A photograph of two young girls in school uniforms sitting on a blue tarp outdoors. They are focused on drawing a map on a piece of paper. One girl is using a yellow marker, while the other points at the drawing. Several other colored markers are scattered on the tarp nearby. The background shows a tent-like structure.

Copenhagen, 12 June 2019

# UNICEF PROCUREMENT AND SUPPLY FUNCTION

Katinka Rosenbom  
Chief Contracting  
UNICEF Supply Division

unicef  for every child

© UNICEF/UN0180293/Ward

A horizontal bar at the bottom of the slide, divided into segments of red, orange, yellow, green, blue, and purple.

# UNICEF's Mandate

**UNICEF is mandated by the United Nations General Assembly to advocate for the protection of children's rights, to help meet their basic needs and to expand their opportunities to reach their full potential.**

UNICEF works in programmes, advocacy, innovation and technical assistance across 190 countries to address country-specific needs, supporting global efforts in collaboration with governments, partners and other UN organizations.



**1**

**Every child  
survives and  
thrives**



**2**

**Every child  
learns**



**3**

**Every child  
is protected  
from violence  
and exploitation**



**4**

**Every child  
lives in a safe  
and clean  
environment**



**5**

**Every child  
has an  
equitable  
chance in life**



# UNICEF Supply Community

**Total staff 1036**

♀ **432**

♂ **604**

**Nationalities 136**

**Background**

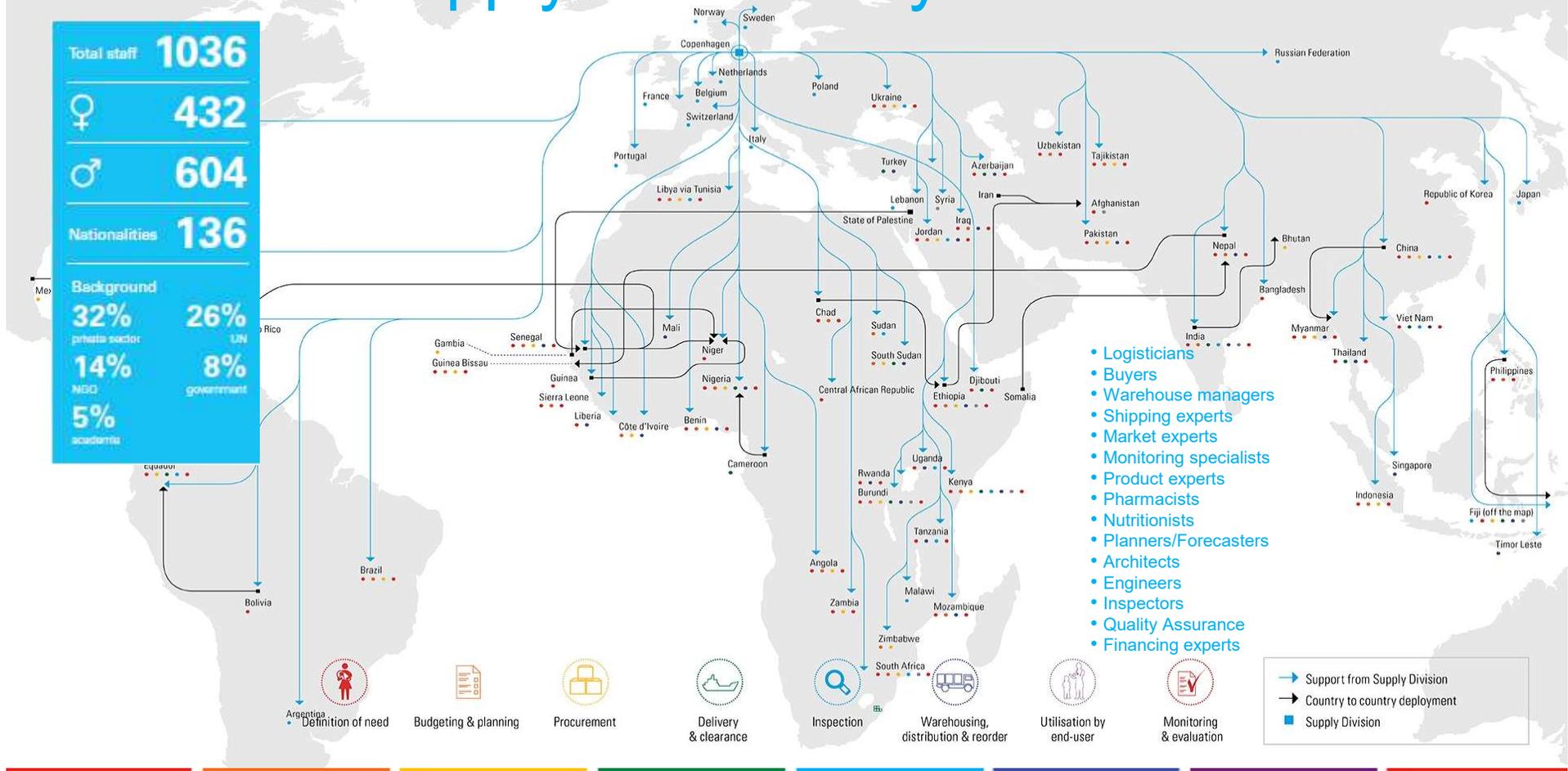
32% private sector

26% UN

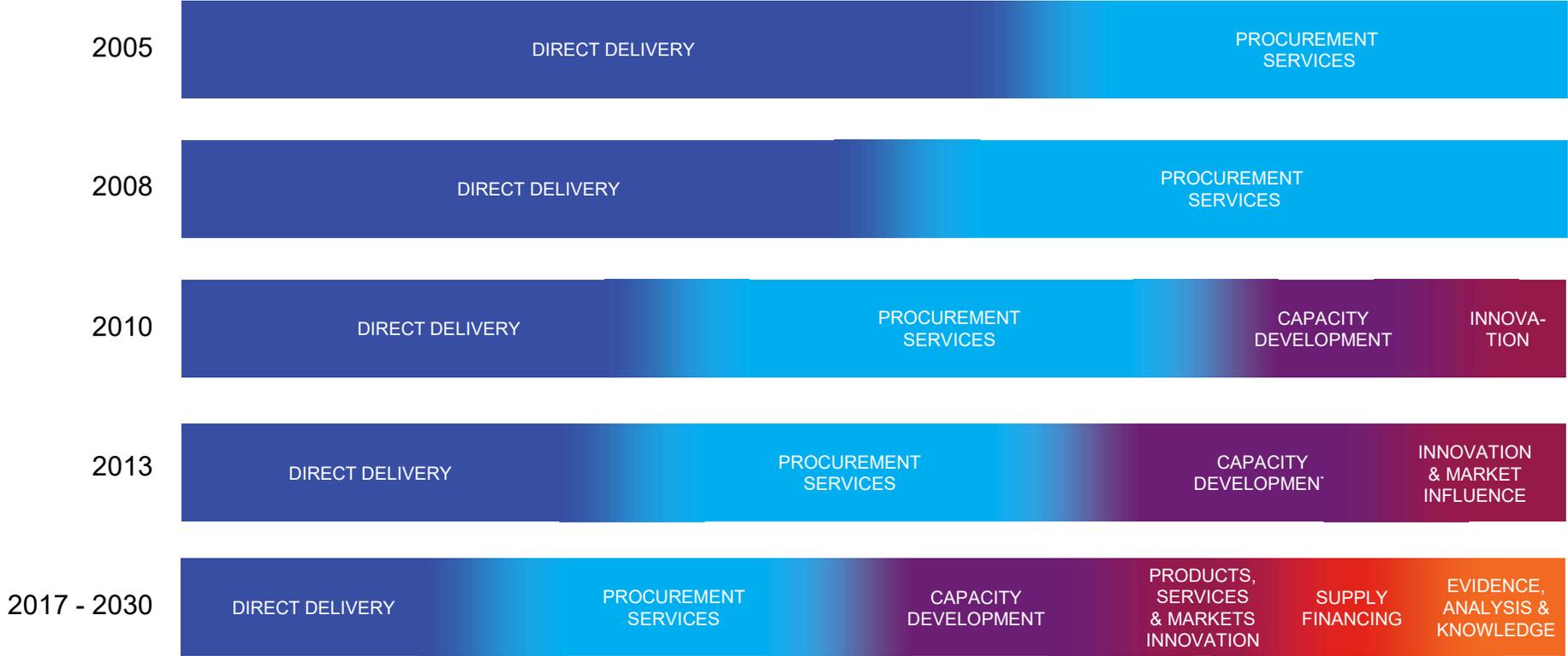
14% NGO

8% government

5% academia



# UNICEF Supply Function – High level vision



# UNICEF procurement value by major commodity groups (2018)



**Vaccines**  
\$1.453 billion



**Pharmaceuticals**  
\$124 million



**Water & Sanitation**  
\$117.3 million



**Nutrition**  
\$183.9 million



**Education**  
\$57.4 million



**Cold Chain  
Equipment**  
\$77.9 million



**Medical supplies**  
\$106 million

**\$3.486 billion**

of supplies + services for 150  
countries and areas

**\$1.536 billion**

in procurement on behalf of 107  
self-financing governments and  
partners

**\$2.378 billion**

supplies

**\$1.108 billion**

services

**78%** of UNICEF procurement is in  
collaboration with other UN agencies  
and partners

# UNICEF procurement value by major services groups, 2018

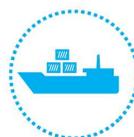
In 2018, UNICEF's procurement of services reached a value of \$1.108 billion. The six largest categories account for 62 per cent of the total value of contracting for services.

## KEY SERVICES GROUPS



**\$118.3 million**

Construction services



**\$80.6 million**

International freight services



**\$183.3 million**

Local technical workforce for programme execution



**\$71.3 million**

In-country logistics and warehousing services



**\$133.8 million**

Research, surveys, monitoring and evaluation services

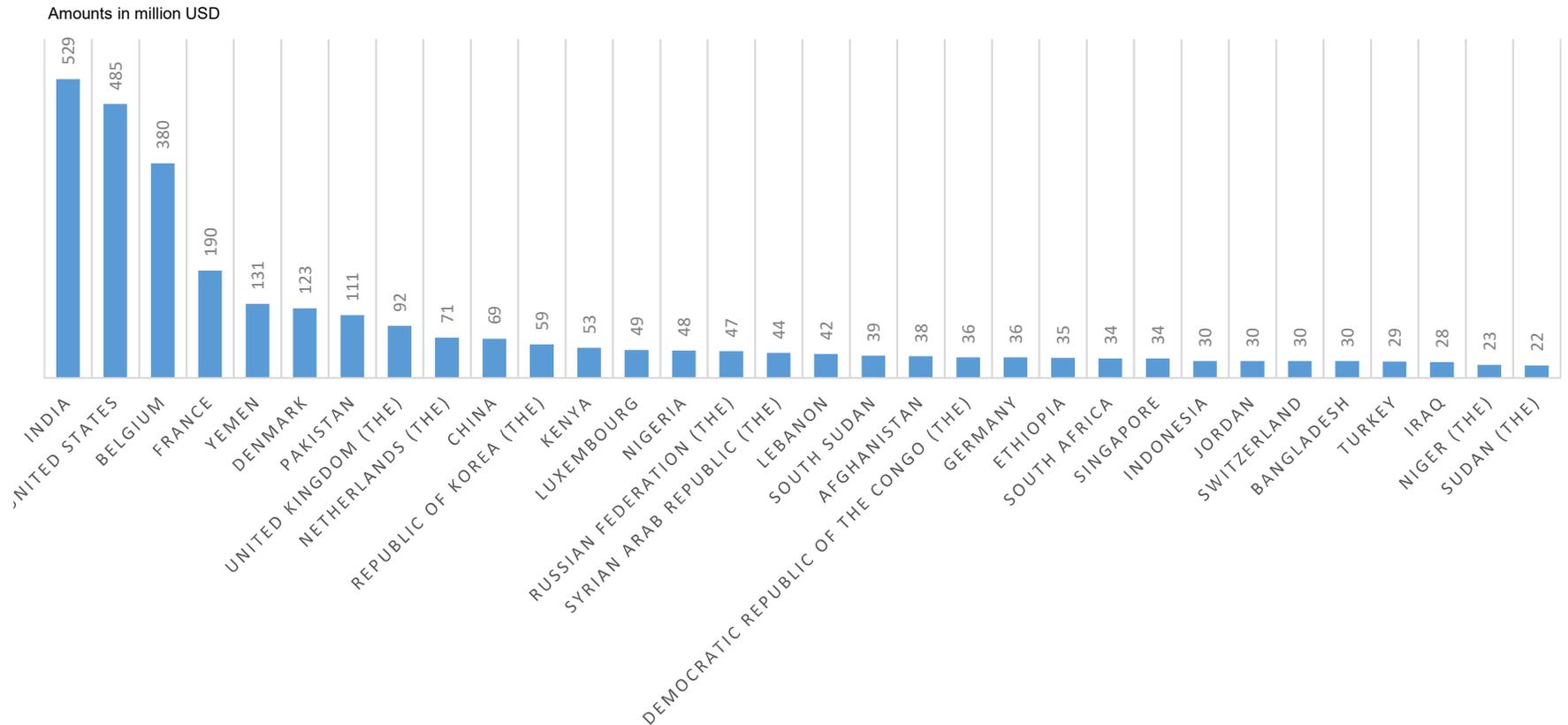


**\$101.2 million**

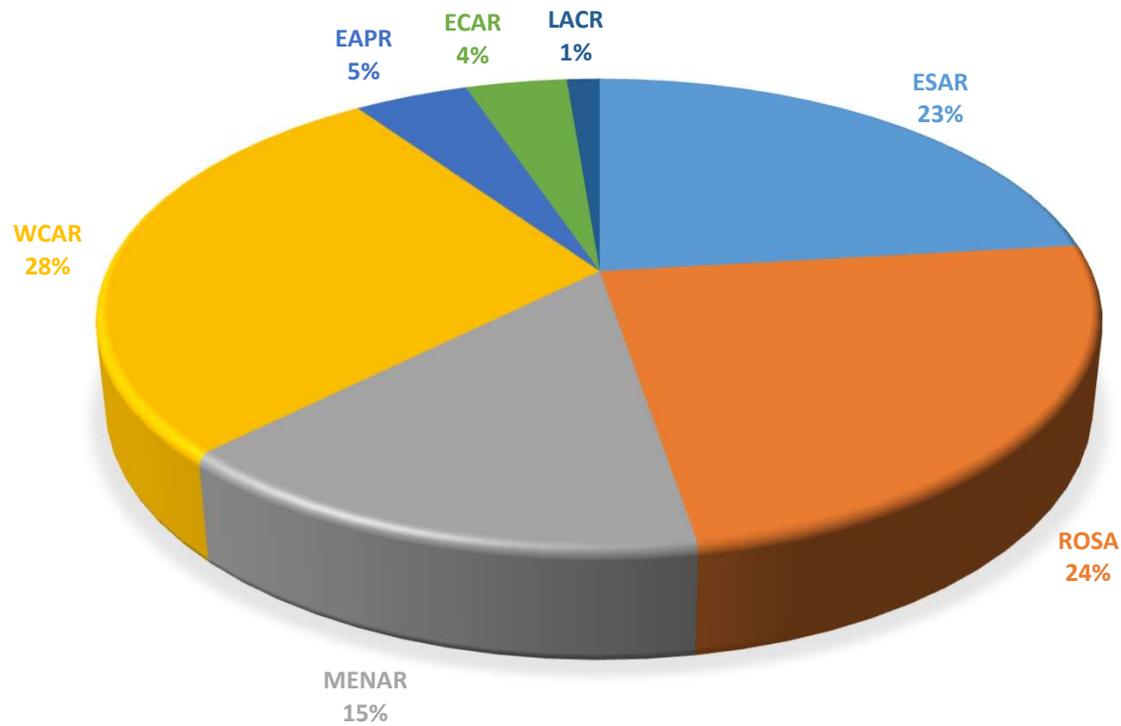
Finance and insurance services



In 2018, United Kingdom and the Netherlands were among the 10 countries from which UNICEF procured the highest. Ireland and Slovenia with \$7.6M and \$1.8M respectively ranked 47 and 75 among 142 vendor countries.



# Regions where UNICEF supplies were used in 2018



- (ESAR) EASTERN AND SOUTHERN AFRICA
- (ROSA) SOUTH ASIA
- (MENAR) MIDDLE EAST AND NORTH AFRICA
- (WCAR) WEST AND CENTRAL AFRICA
- (EAPR) EAST ASIA AND PACIFIC
- (ECAR) CENTRAL AND EASTERN EUROPE AND THE COMMONWEALTH OF INDEPENDANT STATES
- (LACR) AMERICAS AND THE CARIBBEAN



# Products, Markets & Innovation



# SDGs and Megatrends – drive UNICEF innovation and market influencing activities for children



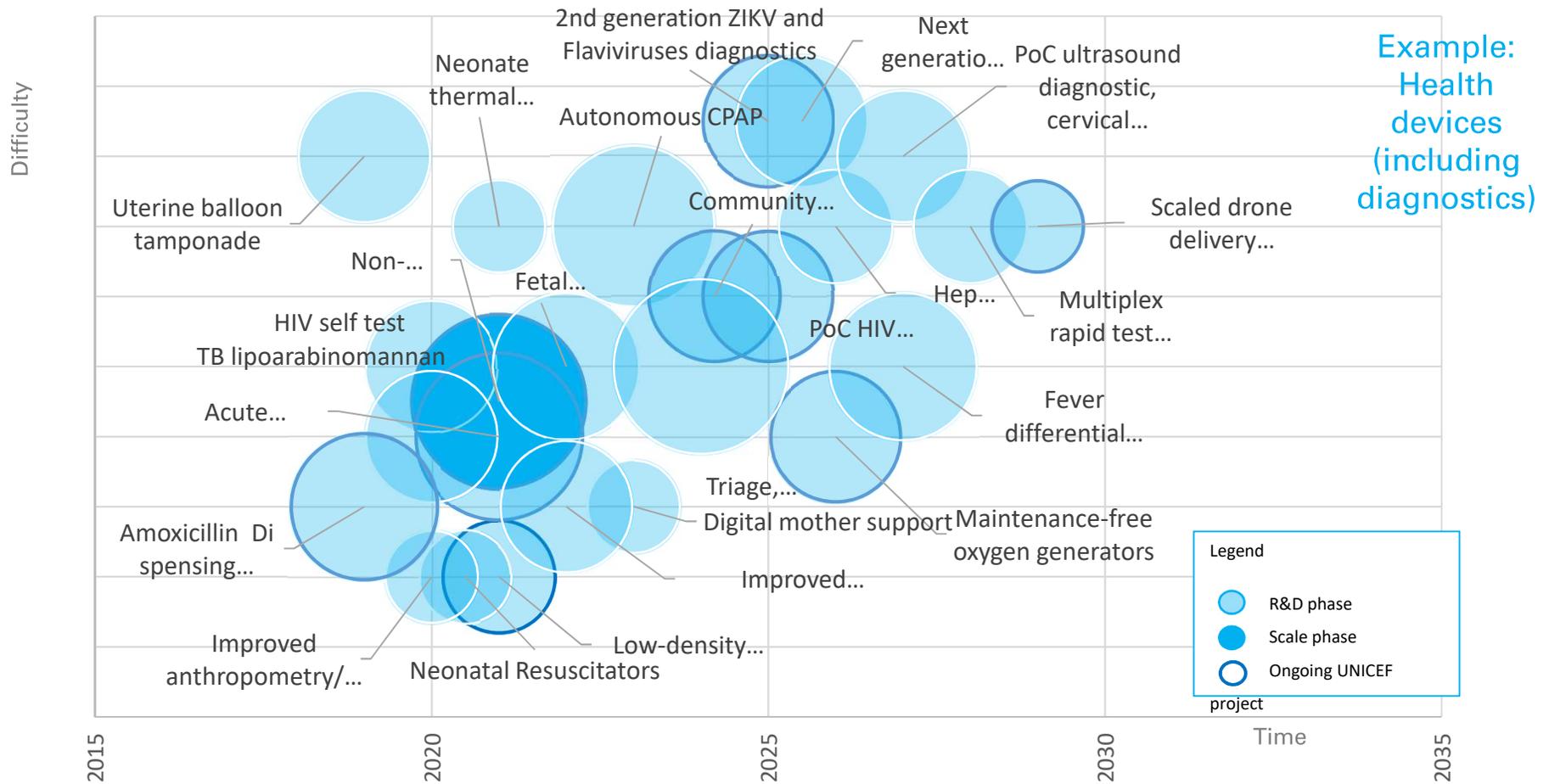
Climate change,  
Urbanization,  
Migration, NCDs,  
Neglected  
diseases, GNI  
relevance, other  
macro trends



- Scale-up of core programmes
- New products, services, & markets, incl. local
- Service delivery modes, incl. self procurement



# Products & Markets *futures* goals/targets: Pushing boundaries



# How UNICEF works with businesses and industries



- Targeted **bilateral engagement with companies** including at Executive/President-level to establish positive relationships, and to discuss strategic issues including to influence of R&D pipelines.



- Regular **engagement with industry associations** (e.g. IFPMA, DCVMN) for pan-industry reach and to understand industry trends.



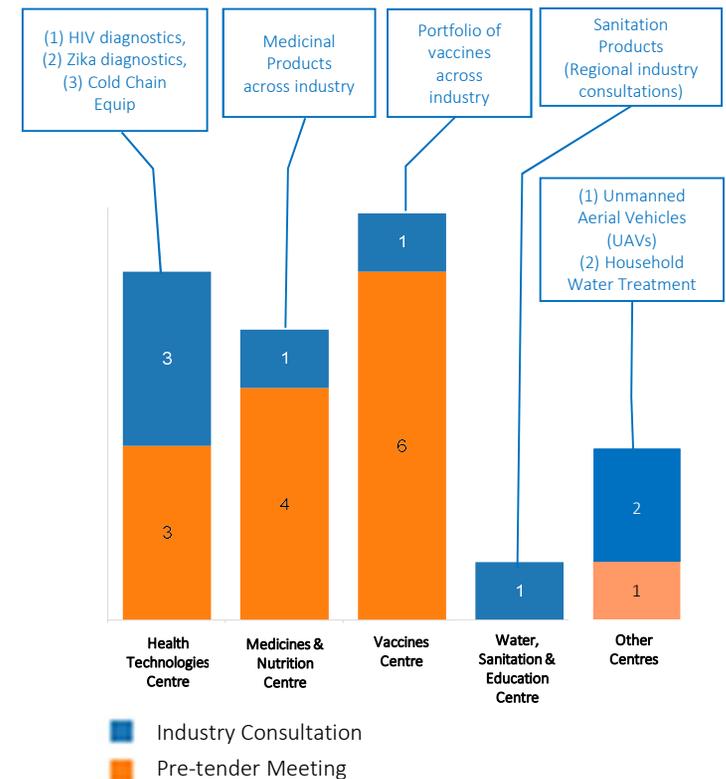
- Convenes the industry-wide forums by segment/product group** on a (bi)annual basis for dialogues on strategic direction, to understand supplier challenges and market perspectives.
- These bring together **>1000 participants** across ~20 industry meetings per year.

- Various interaction with industry are based on **fairness, transparency**, while at the same time ensuring **confidentiality** of commercially sensitive information.



- Publishes strategic market information** (e.g. market analyses, demand/supply volumes, pricing, procurement plans, etc.) to **reduce market information asymmetries** ultimately to improve market functioning.

## 2018 Industry Meetings



# Product Innovation Ecosystem

- turning *Ideas* into *scalable solutions*

- Medicines
- Vaccines
- Nutrition
- Water, Sanitation, Hygiene
- Education
- Health technology



# Learn about UNICEF's view on key markets

[Supply home](#)

[About Supply](#)

[For suppliers and service providers](#)

[Procurement Services](#)

[Strengthening supply chains](#)

[Immunization](#)

[Health emergency supplies](#)

[HIV](#)

[Malaria](#)

[Medical devices](#)

[Supplies for children with disabilities](#)

[Medicines](#)

[Nutrition](#)

[Water & sanitation](#)

[Education](#)

[Emergencies](#)

## Market Influencing

### A strategic focus on essential supplies

UNICEF focuses on commodities that are essential for the needs of children and contribute to the achievement of the Sustainable Development Goals (SDGs). Some commodities are easily available and affordable, while the availability of others is limited, or in some instances, non-existent in the quality and price required. UNICEF places a strategic focus on these supplies to shape healthy markets. UNICEF seeks to influence the market to achieve affordable prices, diversified supplier bases, competitive market landscapes, and quality products, fit for purpose, and in the right form for children.

UNICEF seeks to reduce the market barriers and constraints for existing and future products, as well as help develop new products to meet the programmatic needs of children, and build local level capacity to sustain development. Influencing markets requires an understanding of market forces, accurate forecasting, analysis, information transparency, engagement with industry, and a drive to achieve the best possible outcome for children.

### Some of UNICEF's Key Market Information Resources

#### Market Notes



Key product and market information analysis

#### Market Dashboard



High-level analysis of 69 key supply markets

#### Price Database



Price transparency based on commercial terms

#### Supplier financing



Financing options and sources in support of SMEs

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**DONATE NOW** [>](#)

[WWW.UNICEF.ORG/SUPPLY](http://WWW.UNICEF.ORG/SUPPLY)

unicef 

for every child

Thank You



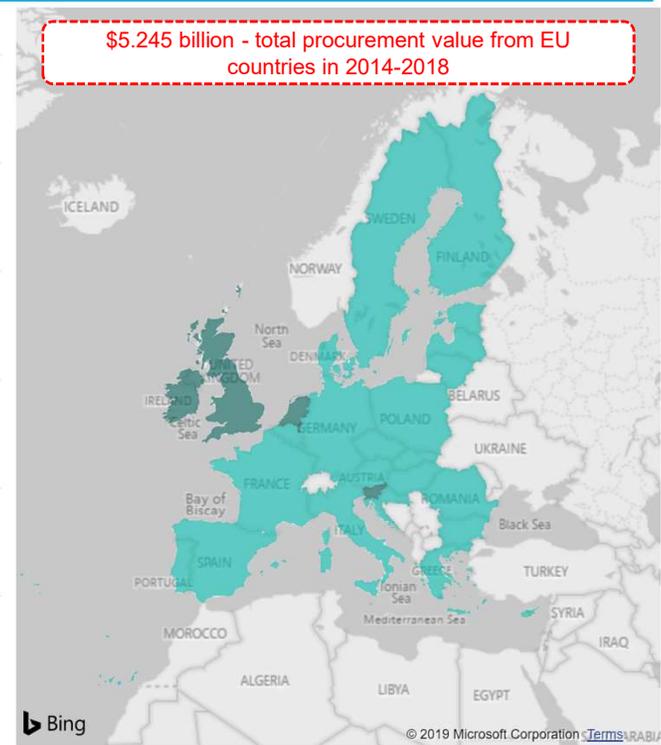
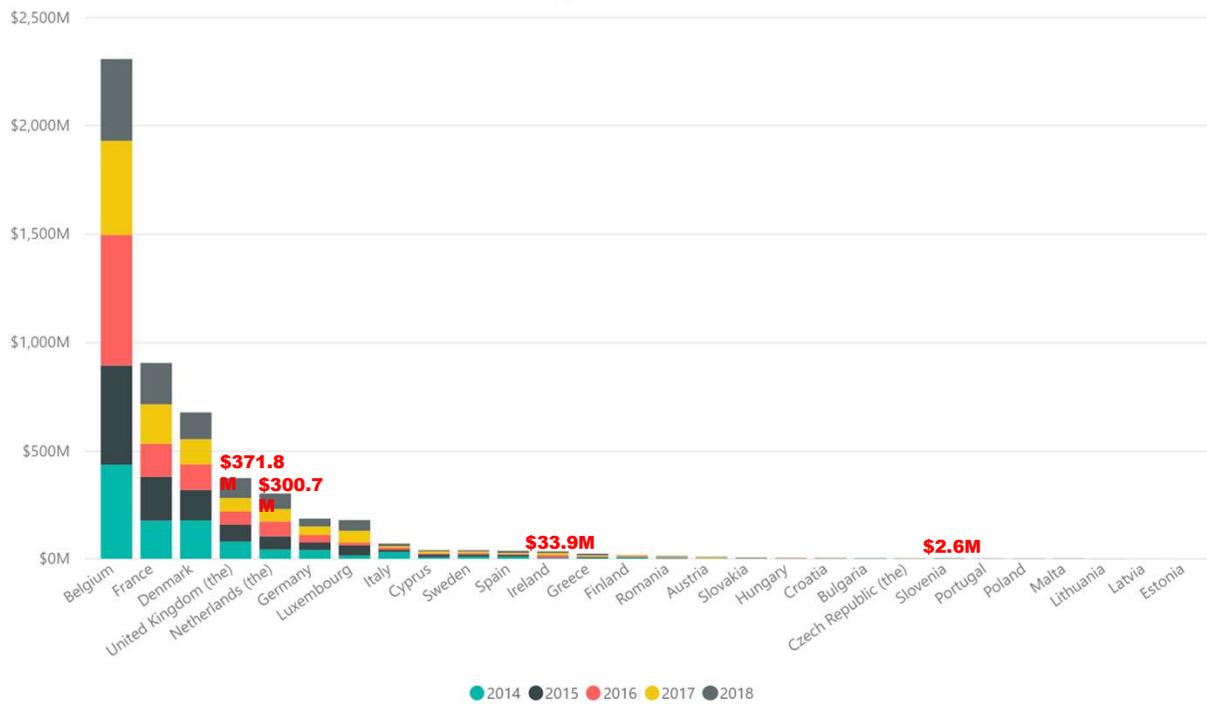


# Supporting Slides

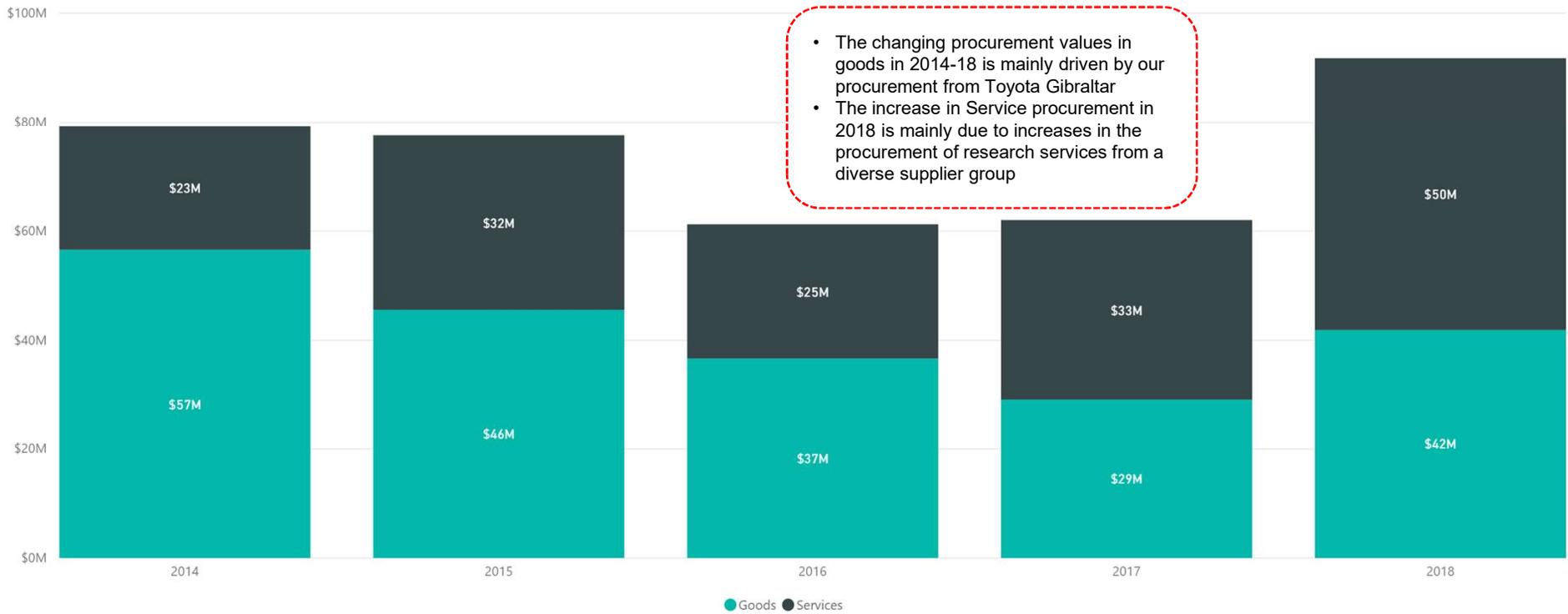


# UNICEF procured more than \$700M from United Kingdom, the Netherlands, Ireland and Slovenia in the period 2014-2018

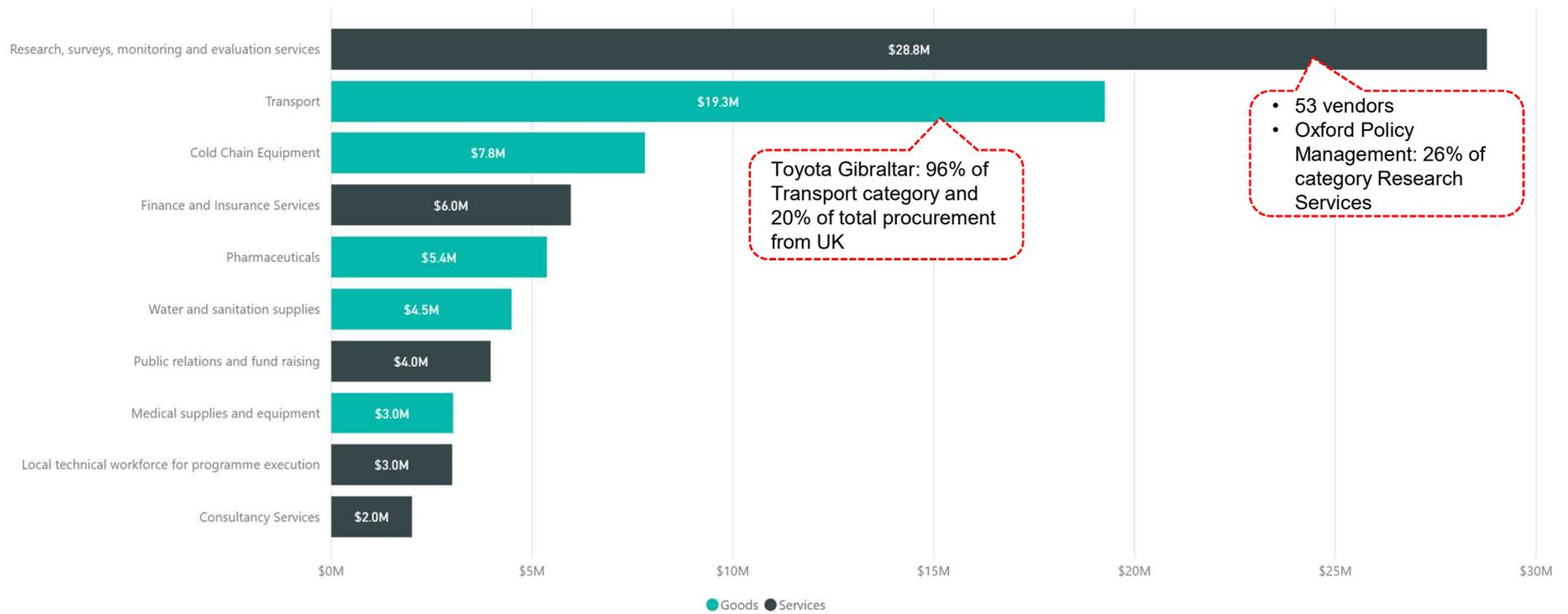
UNICEF's EU supplier countries, 2014-2018



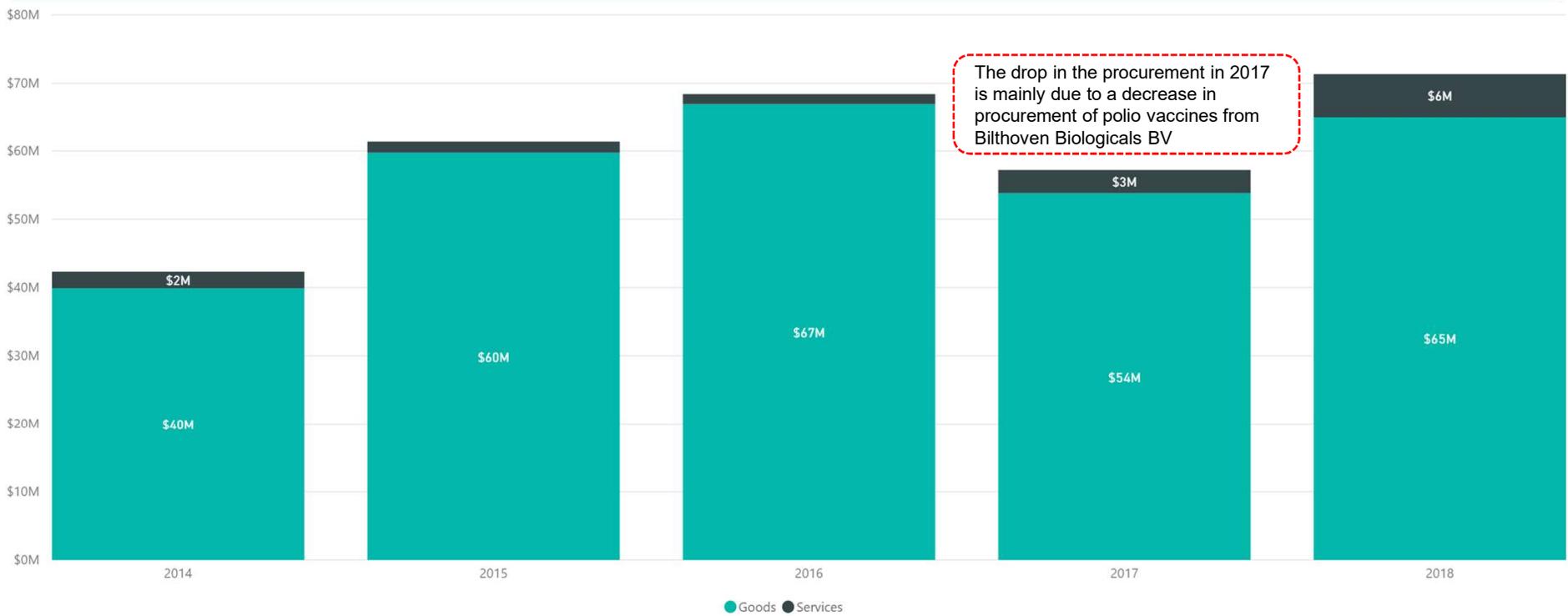
## UNICEF's procurement value of goods and services from United Kingdom in the period 2014-2018



## UNICEF worked with 191 suppliers from United Kingdom, procuring from them a vast range of commodities. The highest procurement value were research services and transport



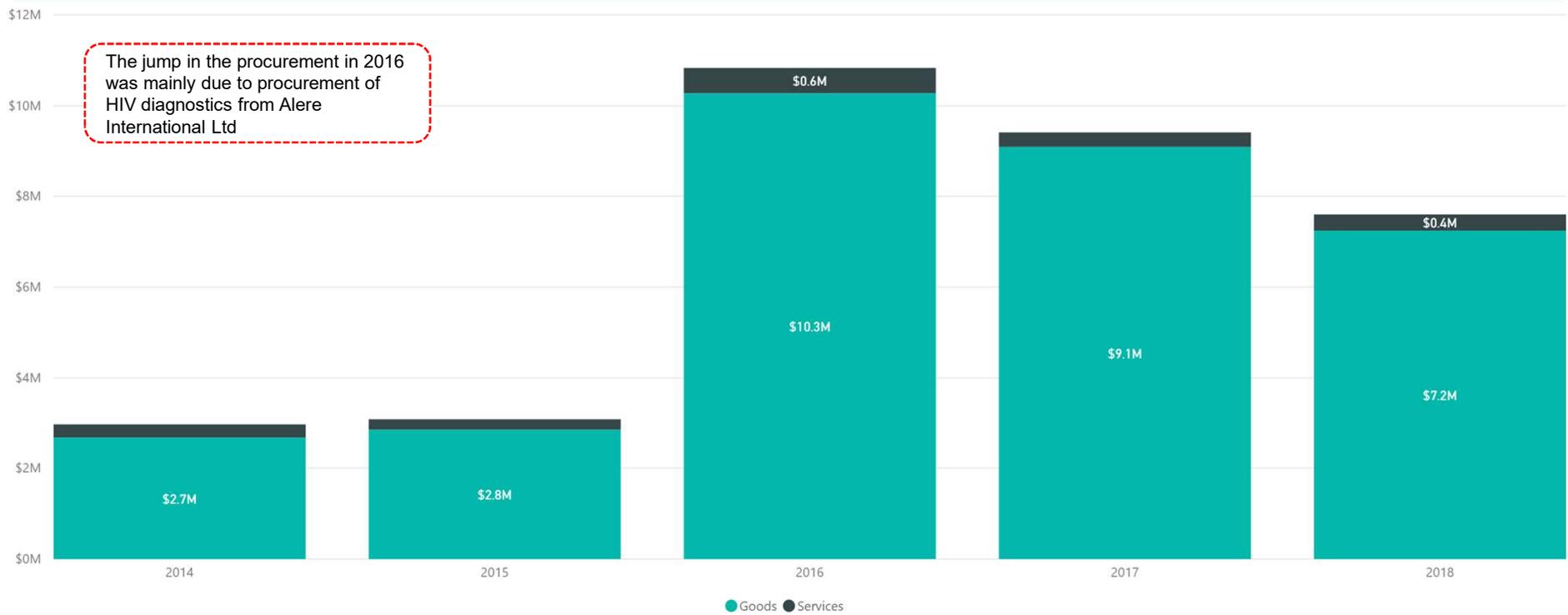
## UNICEF's procurement value of goods and services from the Netherlands in the period 2014-2018



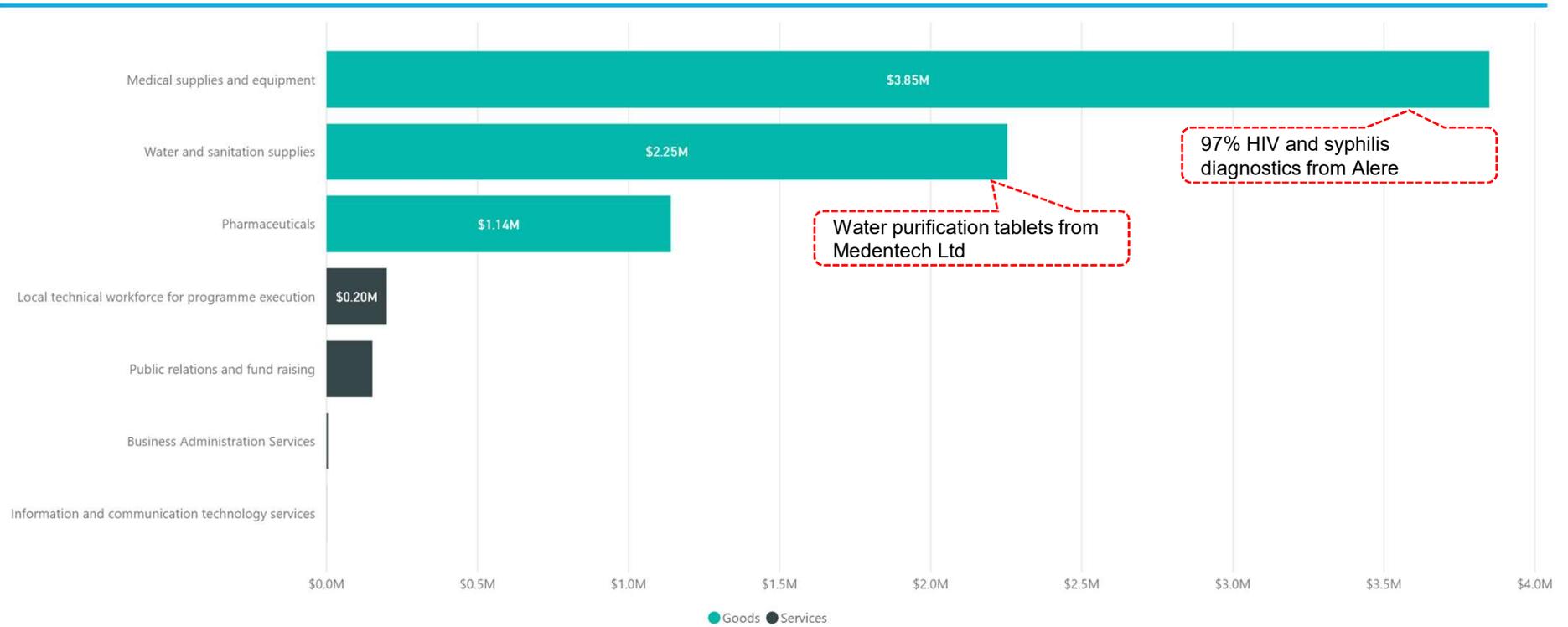
## In 2018, UNICEF worked with 51 suppliers from the Netherlands, procuring from them a range of commodities. The highest procurement values were on Vaccines/Biologicals



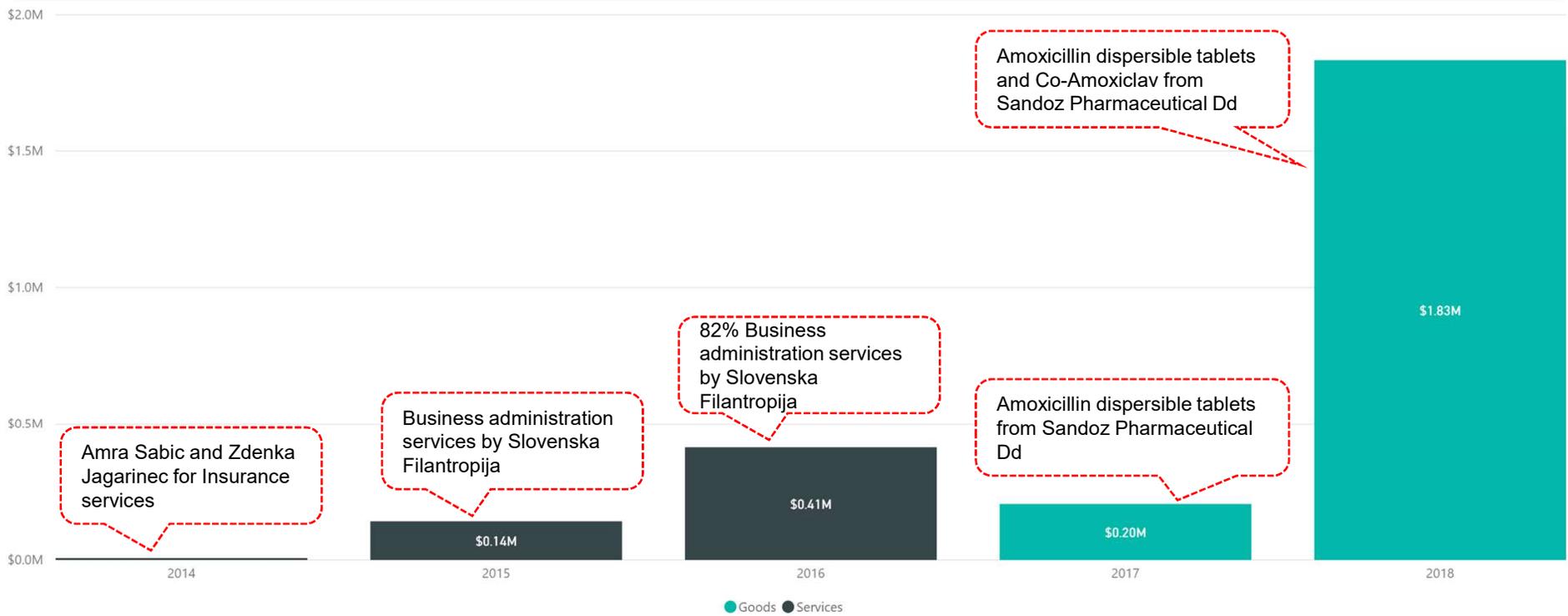
## UNICEF's procurement value of goods and services from Ireland in the period 2014-2018



## In 2018, UNICEF worked with 10 suppliers from Ireland, procuring from them mainly Medical supplies & equipment, Water & sanitation supplies, Pharmaceuticals and related services



# UNICEF's procurement value of goods and services from Slovenia in the period 2014-2018



# Product Innovation Ecosystem

- turning *Ideas* into *scalable solutions*

- Medicines
- Vaccines
- Nutrition
- Water, Sanitation, Hygiene
- Education
- Health technology



# Need: Specifying desired performance via TPPs

## Purpose:

- **Market Shaping:** Informs industry/academia on UNICEF's **need** for a new/improved solution
- Useful for **convening** and **aligning** with partners on UNICEF's priorities
- Informs on **product requirements** (without prescribing a specific solution) such as:
  - Performance
  - Function
  - Stakeholders
  - Design
- Potential to **broaden supplier field**
- **Less prescriptive** of product solution than traditional product specifications
- **Fully transparent** and promoting **equal opportunities** to all developers
- **Alerts suppliers** prior to issuing a tender

## Process:

1. **Drafted** by UNICEF SD
2. **Reviewed** by relevant stakeholders (e.g. Program Division, WHO) including industry
3. **Published** externally:
  1. [www.unicef.org/innovation](http://www.unicef.org/innovation) & [www.unicef.org/supply](http://www.unicef.org/supply)
  2. [United Nations Global Marketplace](http://www.un.org/globalmarketplace) (UNGM)

Technical and procedural questions are **managed** by UNICEF staff and made publicly available

1. **Tender**
  - Technical evaluation
  - Financial evaluation
  - Sample evaluation
2. **Field trials**
3. **Contract/LTA**



# Research and Development

Guiding principle: Transparent, non-exclusive dialogue prior to competitive process



Ongoing dialogue, allowing for questions and inputs to the TPP.



Industry consultations to allow a more in-depth dialogue, including between developers.



Facilitating user feedback as basis for co-creation within the framework of competitive tendering.



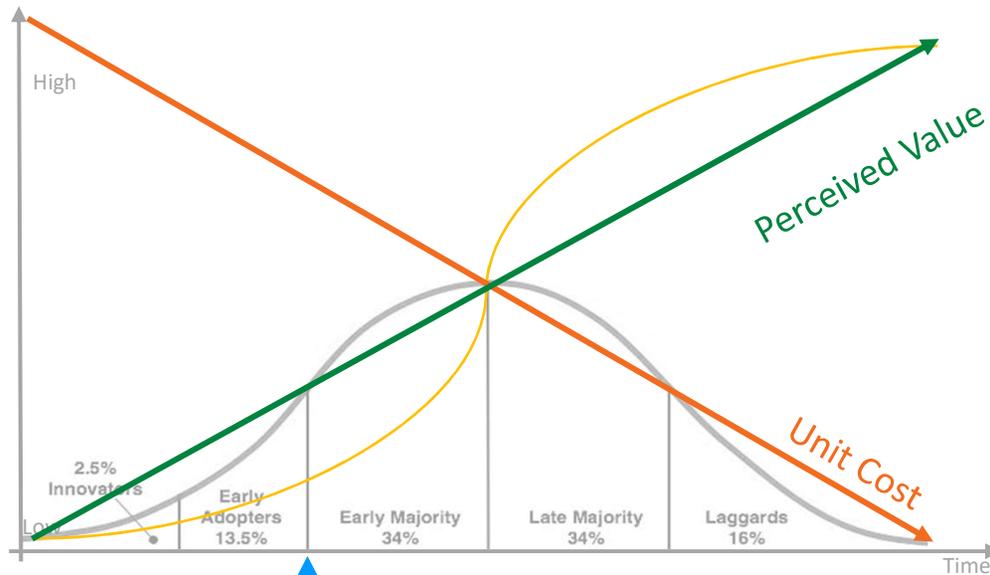
Survey of R&D pipelines, RFI, RFPs utilized when appropriate to gain formal feedback from developers.



Incentives to drive R&D including financial pull mechanisms.



# Scale: Driving across the chasm



## How we increase perceived value

- Field Trials (FT)
- Programmatic and technical guidance
- Engagements with partners, such as WHO
- Advocacy to end-users and implementing partners
- Decision assist tools

## How we reduce cost

- Foster competition
- Drive volume
- Strategic/transparent procurement as negotiation tool
- Special contracting such as a pre-payment or firm commitments

**UNICEF's dilemma**

## Crossing the chasm

*"The most difficult step is making the transition between visionaries (early adopters) and pragmatists (early majority) - within UNICEF often classified as the 2<sup>nd</sup> valley of death".*

PLC-model model adapted from:

- Rogers, Everett M. (1962). *Diffusion of innovations* (1st ed.). New York: Free Press of Glencoe
- Moore, Geoffrey (1991). *Crossing the chasm: Marketing and selling technology to mainstream customers*. Harper Business, New York, NY
- Foster, Richard N. (1986). *Innovation: The Attacker's Advantage*. Summit Book
- Christensen, Clayton M. (1997). *The innovator's dilemma*. Harvard Business School Press