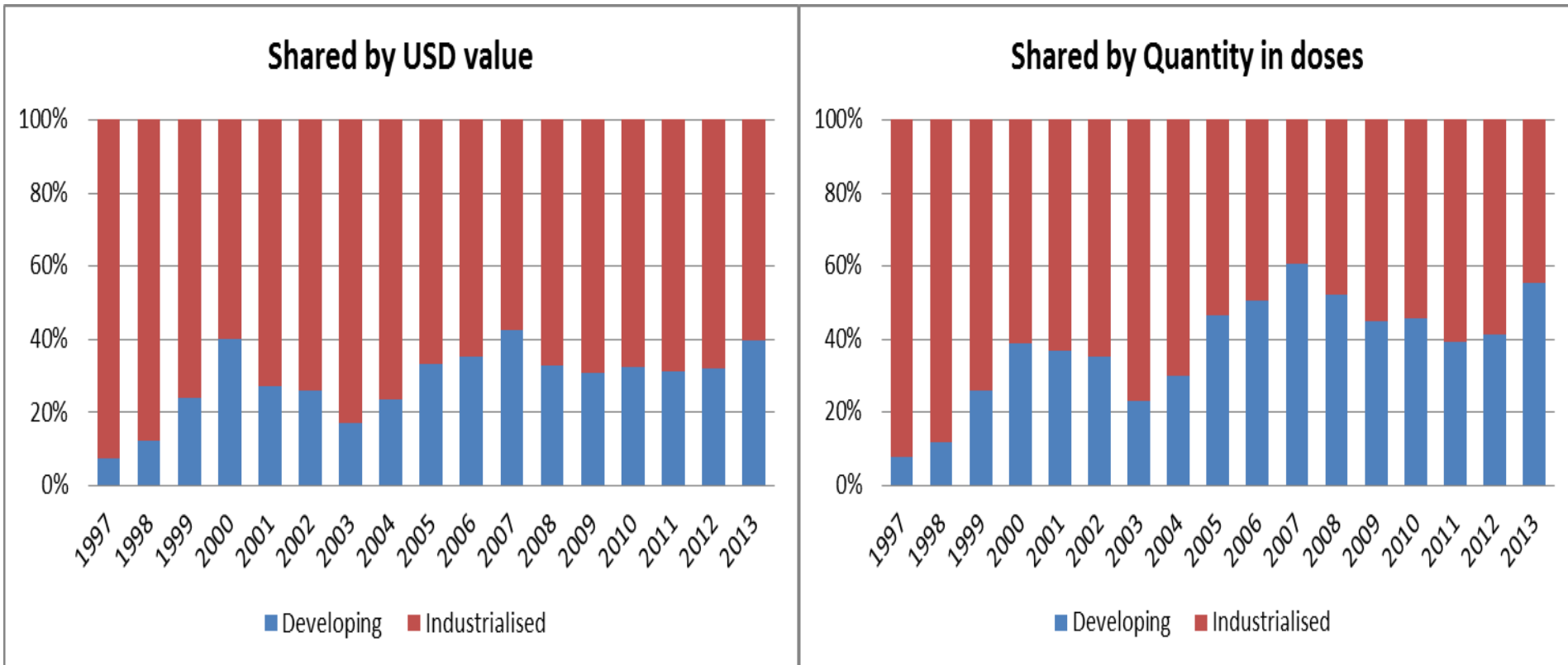
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
HIGH INCOME	0	0	0	1	1	1	1	1	1	1
MIDDLE INCOME	31	28	36	34	41	41	48	55	50	56
LOW INCOME	67	63	54	54	49	42	40	39	36	36

Annual vaccine procurement value has increased significantly since 2000



A considerable portion of vaccines procured by UNICEF come from emerging market country manufacturers

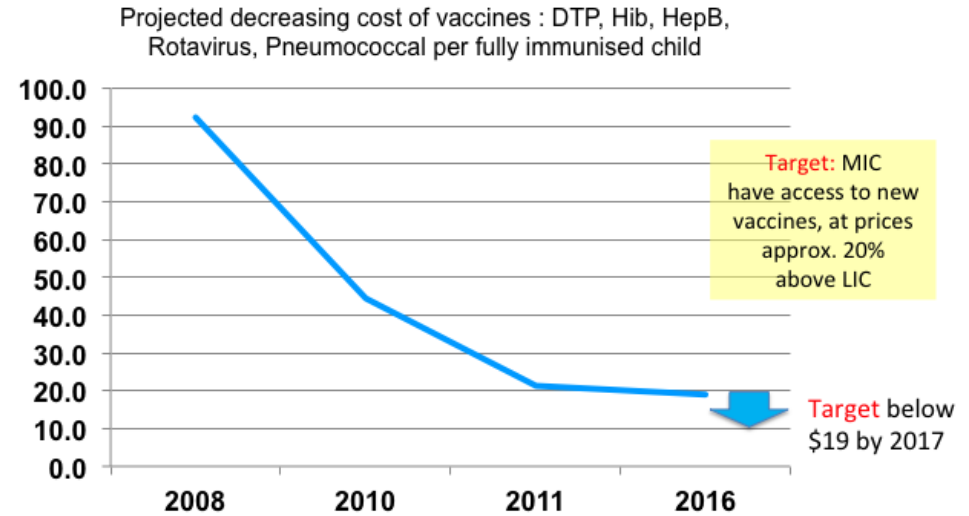
2013: 1.55 billion doses with a value of \$507 million



INFLUENCING MARKETS



Influencing Markets and Policies for Strategic Essential Supplies



Objectives:

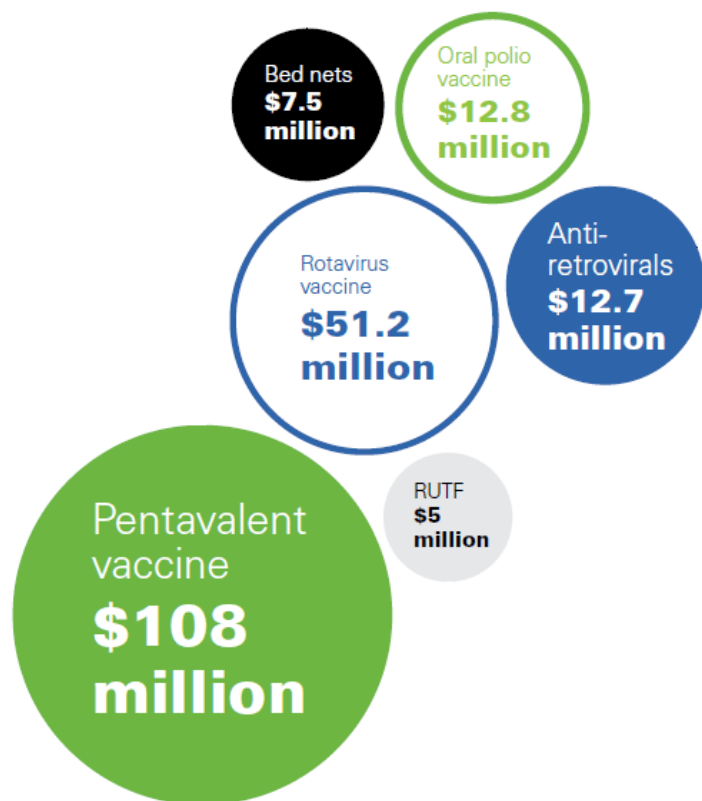
- Availability
- Quality
- Affordability
- Sustainability
- Innovation
- Competitive markets

Via different strategies:

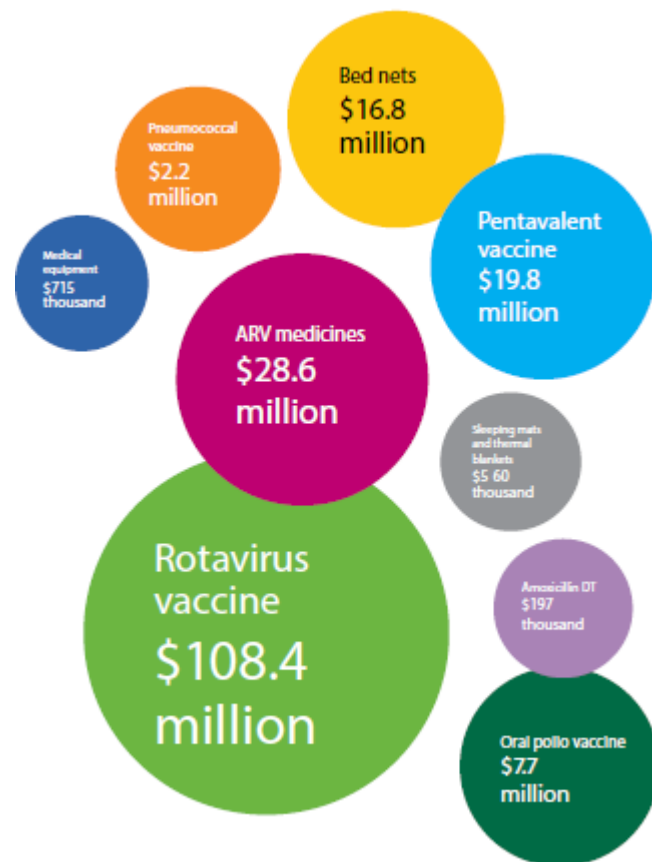
- Transparent markets
- Forecasts
- Industry Forums
- Innovative Financing
- Collaboration with partners
- Tender duration
- Local production/markets
- Pooling demand
- Optimise & expand Vaccine Independent Initiative
- Effective signaling to industry

Projected minimum savings of \$810 million 2012-2017

2012 savings: \$197 million



2013 savings: \$170 million



*Savings to Governments, GAVI, UNICEF, etc.

Safe injection

AD Syringes

Reduction in the WAP by 11%, estimated savings >\$5m for tender period 2014-2015

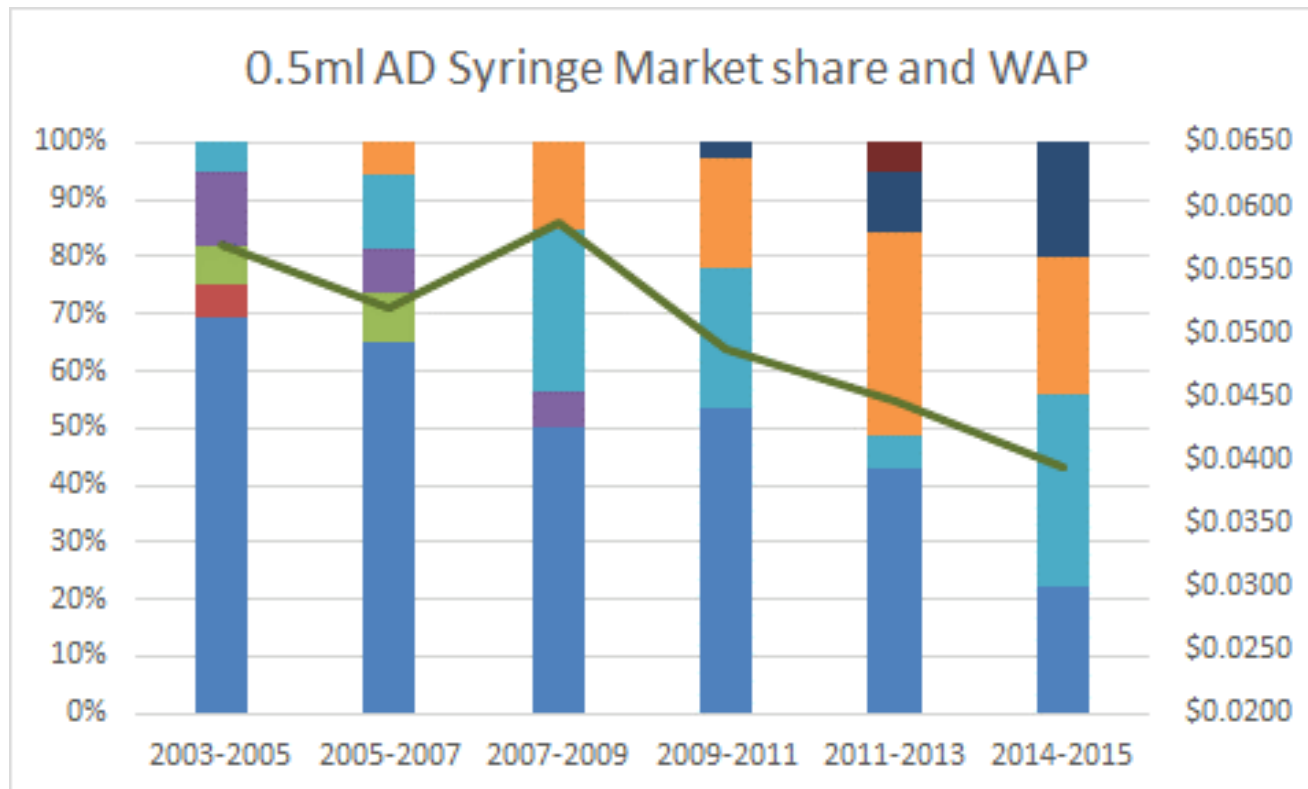
Implementation of Landed cost evaluation

Quality Assured supply base

Healthier market, 4 suppliers, more balanced

Injection Safety

Programmatic Preference for disabling technology implemented on activation of Device



UNICEF markets dashboard & product notes

The Markets Dashboard

Taking inspiration from UNITAID's Market Dynamics Dashboard, UNICEF developed and began publishing its own Markets Dashboard during 2013. The Dashboard monitors the market dynamics of more than 50 essential commodities for women and children. It provides a qualitative assessment of the determinants of a healthy market, including:

- Availability
- Affordability
- Competition
- Quality
- Acceptability
- Delivery
- Funding security

This qualitative assessment helps to identify elements that contribute to gaps between supply and demand of particular products and suggests opportunities to catalyse frameworks and interventions that will achieve a more balanced market.

For example, some market shortcomings may call for engagement on a traditional procurement strategy basis where UNICEF may pool demand to achieve improved scale purchasing and better visibility for manufacturers.

Other contexts may suggest that UNICEF should support Country Offices in developing a quality local supplier base from which it can source the commodity. Where there are gaps in quality standard-setting, UNICEF may be well positioned to positively influence market dynamics by collaborating with partners and publishing the normative guidelines that it follows.

The Markets Dashboard is updated and published twice a year. Placing the analysis in the public domain informs debates amongst stakeholders who include governments, international procurement agencies and manufacturers. The outcome of these discussions and ideas can underpin UNICEF's policies, and approaches to make products more available and affordable for children. Additionally, these new insights provide UNICEF with an opportunity to challenge the assumptions underlying its own procurement decisions and strategies.

UNICEF is increasingly disclosing high-level strategies within this

Dashboard context to continue to spur debate and build on transparency initiatives. Feedback is welcome and can be provided via the links at the UNICEF Supply website.

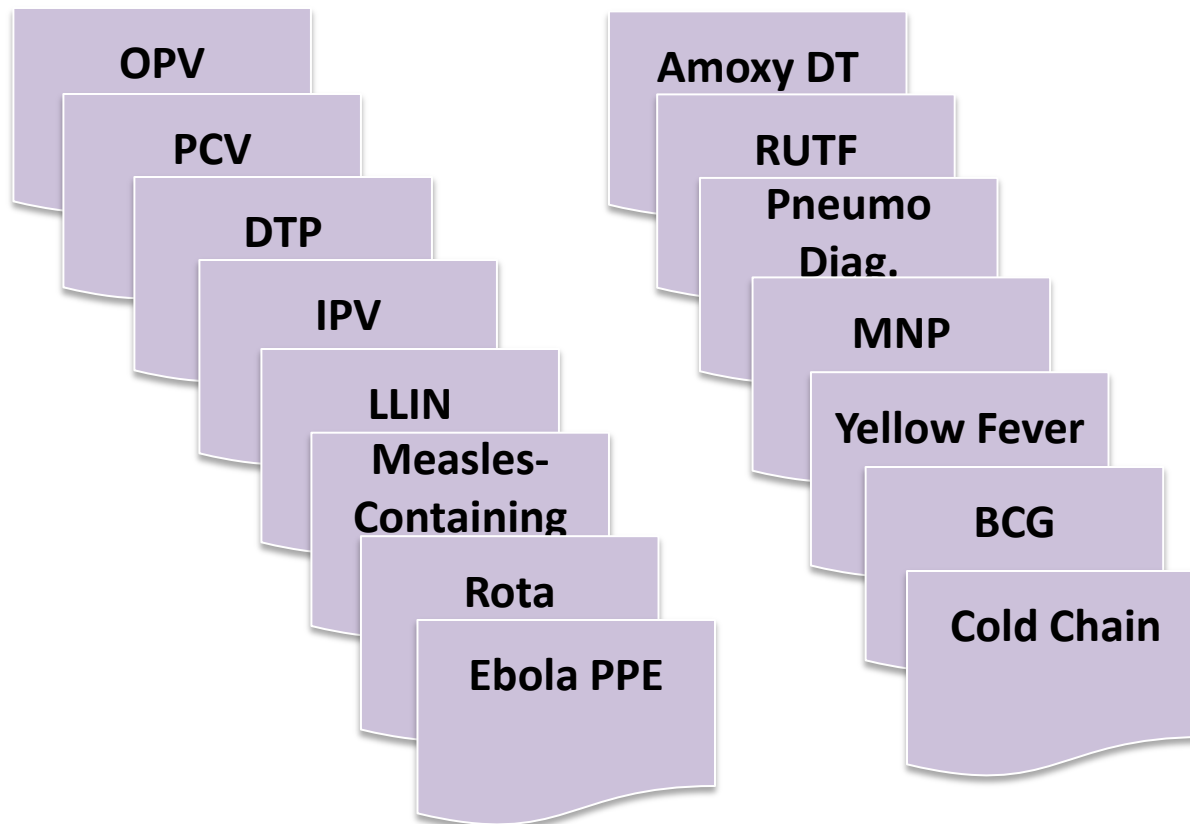
See the latest UNICEF Markets Dashboard at: http://www.unicef.org/supply/index_70578.html

The image shows a close-up of the UNICEF Supply Division Markets Dashboard. The document is titled 'UNICEF Supply Division' and 'Markets Dashboard: Key Supply Markets for Women and Children - List of 20 September 2013'. It features a large table with columns for 'Commodity', 'Market', 'Availability', 'Affordability', 'Quality', 'Acceptability', 'Delivery', and 'Funding security'. The table contains numerous rows of data, with some cells highlighted in blue. The UNICEF logo is visible in the top left corner of the document.

Publications on **Products & Markets** for key supplies for children

Communication pieces issued on various market situations of Health Products including to support Government knowledge

: http://www.unicef.org/supply/index_54214.html



VACCINE FINANCING



Financing needs are rapidly increasing

UNICEF currently has a bridge financing request run-rate of \$100 million annually

- More than 60% of these requests were for vaccines.
- UNICEF was able to accommodate bridge financings for \$61 million of these requests, but at a cost, as it temporarily made other funds (including RR and OR) unavailable to their originally purposed uses

The #1 reported cause for vaccine stock-outs in 2012-2013 was a delay / lack of funding.

- In cases where Governments have fully resourced their immunization spending, there are often delays in the budget being released.
- Countries (recent examples include DRC, Nigeria, Malawi, Ukraine) have also been experiencing an accelerating number of Routine Immunization (RI) stock-outs (or near-stock-outs) on account of funding delays.

Country example: Nigeria Routine Immunization represents a substantial need which will require significant financing during 2015 (likely \$50 million of financing), in addition to expected financing required for the next polio agreement implementation (JICA).

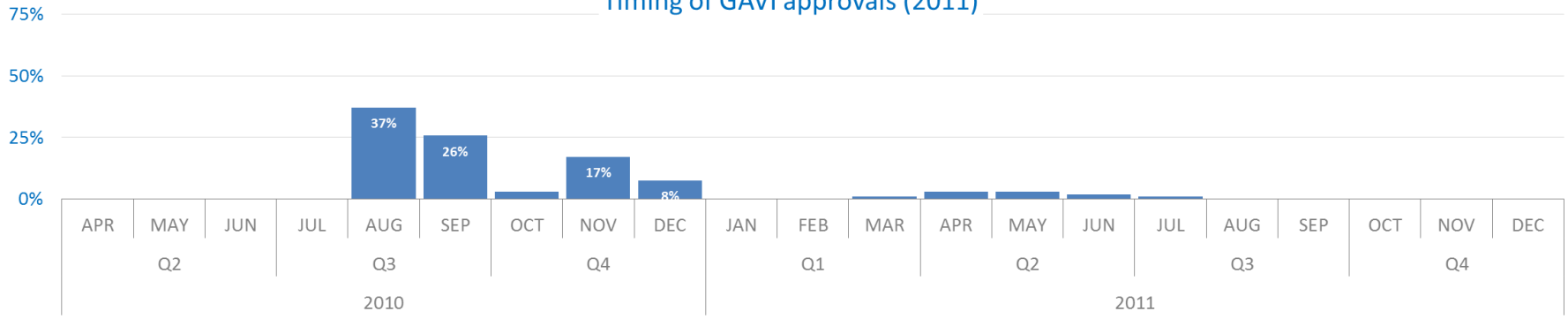
Some Countries are not meeting their GAVI co-financing obligations on time (26 were in default at January 2014 and 14 were still in default at June 2014).

Revitalizing a financial mechanism for immunization- the Vaccine Independence Initiative

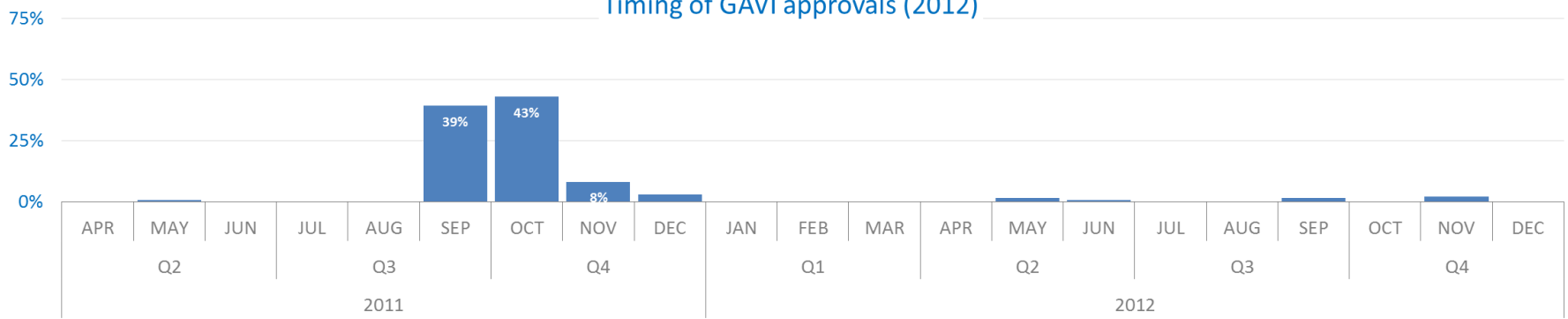
- A financial mechanism to ensure a systematic, sustainable vaccine supply for countries which can afford to finance their own vaccine needs but may require certain support services
- Flexible credit terms which enable the country to pay after the vaccine is received, and UNICEF can accept local or hard currency payment
- VII right-sizing- for decision at UNICEF Executive Board in February 2015
 - Increase Capital base from \$10M to \$100M
 - Review of subscribing country ceiling including to maximise turns
 - Potential product scope covered to reflect countries' current health and other commodity needs
- \

Financing key across Decisions letters and important trigger for country planning and procurement actions: timing of GAVI approvals

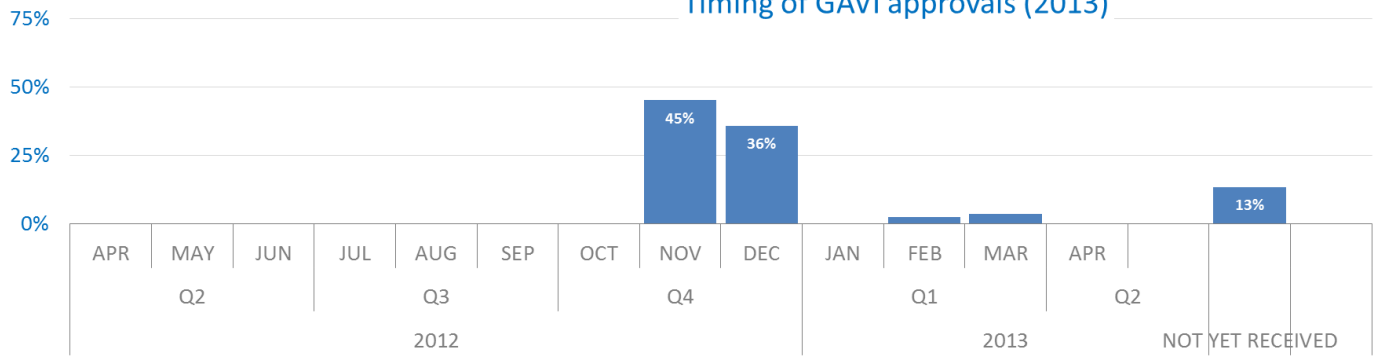
Timing of GAVI approvals (2011)



Timing of GAVI approvals (2012)



Timing of GAVI approvals (2013)

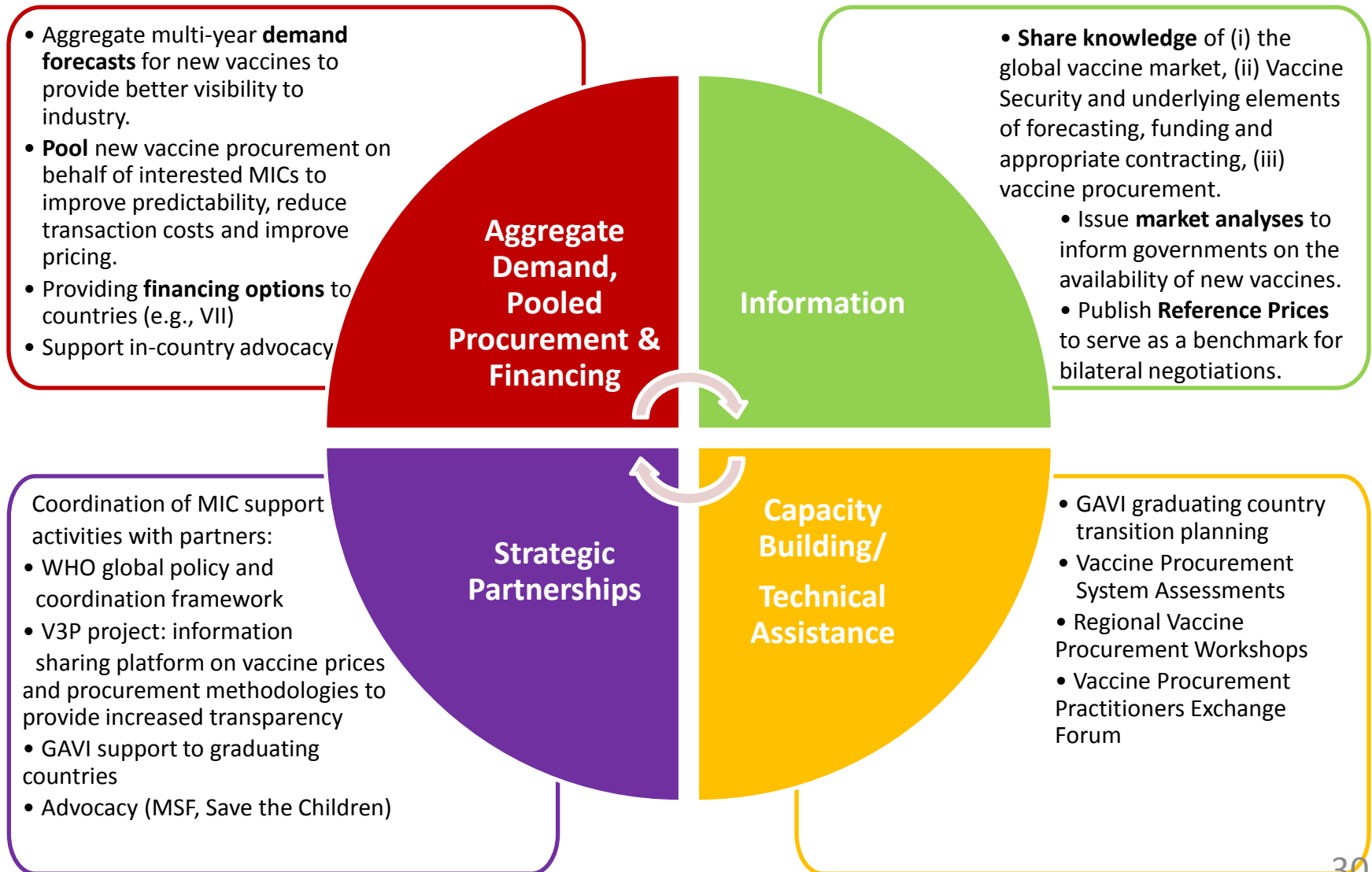


The percentages indicate the proportion of the total number of GAVI decision letters for the specific approval year received per month / quarter

MIDDLE INCOME COUNTRIES

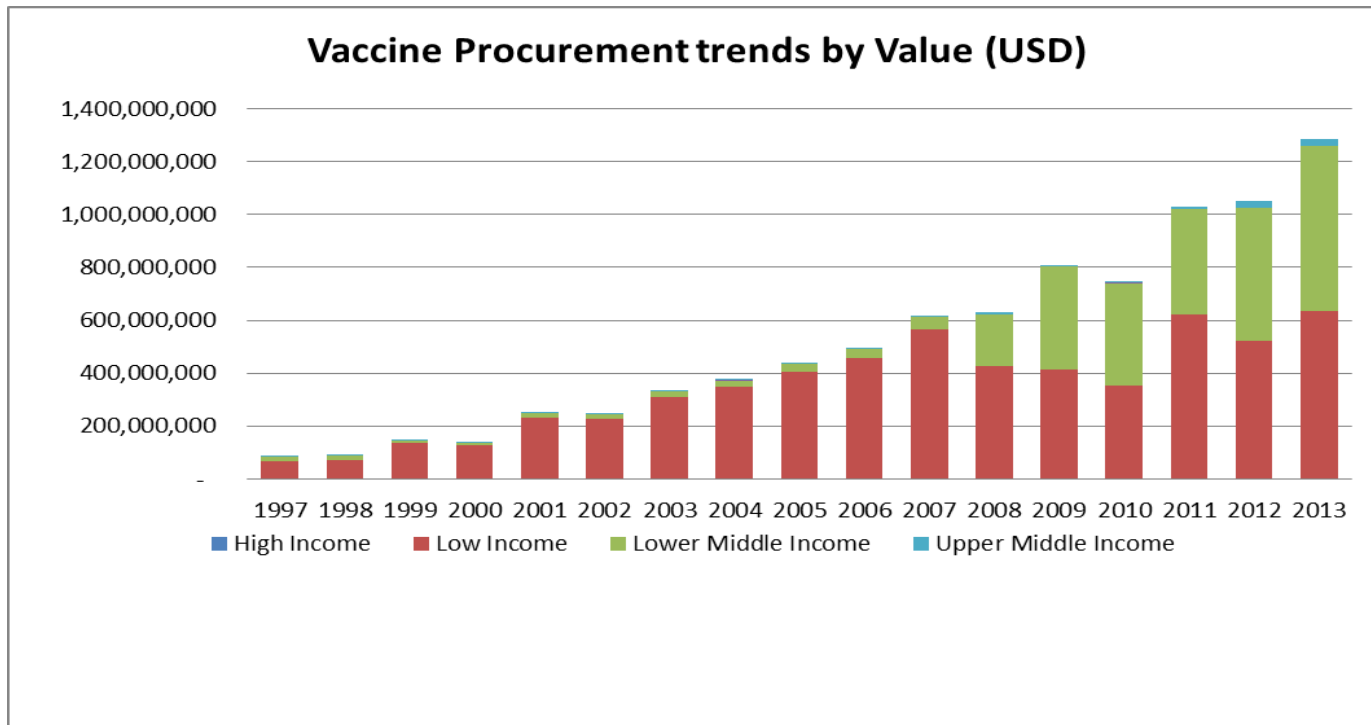


UNICEF strategy for Middle Income Countries supporting access to new vaccines

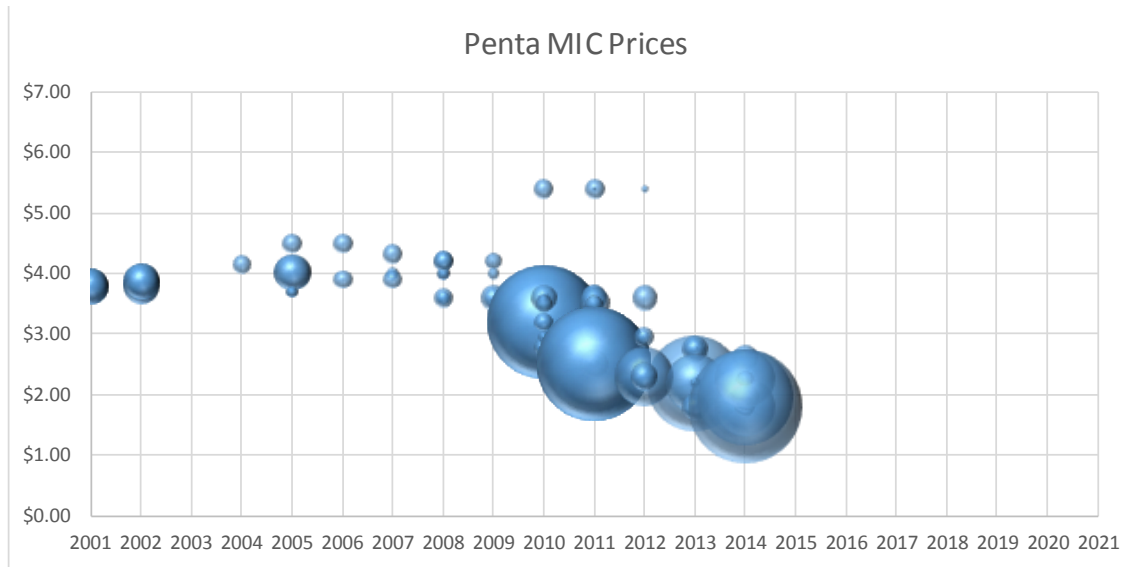


UNICEF procurement for MICs is mainly to increase and sustain access. Approx. 20 countries 'graduate' from GAVI support through 2020

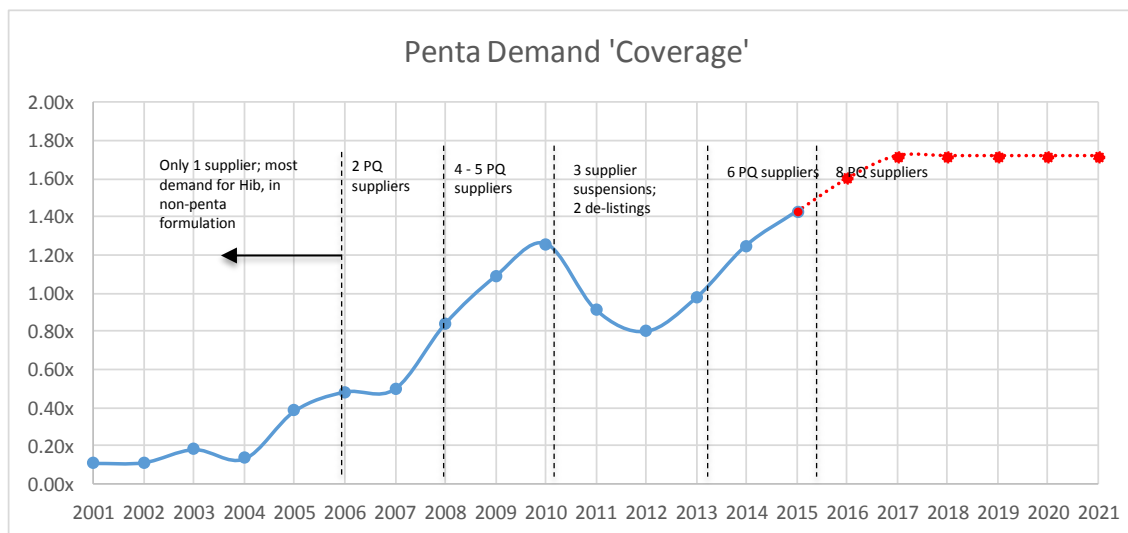
- Procurement via UNICEF will continue to be an option.
- Expectation is that pricing will be the same as GAVI pricing
- UNICEF hosting series of Procurement Practitioner exchanges with Gov't buyers
- Expanding VII to help with financing



Analysis of markets over time serving MICs- example Pentavalent



- Post-2009/2010 inflection point in price reductions following substantial increase in 'coverage' marked by dominance of supply increase over demand increase
- Dip in overall 'coverage' due to de-listings, issues in 2011-2013 did not seem to generate negative impact to momentum



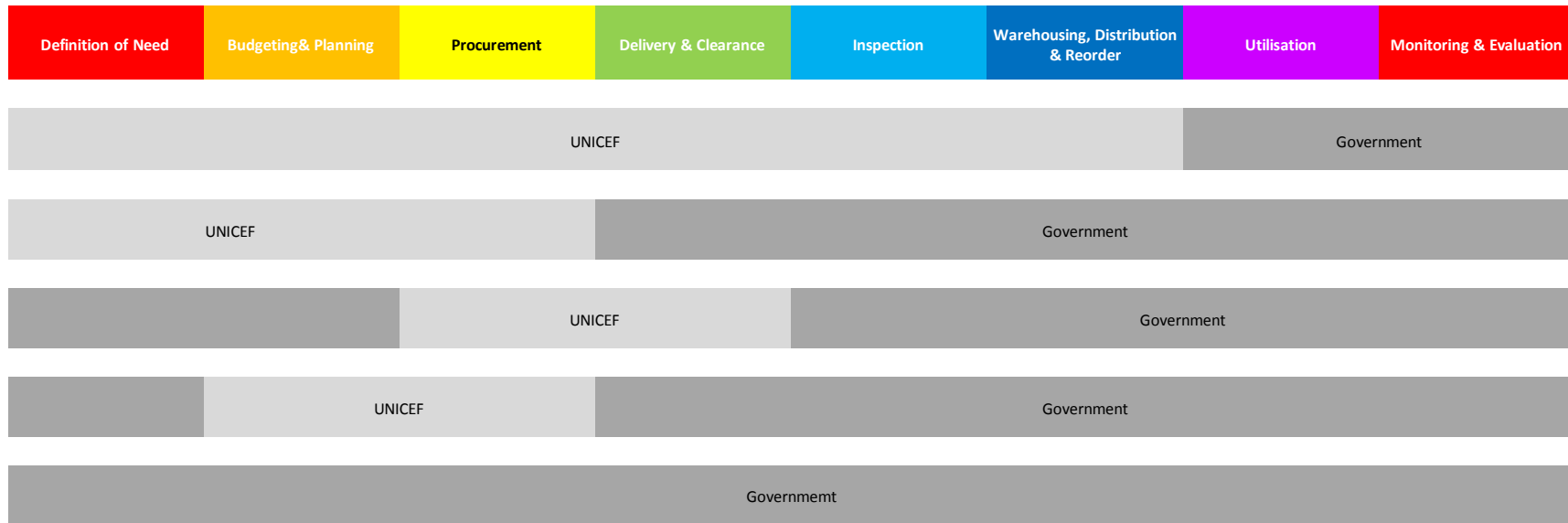
- Directional increase in 'coverage' is overstated as does not include non-penta, Hib-containing supply, so slope is likely much lower (but still positive)
- Note: Early years estimated demand based upon all 'Hib-containing' formulation / introduction

STRENGTHENING SUPPLY CHAINS



Supply chain Strengthening with Governments

Improving supply chain performance within different modalities



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

Strengthening together (a, b, c, d)

Optimising UNICEF (a, b, c)

Via

- Supply Chain as professional discipline
- Monitoring dashboards
- LMIS systems
- Investment
- Focus & political wil

Set Performance Targets e.g.,

- Reduce stock-outs
- Improve timeliness
- Supplies reach most remote locations
- Reduce long-held inventory

Immunization Supply Chains- 2014

Ongoing support: Nigeria, DRC, Kenya, Afghanistan, Sierra Leone (pre-ebola), Niger, Namibia, Ukraine

New strategies: GAVI Immunisation Supply Chain, People that Deliver, WHO-UNICEF Hub

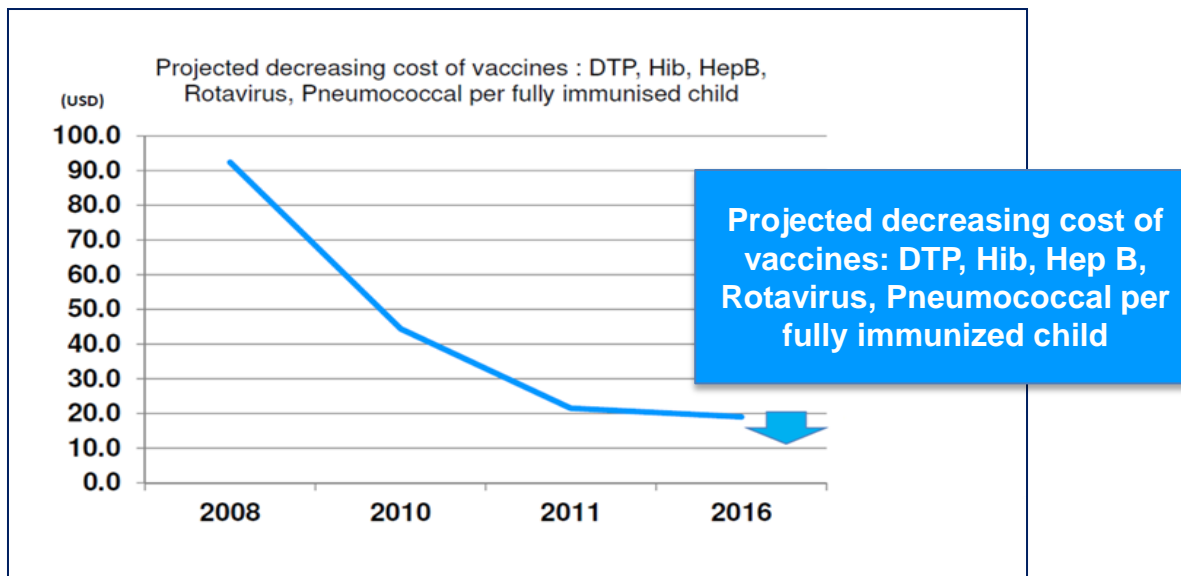
- ✓ Data & visibility
- ✓ People (every country should have dedicated iSupply Chain professionals)
- ✓ Practices (including exchanges between countries)
- ✓ Design (based on different needs, including within a country)
- ✓ Assessment tool- EVM

New tools:

- Cold Chain selection package, including focus on new Solar technologies
- Time-temperature monitoring, via SMS (DRC, Sierra Leone, etc.)
- Pilot: VIVA– visualisation of national stock levels & vaccine pipeline (Nigeria, Niger, DRC, Botswana)
- Pilot: e-Vaccine Arrival Reports (4 countries in Dec, incl. Nigeria)
- Pilot: barcoding for ease of receipt and on tracking

What does success look like for children?

- **Polio eradication is on-track. Countries introduce new vaccines and sustain coverage with new and traditional vaccines** in order to reduce mortality and morbidity from vaccine preventable diseases
- **Market are healthy & vaccine prices are lower:**
 - New vaccine (PCV, Rotavirus, HPV, IPV) for Middle Income Countries
 - Full schedule of childhood vaccines for Low Income Countries (DTP, HepB, Hib, Measles/MR, BCG, Rota, PCV)
- **Countries are able to sustain their own vaccine procurement processes**
- **Country immunization supply chains are measurably better performing**





Thank you!

unite for
children

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