UNICEF PROCUREMENT AND SUPPLY FUNCTION

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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

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

Total staff: 1036
Female: 432
Male: 604
Nationalities: 136
Background:
- NGOs: 32%
- Government: 26%
- Academics: 14%
- Private sector: 8%

Support from Supply Division
Country to country deployment
Supply Division
UNICEF Supply Function – High level vision

2005 - 2010:
DIRECT DELIVERY
PROCUREMENT SERVICES

2008 - 2013:
DIRECT DELIVERY
PROCUREMENT SERVICES
CAPACITY DEVELOPMENT
INNOVATION

2017 - 2030:
DIRECT DELIVERY
PROCUREMENT SERVICES
CAPACITY DEVELOPMENT
PRODUCTS, SERVICES & MARKETS INNOVATION
SUPPLY FINANCING
EVIDENCE, ANALYSIS & KNOWLEDGE
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

Medical supplies
$106 million

Cold Chain Equipment
$77.9 million

$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

$3.486 billion of supplies + services for 150 countries and areas
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

- **$183.3 million**
  - Local technical workforce for programme execution

- **$133.8 million**
  - Research, surveys, monitoring and evaluation services

- **$80.6 million**
  - International freight services

- **$71.3 million**
  - In-country logistics and warehousing 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): 23%
- **ROSA** (South Asia): 24%
- **MENAR** (Middle East and North Africa): 15%
- **WCAR** (West and Central Africa): 28%
- **EAPR** (East Asia and Pacific): 5%
- **ECAR** (Central and Eastern Europe and the Commonwealth of Independent States): 4%
- **LACR** (Americas and the Caribbean): 1%
Products, Markets & Innovation
SDGs and Megatrends – drive UNICEF innovation and market influencing activities for children

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

Climate change, Urbanization, Migration, NCDs, Neglected diseases, GNI relevance, other macro trends
Products & Markets future goals/targets: Pushing boundaries

Example: Health devices (including diagnostics)

- 2nd generation ZIKV and Flaviviruses diagnostics
- Autonomous CPAP
- Next generation PoC ultrasound diagnostic, cervical...
- Scaled drone delivery...
- Multiplex rapid test...
- Fever differential...
- Triage,...
- Digital mother support
- Maintenance-free oxygen generators
- Improved...
- Improved anthropometry/...
- Neonatal Resuscitators
- Low-density...
- Neonate thermal...
- Fetal...
- HIV self test
- TB lipoarabinomannan
- Acute...
- Uterine balloon tamponade
- Non-...
- PoC HIV...
- PoC HIV...
- Hep...
- Improved...
- Amoxicillin dispensing...

Legend:
- R&D phase
- Scale phase
- Ongoing UNICEF project

- Time: 2015, 2020, 2025, 2030, 2035
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 Chart]

(1) HIV diagnostics, (2) Zika diagnostics, (3) Cold Chain Equip

Medicinal Products across industry

Portfolio of vaccines across industry

Sanitation Products (Regional industry consultations)

(1) Unmanned Aerial Vehicles (UAVs)
(2) Household Water Treatment

Health Technologies Centre
Medicines & Nutrition Centre
Vaccines Centre
Water, Sanitation & Education Centre
Other Centres

**Industry Consultation**
**Pre-tender Meeting**

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(1) (2) (3) Cold Chain Equip
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

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 60 key supply markets
- Price Database
  - Price transparency based on commercial terms
- Supplier financing
  - Financing options and sources in support of SMEs

WWW.UNICEF.ORG/SUPPLY
UNICEF procured more than $700M from United Kingdom, the Netherlands, Ireland and Slovenia in the period 2014-2018

$371.8M
$300.7M
$33.9M
$2.6M

$5.245 billion - total procurement value from EU countries in 2014-2018
UNICEF’s procurement value of goods and services from United Kingdom in the period 2014-2018

- The changing procurement values in goods in 2014-18 is mainly driven by our procurement from Toyota Gibraltar
- The increase in Service procurement in 2018 is mainly due to increases in the procurement of research services from a diverse supplier group
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.

- 53 vendors
- Oxford Policy Management: 26% of category Research Services

Toyota Gibraltar: 96% of Transport category and 20% of total procurement from UK
UNICEF’s procurement value of goods and services from the Netherlands in the period 2014-2018

The drop in the procurement in 2017 is mainly due to a decrease in procurement of polio vaccines from Bilthoven Biologicals BV.
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.

- Bilthoven Biologicals BV: 100% of Vaccines/Biologicals and 46% of total procurement from NL.
- The Medical Export Group BV: 93% of category Medical supplies and equipment, 29% of total procurement from NL.
UNICEF’s procurement value of goods and services from Ireland in the period 2014-2018

The jump in the procurement in 2016 was mainly due to procurement of HIV diagnostics from Alere International Ltd.
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

- Amoxicillin dispersible tablets and Co-Amoxiclav from Sandoz Pharmaceutical Dd
- Business administration services by Slovenska Filantropija
- 82% Business administration services by Slovenska Filantropija
- Amoxicillin dispersible tablets from Sandoz Pharmaceutical Dd
- Amra Sabic and Zdenka Jagarinec for Insurance services
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:
   2. United Nations Global Marketplace (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
“The most difficult step is making the transition between visionaries (early adopters) and pragmatists (early majority) - within UNICEF often classified as the 2nd valley of death.”