UNICEF’s Supply Function and Work in Supply of Medicines
UNICEF has four organizational groups: external relations, management, programmes and resource mobilisation.

- Supplies are an integral part of programmes.
The Supply Community

- 895 staff
- 133 nationalities
- 101 countries
Where we are

Supply Division: Copenhagen, New York

Supply hubs: Panama, Dubai, Shanghai

Field warehouses by value of inventory, in US$'
Despite the progress in child survival, **19,000** children under 5 die **every day**, mostly from preventable causes.
Causes of death among children under 5 globally

Source: Committing to Child Survival: A Promise Renewed. 2012 Progress Report
Strategic essential supplies

- Midwifery kits
- Vaccines
- AD syringes
- Co-trimoxazole
- Amoxicillin

- Hand pumps
- Water purification tablets
- De-worming tablets
- RUTF
- Vitamin A
- ORS
- Zinc

- Diagnostic kits
- Bed nets
- Antimalarials

- Other neonatal
- Pneumonia
- Diarrhoea
- Malaria
- Injuries
- AIDS
- Meningitis
- Measles
- Other
## Supplies then and now

<table>
<thead>
<tr>
<th>2002</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$220 million</strong></td>
<td><strong>$1.03 billion</strong></td>
</tr>
<tr>
<td>Traditional vaccines were widely used for common childhood diseases, including: measles, diphtheria, pertussis, tetanus and polio.</td>
<td>New vaccines are being introduced in low income countries. For example: pentavalent (replacing DPT in many programme countries), pneumococcal, rotavirus and targeted formulations of OPV.</td>
</tr>
<tr>
<td><strong>$17 million</strong></td>
<td><strong>$192 million</strong></td>
</tr>
<tr>
<td>Only small quantities of antiretrovirals and antimalarials procured.</td>
<td>UNICEF procured ARVs totalling $117 million and antimalarials worth $26 million.</td>
</tr>
<tr>
<td><strong>$16 million</strong></td>
<td><strong>$166 million</strong></td>
</tr>
<tr>
<td>There was only one supplier of RUTF. Procured $370,000 worth of corn soya blend (CSB).</td>
<td>Procured RUTF from 19 suppliers (7 of which are local). Procured $30 million worth of CSB.</td>
</tr>
<tr>
<td><strong>$10 million</strong></td>
<td><strong>$111 million</strong></td>
</tr>
<tr>
<td>Procured 4 million bed nets plus insecticide that gave the net one year of effective protection.</td>
<td>UNICEF procured 25 million Long-Lasting Insecticidal Nets from 10 WHO-approved suppliers. The LLINs are not only assessed on unit price and quality standards, but also durability.</td>
</tr>
<tr>
<td><strong>$29 million</strong></td>
<td><strong>$104 million</strong></td>
</tr>
<tr>
<td><strong>International freight</strong></td>
<td>Increased volumes required more transportation. Shipments by sea are ten times cheaper than by air. In preparation for emergencies, sea freight is used to pre-position bulky supply items.</td>
</tr>
<tr>
<td><strong>$45 million</strong></td>
<td><strong>$97 million</strong></td>
</tr>
<tr>
<td>Medical supplies &amp; equipment</td>
<td>Notable increases include: diagnostic tests $26 million, laboratory supplies $16 million and medical equipment $8 million.</td>
</tr>
<tr>
<td><strong>$38 million</strong></td>
<td><strong>$70 million</strong></td>
</tr>
<tr>
<td>Water &amp; sanitation</td>
<td>Notable increases include: hygiene kits $11 million and water treatment supplies $10 million.</td>
</tr>
<tr>
<td><strong>$52 million</strong></td>
<td><strong>$52 million</strong></td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td><strong>$120 million</strong></td>
<td><strong>$1.15 billion</strong></td>
</tr>
<tr>
<td>UNICEF procures on behalf of governments and agencies. This figure is included in the total amount spent on supplies in 2002, which was $541 million.</td>
<td>This figure is included in the total amount spent on supplies in 2011, which was $2.14 billion. The value of Procurement Services should decrease as low income countries evolve to self-financing economies.</td>
</tr>
</tbody>
</table>
Major commodity groups 2011

- Vaccines: $1,030
- Pharmaceuticals: $192
- Nutrition: $166
- Bed nets: $111
- International freight: $104
- Medical supplies and equipment: $97
- Construction: $95
- Water and sanitation: $70
- Printing: $54
- Education: $52
Our strategic focus

- Support end-to-end supply issues
- Influencing global markets
- Emergency response
- Product and technology innovation
End to end supply chain

<table>
<thead>
<tr>
<th>Planning</th>
<th>Procurement</th>
<th>Logistics &amp; Delivery</th>
<th>M&amp;E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition of Need</td>
<td>Budgeting and planning</td>
<td>Delivery &amp; Clearance</td>
<td>Warehousing, distribution, &amp; re-order</td>
</tr>
<tr>
<td>Procurement</td>
<td>Inspection</td>
<td>Utilisation by end users</td>
<td>M &amp; E</td>
</tr>
</tbody>
</table>

- Focus on strategic supplies
- Forecasting, price information and innovative financing
- Targeted procurement strategies, support for country offices and partners
- Global freight forwarding contract
- Inventory visibility in 357 warehoused through ERP
- Logistic training and support
- Increasing focus on end-user feedback and inclusion of supply component in M&E of programmes
Influencing global markets

Strategies to Influence Markets

- Innovative financing
- Forecasting
- Transparency
- Strategic placement of orders
- Setting quality standards
- Innovation
Emergencies: speed and scale

The scale and severity of humanitarian situations continues to rise. It is predicted that by 2015, climate-related disasters could affect 375 million people annually.

Response guided by the Core Commitments for Children in Emergencies (CCCs), UNICEF’s central policy to uphold the rights of children affected by humanitarian crisis

In 2011 UNICEF responded to 292 humanitarian situations in 80 countries
Product and technology innovation

www.unicefinnovation.org
Procurement of Medicines
## Procurement of Medicines

### Purchases by Materia Group (top-7)

<table>
<thead>
<tr>
<th>Category</th>
<th>2010</th>
<th>2011</th>
<th>2012 (*)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antiretrovirals</td>
<td>77.6</td>
<td>117.4</td>
<td>79.7</td>
<td>274.7</td>
</tr>
<tr>
<td>Antimalarials</td>
<td>37.0</td>
<td>26.5</td>
<td>16.6</td>
<td>80.0</td>
</tr>
<tr>
<td>Other antibacterials (incl. CTX)</td>
<td>17.7</td>
<td>12.2</td>
<td>17.5</td>
<td>47.4</td>
</tr>
<tr>
<td>Beta Lactams (incl. AMX)</td>
<td>11.0</td>
<td>5.6</td>
<td>10.7</td>
<td>27.2</td>
</tr>
<tr>
<td>Water &amp; electrolytes (incl. ORS)</td>
<td>9.2</td>
<td>10.4</td>
<td>7.0</td>
<td>26.4</td>
</tr>
<tr>
<td>Minerals &amp; vitamins (incl. Zinc)</td>
<td>12.3</td>
<td>3.9</td>
<td>3.5</td>
<td>19.6</td>
</tr>
<tr>
<td>Anthelminthics</td>
<td>8.9</td>
<td>2.0</td>
<td>4.6</td>
<td>15.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>173.7</strong></td>
<td><strong>178.0</strong></td>
<td><strong>139.6</strong></td>
<td><strong>490.7</strong></td>
</tr>
</tbody>
</table>

(*) Up to mid-Sep 12

Value (USD)
Procurement of Medicines

Procurement of Medicines by Order Type (up to Sep 2012)

- **Value (USD in millions)**
- **2006**
- **2007**
- **2008**
- **2009**
- **2010**
- **2011**
- **2012**

Legend:
- **Proc. Serv.**
- **PROG**
- **Warehouse**
Procurement of Medicines: Funding

2011

85% of orders for Essential Medicines was through Programme
87% of orders for ARVs and Antimalarials was through Procurement Services

Main Sources of Funding for deliveries through Programme ($77M, of which $59M for medicines and $18 for kits containing medicines):

European Commission: 16%
UNICEF Regular Resources: 11%
ZIMB ERP (UNDP): 10%
DFID (9%), Canada (7%), Japan (5%)
Over sixty other sources.

Main Sources of Funding for deliveries through Proc. Services Orders ($132M):

Global Fund: 66%
UNITAID: 19%
WB: 5%
Other: 10%  Includes procurement for MoH in 30 countries.
Procurement of Medicines

What are the main programmes for which medicines are procured

Primary Health programmes, including disease-specific campaigns
  - Essential Medicines for PHC (including kits), deworming and Vit A

HIV/AIDS
  - ARVs, Cotrimoxazole and medicines to treat opportunistic infections

Emergencies
  - Interagency Emergency Health Kit, medicines for diarrhea, medicines used in Severe Acute Malnutrition, UNICEF Emergency Supply List (ESL)

Procurement strategies and operation plans for delivery are developed to address market and programme characteristics
In past years, UNICEF has been engaged in three large initiatives to supply the public health system in countries facing challenges to meet needs.

**Zimbabwe**

**Sierra Leone**
Started in 2010. Procurement of medicines for Free Care Initiative and support to MOH to establish capacity in PSM. Agreement between MoH and service provider to help build the National Pharmaceutical Procurement Unit (NPPU) / CMS. UNICEF will be phasing out from the beginning of 2013.

**Malawi**
Started in late-2011. Procurement of package of essential health supplies for PHCs to cover gap in capacity by CMS while undergoing reforms. USAID/DELIVER managing logistics and capacity strengthening. Procurement support until mid-2013, including engagement with Malawian manufacturers.
Priority Medicines for Women and Children

EVIDENCE AND ADVOCACY

1st WHO Model List of Essential Medicines for Children, 2007

2nd WHO Model List of Essential Medicines for Children, 2010

3rd WHO Model List of Essential Medicines for Children, 2011

Recommendations for management of common childhood conditions, 2012

ACTION

Priority medicines for mothers and children
2011

Priority life-saving medicines for women and children
2012

United Nations Commission on Life-Saving Commodities for Women and Children

Global Plan towards the elimination of new HIV infections among children by 2015, and keeping their mothers alive

http://www.everywomaneverychild.org/resources/un-commission-on-life-saving-commodities
http://www.unaids.org/believeitdoit/the-global-plan.html
OTHER AREAS OF WORK

- Manufacturers Meeting in September - Priorities and Opportunities

- Engagement in application of Model QA System for Procurement Agencies to facilitate interaction with NRAs and national procurement agencies.

- Global monitoring of availability (ARV Coordinated Procurement Planning, ACT Task Force)

- Global Research in Paediatrics (GRiP) project: availability of medicines listed in the WHO Model Formulary for Children 2010 and Essential Medicines List for Children 2011 in an ‘age-appropriate’ formulation within the larger global commercial markets.

- Introduction of IEHK 2011 (including revision of PEP module)

- Continued participation in High-Level Committee on Management Procurement Network (HLCM PN): working groups on UNGM, Procurement Harmonization and Sustainable Procurement.

- Monitoring of temperature in international shipments - challenges to establish QA system.
Partnerships for children

World Health Organization
UNAIDS
GAVI Alliance
Micronutrient Initiative
UNFPA
World Food Programme
The Global Fund
IKEAFoundation
UNICEF
UNHCR
UNDP
Bill & Melinda Gates Foundation
International Federation of Red Cross and Red Crescent Societies
Columbia SIPA
School of International and Public Affairs
DTU

INDEX
DESIGN TO IMPROVE LIFE
From UNICEF Plads...

Last Out!
First in Oceanvej.

20,300m² warehouse (9,300m² high bay, 6000m² east low bay and 5000m² west low bay. The capacity has increased from 24,000 pallets to 36,000 pallets which are managed with the help of 8 cranes. The high bay provides storage of 12 pallets in height and 94 pallets in length.
Patient pack for pneumonia and diarrhoea in children

Explore options to dispense amoxicillin DT and ORS/Zinc using and envelop or pouch to:

- protect the blister and make packaging attractive
- ensure that adequate instructions are provided to facilitate compliance and safety

This envelop or pouch could be developed to meet specific country guidance for pneumonia/diarrhoea in appropriate language, and would be made available at the point where the medicines are dispensed. Innovation project in UNICEF and seeking collaboration to develop solutions based on evidence.

**Planned activities:**
Work in collaboration with WHO to prepare communication on the new treatment recommendations for childhood pneumonia and the information regarding supply and availability (including suggestions on dispensing packs);
Prepare communication on the supply and availability of new preparations of ORS (smaller pack sizes and flavours) and dispersible zinc, to accompany the iCCM joint statement dissemination.
U.N. Commission on Life-Saving Commodities for Women & Children

- Launched on 23 March. Co-Chaired by PM of Norway, Pres. Of Nigeria; co-vice-chaired by Executive Directors of UNICEF and UNFPA
  - Part of the UNSG’s Global Strategy and of the Every Woman, Every Child campaign

- Commission Objectives
  - Identify opportunities to increase the production, supply and use of affordable, high-quality, high-impact commodities for women’s and children’s health (e.g., market shaping, strengthening quality of local production, product innovation, improved regulatory frameworks, supply chain improvement, promoting use by prescribers, innovative financing as needed)
  - Propose innovative strategies to support high-burden countries to rapidly raise awareness, demand and increase access to overlooked commodities (both private and public sector)

- 3 work streams
  - Market Shaping & Financing
  - Regulatory
  - Best Practices & Innovation

- UNICEF’s Participation:
  - Secretariat support for Commission
  - Engagement of PD and SD in all three streams
  - Input and preparation of background docs (market)

- Recommendations can have great impact on work of UN agencies and on collaboration between UN, Countries and other partners.
A Global Taskforce was formed in August 2011 to accelerate scale-up of pneumonia, diarrhea, and malaria treatment in 10 high-burden countries.

- **Chair:** UNICEF
- **Secretariat:** UNICEF & CHAI

- Gates Foundation
- UNSE/MDG Alliance
- PSI
- JSI
- UNICEF-Supply
- WHO
- USAID / MCHIP
- MSH
- Micronutrient Init/ ZTF
- Abt Associates

**Coordination with other global efforts/initiatives**
- Zinc Task Force – Advocacy & Global Media Call
- Child Summit (June 14-15th in DC) (USAID)
- Diarrhea and Pneumonia Global Action Plan
Follow up on H4 lists of essential medicines and medical devices
UNFPA, UNICEF, WHO, WB

Effort to harmonize and streamline recommendations to countries on selection and procurement of quality medicines and medical devices for Maternal and newborn health care.

One of the core products of collaboration was a draft list of medicines, medical devices, equipment and consumables needed in the implementation of recommended packages of interventions, agreed upon in a meeting hosted by UNICEF in Copenhagen in March 2009 (reference).

Consultation in Copenhagen on 27-29 June 2012 to update the lists circulating since 2009 and place them in the public domain for future reference.
• Update provided on UN Commission on Life Saving Commodities for Women and Children
• Update on background and history of 2009 lists, review of post 2015 agenda
• Update on current H4 workplan
• Review of the latest WHO treatment guidelines, packages of interventions, clinical and programmatic guidance and recommended medicines and health technologies
• Identification of gaps in 2009 H4 medicines and medical devices lists
• Recommendations to update lists agreed
• Common challenges and successes in procurement and supply management identified, including potential for harmonised approaches and an update on the People that Deliver project
eMTCT- ‘Global Plan towards the elimination of new HIV infections among children by 2015, and keeping their mothers alive’

UNAIDS and PEPFAR co-chair the Global Steering Group (GSG) for the Global Plan. WHO and UNICEF co-convene the Inter-Agency Task Team (IATT) mandated to coordinate technical support to the 22 priority countries\(^1\) where 90% of new infections among children occur, monitoring progress in countries and developing and adapting technical and operational guidance.

At present, 10 countries have complete, costed national elimination plans, and by July, all 22 plans should be available with implementation well underway. Collaboration with PEPFAR and GFATM to improve performance of GFATM grants on PMTCT.

High level Leadership Forum in July:
• Sharing of the innovative approaches and technologies that are being employed to address bottlenecks to achieving elimination of mother to child transmission (EMTCT).
• Strengthening partnerships and synergies across maternal and child health initiatives and other platforms, such as sexual and reproductive health will also be discussed.

Areas of innovation:
• Co-packaging/Co-dispensing of HIV and other related medicines and commodities for maternal, newborn and child health (MNCH) settings
• POC diagnostics
• Mobile technologies

\(^1\)Angola, Botswana, Burundi, Cameroon, Chad, Cote D'Ivôire, Democratic Republic of the Congo, Ethiopia, Ghana, India, Kenya, Lesotho, Malawi, Mozambique, Namibia, Nigeria, South Africa, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe