

Supply Annual Report 2020

Extraordinary
Operation
at Scale

FACT SHEETS

unicef  | for every child

unicef 
FROM UNICEF SUPPLY DIVISION

Procurement overview 2020

TOTAL GOODS AND SERVICES FOR CHILDREN IN **155** COUNTRIES AND AREAS



GLOBAL SUPPLY
HUB THROUGHPUT
\$260.8 million

180,889 kits

PACKED AND SHIPPED

162,826 Copenhagen

16,859 Dubai

706 Accra

498 Panama City

TO **85** COUNTRIES AND AREAS



\$682.5 million

EMERGENCY SUPPLIES

procured for **143** countries and areas



\$1.808 billion

PROCUREMENT SERVICES

on behalf of governments and partners

- ▶ **92** self-financing governments
- ▶ Gavi, the Vaccine Alliance, in **65** countries
- ▶ United Nations agencies in **70** countries
- ▶ Civil society organizations in **33** countries
- ▶ **63** countries financed by the Global Fund
- ▶ **28** countries financed by the World Bank and other development banks
- ▶ **20** countries financed by other international funding agencies

Commodity groups 2020

UNICEF procured **\$3.23 billion** worth of goods in 2020. The eight highest value commodity groups and most common items procured within each are listed.



\$1.413 billion VACCINES/BIOLOGICALS

1.9 billion doses of vaccines were procured for 102 countries to reach 45 per cent of the world's children under 5 years of age.



\$830.6 million MEDICAL SUPPLIES AND EQUIPMENT

- ▶ **68,771** health kits for 65 countries
- ▶ **912.6 million** immunization syringes
- ▶ **10 million** safety boxes
- ▶ **4.2 million** HIV rapid diagnostic tests, including 0.6 million HIV/Syphilis Combo diagnostic tests
- ▶ **11.5 million** malaria rapid diagnostic tests to 20 countries
- ▶ **Half a billion** COVID-19 non-immunization supplies (see page 11)



\$182.8 million WATER AND SANITATION SUPPLIES

- ▶ **748 million** water purification tablets and chlorination/flocculation sachets, which could treat 17.5 billion litres of water
- ▶ **3.4 million** hygiene kits



\$172.4 million NUTRITION SUPPLIES

- ▶ **46,836** tons of ready-to-use therapeutic food (RUTF) to 70 countries, 71 per cent of which was sourced in programme countries
- ▶ **583.6 million** vitamin A treatments
- ▶ **178.4 million** deworming tablets
- ▶ **620 million** sachets of multiple micronutrients powder
- ▶ **553 million** iron and folic acid tablets



\$143.5 million PHARMACEUTICALS

- ▶ **40.4 million** amoxicillin pneumonia treatments for infants, reaching 47 countries
- ▶ **2 million** packs of antiretroviral medicine to treat 74,166 adults and 12,289 children with first-line therapy for one year in 44 countries
- ▶ **23.3 million** Artemisinin-based Combination Therapy (ACT) malaria treatments
- ▶ **106.5 million** cotrimoxazole tablets (treats a range of bacterial infections, including pneumonia and bronchitis)
- ▶ **50.8 million** sachets of oral rehydration salts (includes 8.7 million co-packaged ORS/zinc)
- ▶ **13.2 million** treatments for seasonal malaria chemoprevention to protect 3.31 million children
- ▶ **6.41 million** courses of sulfadoxine-pyrimethamine chemoprevention to protect 21.4 million pregnant women

In Bienythiang, South Sudan, mothers carry their children and UNICEF-supplied long-lasting insecticidal nets (LLINs) – one of the most effective ways to protect against mosquito-borne diseases like malaria



© UNICEF/UN0360022/Naftalin



\$103.8 million COLD CHAIN EQUIPMENT

This includes **\$67 million** in solar-powered systems.



\$43.2 million EDUCATION SUPPLIES

101,755 education kits for 64 countries:

- ▶ 54,488 standard classroom kits
- ▶ 22,930 recreation kits
- ▶ 20,856 early childhood development kits
- ▶ 3,481 country-specific education kits



\$36.0 million BED NETS

17.8 million long-lasting insecticidal nets (LLINs) to 28 countries

\$242 million* COVID-19 non-immunization supplies

In 2020, UNICEF shipped half a billion items of personal protective equipment and other non-immunization supplies, including



200 MILLION
MEDICAL MASKS



195.3 MILLION
GLOVES



15 MILLION
N95 RESPIRATORS



5.7 MILLION
GOWNS



2.7 MILLION
FACE SHIELDS



1.1 MILLION
GOGGLES



3.3 MILLION MOLECULAR
DIAGNOSTICS



16,795 OXYGEN
CONCENTRATORS



IN SUPPORT OF **139 COUNTRIES**

*included in the overall expenditure for medical supplies and equipment (page 10)

Services 2020

UNICEF procured **\$1.238 billion** worth of services in 2020. The six largest categories account for 71 per cent of the total value of contracting for services.



\$218.8 million **FINANCE AND INSURANCE SERVICES**

This includes the management of the procurement of supplies directly by beneficiaries via cash transfers to them – one of the procurement modalities used by UNICEF depending on the context.



\$131.8 million **INTERNATIONAL FREIGHT SERVICES**

Globally, UNICEF managed a total freight volume of 62,468 cubic metres of freight by air and 16,568 twenty-foot equivalent units by sea and/or truck.



\$175.2 million **CONSTRUCTION SERVICES**

This includes designing, planning, engineering, monitoring and other services to support construction works. Key programme areas supported include water and sanitation (e.g. water supply, sewage systems and latrines) and education (e.g. schools, classroom rehabilitation and children's facilities).



\$99.6 million **IN-COUNTRY LOGISTICS AND WAREHOUSING SERVICES**

Support to programmes includes road cargo transport, storage, local aircraft charters and customs brokerage and clearance services as well as warehousing services.



\$163.5 million **LOCAL TECHNICAL WORKFORCE FOR PROGRAMME EXECUTION**

This includes human resources working in-country to share expertise within partner governments, to work in social mobilization campaigns and as temporary labour for programmes.



\$92.5 million **RESEARCH, SURVEYS, MONITORING AND EVALUATION SERVICES**

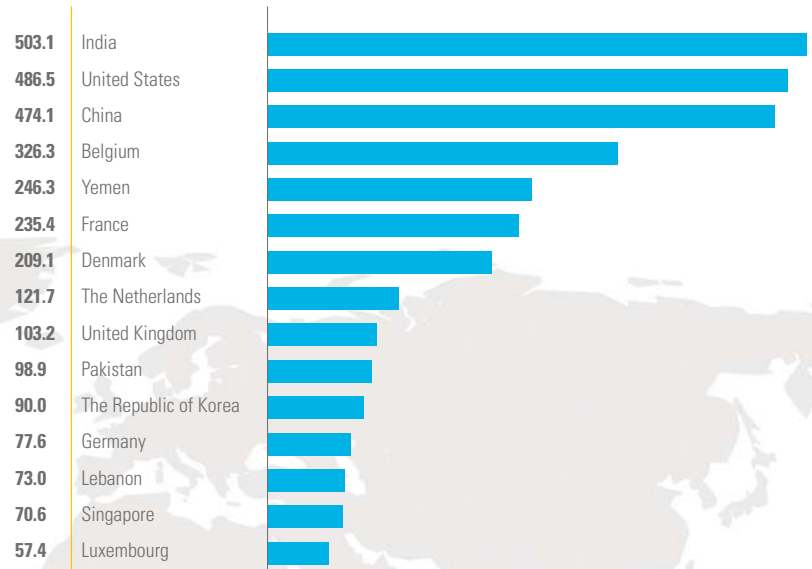
This includes programmatic research and surveys, market and supply chain analysis and research and monitoring and evaluation of programme implementation.

Country of supplier



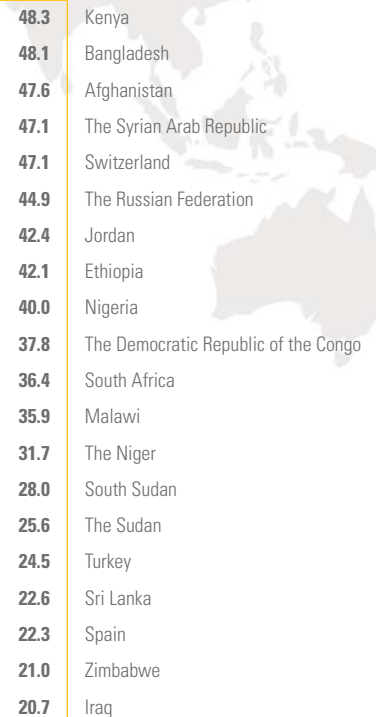
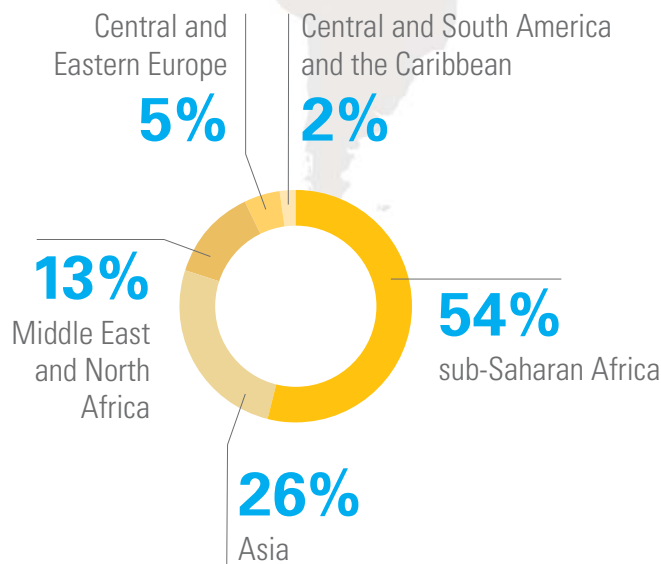
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Countries from which procurement exceeded \$20 million (based on country of invoice)



in \$ million

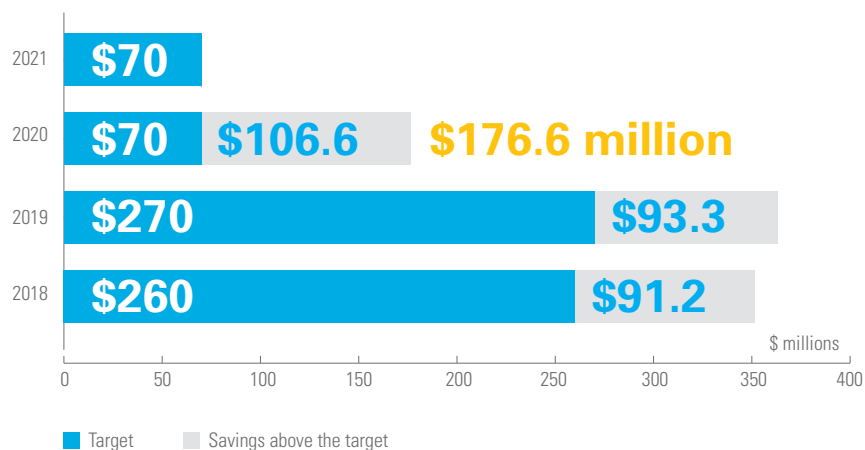
Region of use



Savings overview 2020

The UNICEF Supply function achieved a total of **\$176.6 million** worth of savings for UNICEF donors and partners in 2020. That is \$106.6 million or 152 per cent over the target for the year.

Savings targets and results (2018–2021)



UNICEF uses strategic procurement, price and information transparency, special contracting terms and multi-year arrangements, along with partner collaborations (e.g. joint forecasting, coordinated procurement, etc.), to provide longer-term visibility on levels of demand.

This enables suppliers to plan and scale up production, increasing the availability of affordable supplies for every child. In three years, UNICEF exceeded its projected \$670

million in price savings for strategic supplies over the period of 2018–2021 by \$291.1 million, achieving savings of \$176.6 million in 2020 alone.

To ensure sustained availability and accessibility of strategic supplies for children, UNICEF focuses on a holistic procurement impact, considering price savings and, increasingly, other value elements such as social and environmental impact.



A health worker uses a Mid-Upper Arm Circumference (MUAC) measuring tape to identify malnutrition in children in Ha Tinh's commune health centre in Viet Nam

© UNICEF/UN0410206/Le Vu

Savings by product and services

Pentavalent vaccine

\$116.267 million ▼▼▼▼▼

Partners: Bill & Melinda Gates Foundation, Gavi, the Vaccine Alliance, WHO, suppliers

Pneumococcal vaccine (PCV)

\$17.367 million ▼▼▼▼▼

Partners: Bill & Melinda Gates Foundation, Gavi, the Vaccine Alliance, WHO, donors, suppliers

Immunization ice-lined and solar direct drive refrigerators

\$9.762 million ▼▼▼

Partners: Gavi, the Vaccine Alliance, Bill & Melinda Gates Foundation, suppliers

Amoxicillin dispersible tablets (DT)

\$7.617 million ▼▼▼

Partners: WHO, United Nations Commission on Life-Saving Commodities for Mothers and Children, national governments, suppliers

Ready-to-Use Therapeutic Food (RUTF)

\$5.360 million ▼▼▼

Partners: USAID, FCDO, Codex Alimentarius Commission, WHO, academia, suppliers

Operational savings

\$3.560 million ▼▼▼

Partners: suppliers

Hygiene kits, local, MENA

\$3.057 million ▼▼▼

Partners: suppliers

Rotavirus vaccine (RV)

\$2.596 million ▼▼▼▼▼

Partners: Gavi, the Vaccine Alliance, WHO, suppliers

Children's winter clothes, local, MENA

\$2.453 million ▼▼▼

Partners: suppliers

Measles Containing Vaccines

\$2.080 million ▼▼▼

Partners: suppliers

Antimalarials – Artemisinin-based combination therapies (ACTs)

\$1.881 million ▼▼▼

Partners: WHO, PAHO, Medicines for Malaria Venture, Roll Back Malaria partnership, suppliers

Tents (multipurpose)

\$1.115 million ▼▼▼

Partners: suppliers

Long-lasting insecticide nets (bed nets)

\$0.901 million ▼▼▼▼▼

Partners: African Leaders Malaria Alliance, The Global Fund, Roll Back Malaria partnership, Alliance for Malaria Prevention, Unitaid, United Nations Special Envoy for Malaria, UNDP, USAID, FCDO, WHO, the World Bank, suppliers

Freight service costs

\$0.859 million ▼▼▼

Partners: United Nations agencies, suppliers

Antiretrovirals (ARVs)

\$0.651 million ▼▼▼

Partners: Global Fund, WHO, UNAIDS, Medicines Patent Pool, suppliers

Serological assays HIV, malaria, hepatitis B and C

\$0.396 million ▼▼▼

Partners: suppliers

Oxygen therapy products

\$0.323 million ▼▼▼▼▼

Partners: suppliers

Solar radios

\$0.149 million ▼▼▼

Partners: suppliers

Tetanus toxoid containing vaccines for adolescents and adults

\$0.126 million ▼▼▼

Partners: suppliers

Insurance brokerage

\$0.084 million ▼▼▼

Partners: United Nations agencies, suppliers

Procurement approaches used

- ▼ UNICEF long-term arrangements (LTAs)
- ▼ Strategic procurement
- ▼ Special contracting
- ▼ Leveraging partnerships (e.g. coordinated forecasts and/or procurement, sharing LTAs)
- ▼ Price transparency
- ▼ Other (e.g. reduced material cost)

Procurement Services 2020

UNICEF's Procurement Services is a strategic programmatic platform that enables governments and other partners to leverage UNICEF's procurement scale and decade-long expertise to meet their essential supply needs, until national public and/or private supply systems can fully perform this role.

Approximately **\$1.808 billion** worth of supplies and services were procured via the Procurement Services channel in 2020. This procurement was done on behalf of self-financing governments using their own domestically mobilized resources, and on behalf of countries supported by Gavi, the Vaccine Alliance, as well as various United Nations agencies, civil society organizations and countries financed by the Global Fund, World Bank and other international financing institutions.

UNICEF's Procurement Services has played a key role in the COVID-19 pandemic response, which led to catalytic work with new and long-standing partners, supporting the unprecedented emergency response, resource mobilization and financing. This included the establishment of the ACT-A **Supply Financing Facility (SFF)** to facilitate receipt of funds to support the procurement of Access to COVID-19 Tools (ACT) Accelerator supplies on behalf of low- and middle- income countries.

3,339 SHIPMENTS COMPLETED IN 2020

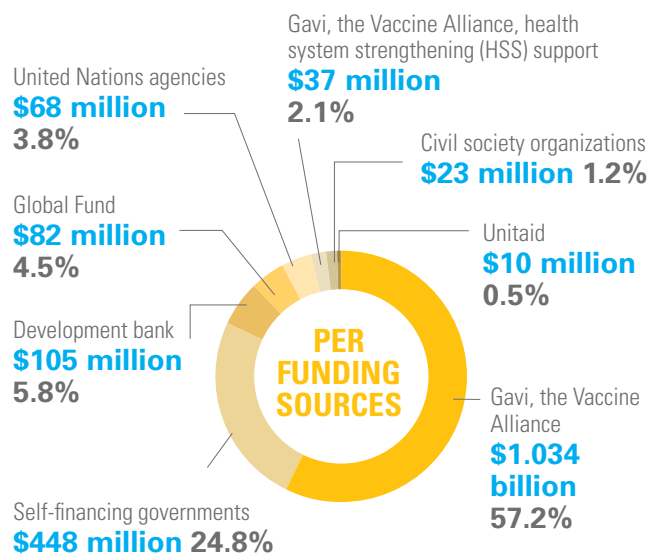
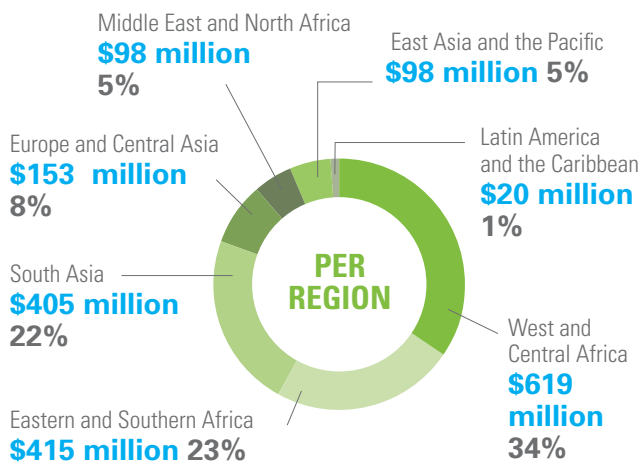
Shipments to **130** countries, for a total of \$68 million expenditure in freight services

\$1.808 billion PROCUREMENT SERVICES

on behalf of governments and partners

- ▶ **92** self-financing governments
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- ▶ United Nations agencies in **70** countries
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Breakdown of \$1.808 billion procurement value



What services are offered via the UNICEF Procurement Services?

Commodities

UNICEF assists in the procurement of strategic essential commodities aimed at reducing under-five mortality, including vaccines, safe injection equipment, essential medicines, medical and diagnostic supplies, bed nets, micronutrients, therapeutic food and supplies to ensure safe drinking water. In addition, Procurement Services cover products to support children’s education as well as other supplies and services that are in line with the UNICEF mandate.

Services

UNICEF also provides supply-related services including warehousing, in-country logistics and other operational support with the aim of developing capacity in national

procurement and supply systems or to assist in emergency situations.

Pre-financing interventions

Many countries face planning challenges, financial constraints and administrative budget release issues that prevent the timely transfer of payment. This dynamic leads to stockouts of essential supplies, and ultimately puts children’s lives at risk.

To address this, UNICEF supports governments in their transition towards essential supplies sustainable self-financing (domestically mobilized resources) and deploys supply pre-financing interventions to help bridge these short-term cash flow timing gaps.

The Vaccine Independence Initiative (VII)

UNICEF’s main tool for supply pre-financing is the Vaccine Independence Initiative (VII) Revolving Fund, which accelerates access to life-saving supplies, including vaccines and other non-immunization commodities, while providing a platform to ensure a systematic and sustainable supply for country partners facing temporary budget shortfalls.

In 2020 alone, VII facilitated a total of \$308 million pre-financing and special contracts of essential supplies, including vaccines, cold chain equipment, medicines, antiretroviral drugs (ARVs), anti-malaria medicines, and, most notably, COVID-19-related items, such as personal protective equipment (PPE), diagnostic tests and biomedical equipment.

VII has been a critical financing tool in support of countries’ timely access to COVID-19 supplies by providing the financial backing for \$87 million worth of contractual risk to secure such supplies well-ahead of the materialization of country-specific demand. This included 500 million safe injection devices, 51 million masks, 6 million diagnostic tests, over 4 million gowns and 1.6 million therapeutic medicines.

Additionally, VII accelerated the delivery of COVID-19 supplies as well as other essential commodities to 67 countries in 2020 by 3 weeks–5 months depending on the transaction. This included more than 220 million doses of vaccines for routine immunization and emergency vaccination campaigns and over 255 million items of COVID-19 non-immunization supplies.

In addition to pre-financing support to address cashflow delays, technical assistance provided to support improved forecasting and budgeting for commodities, as well as to address challenges in the funding release process for supply procurement.

ESSENTIAL SUPPLIES PROCUREMENT AND DELIVERY TIMELINE

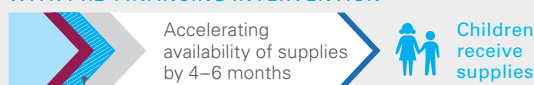
WITHOUT A FUNDING TIMING GAP



WITH A FUNDING TIMING GAP



WITH PRE-FINANCING INTERVENTION



- ▶ Request by Country Office /Government (based on annual forecast)
- ▶ Purchase order placed with manufacturers
- ▶ Goods readiness lead time (up to 3 months)
- ▶ UNICEF receives funds
- ▶ Air freight 2–3 days
- ▶ Funding timing gaps



*Goods readiness and mode of shipment depend on the type of commodity. This example illustrates air freight. Sea freight takes an average of 6–8 weeks.

Logistics: Delivering essential supplies

UNICEF Supply Division facilitates international shipping to countries around the world, while managing relationships with freight forwarders to ensure essential supplies are delivered for children. UNICEF also provides technical advice around international transportation and supports business processes and governance related to transit, customs clearance and in-country logistics.



Logistics services

AVERAGE YEARLY SHIPMENTS	 10,300 SUPPLY SHIPMENTS PER YEAR TO REACH 147 COUNTRIES AND AREAS	 INCLUDING 2,700 VACCINE SHIPMENTS PER YEAR TO DELIVER OVER 2 BILLION ROUTINE VACCINE DOSES TO OVER 100 COUNTRIES
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 **\$131.8 million**
INTERNATIONAL FREIGHT SERVICES

Globally, UNICEF managed a total freight volume of 62,468 cubic metres of freight by air and 16,568 twenty-foot equivalent units by sea and/or truck.

 **\$99.6 million**
IN-COUNTRY LOGISTICS AND WAREHOUSING SERVICES

Support to programmes includes road cargo transport, storage, local aircraft charters and customs brokerage and clearance services as well as warehousing services.

Convening industry

UNICEF has a long history of working with the logistics industry to ensure essential supplies are delivered to those who need them as quickly and safely as possible. In 2020, major preparations for the delivery of COVID-19 vaccines began. Highlights included:

- **A landmark consultation on COVID-19 vaccine transportation.** UNICEF convened more than 350 logistics partners, including air freight operators,

shipping lines and global logistics associations to discuss expected logistics challenges and ways to overcome them.

- **Bringing together major global airlines.** UNICEF, together with the Pan American Health Organization (PAHO) and the International Air Transport Association (IATA), examined expected capacity requirements and critical needs for the transport of COVID-19 vaccines.

Building partnerships

UNICEF and the World Economic Forum Charter December 2020

18 airline and logistics companies sign a charter pledging to support the COVAX Facility – prioritizing delivery of COVID-19 vaccines and related supplies, sharing of information and lending company assets, among other measures.

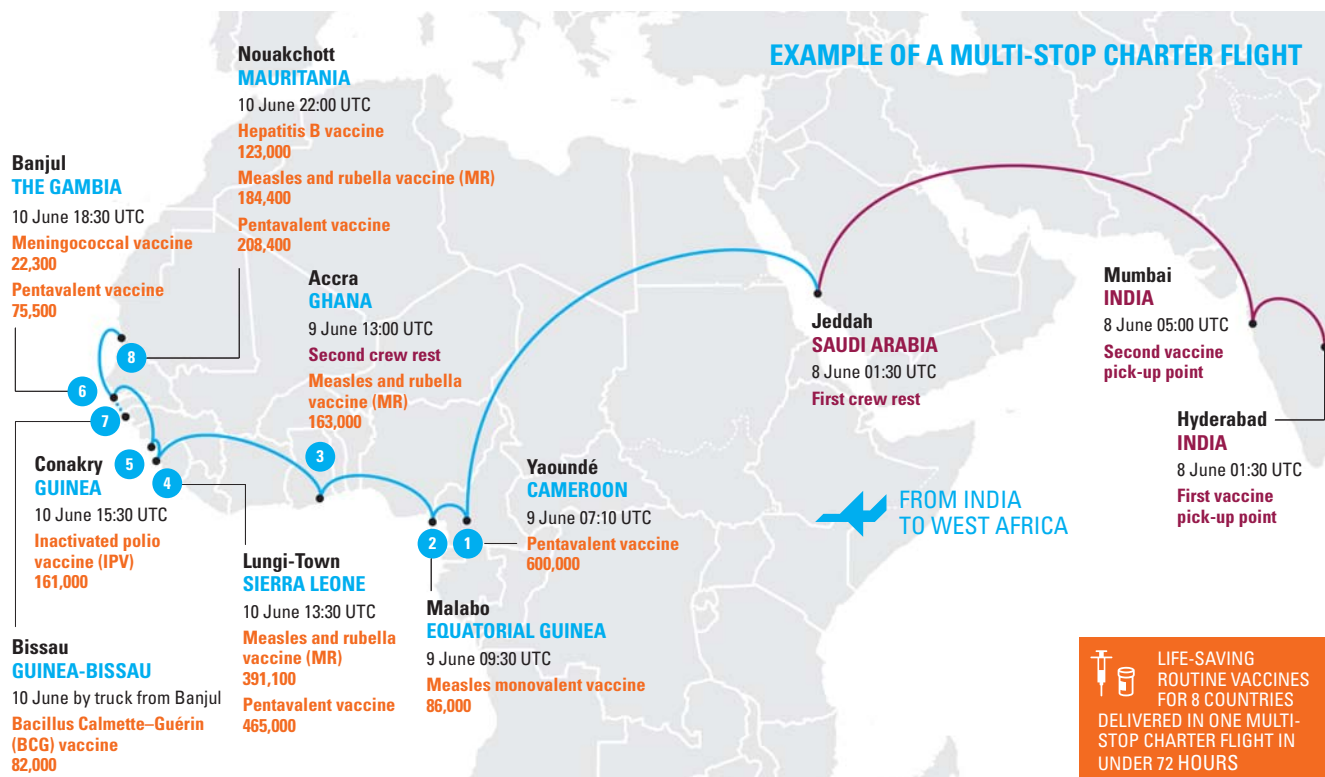
UNICEF Humanitarian Airfreight Initiative January 2021

More than 16 key airlines signed memoranda of understanding (MOUs) to support COVAX and UNICEF shipments in general by prioritizing bookings, fair pricing and other measures. The initiative was made possible through collaboration with IATA.

Innovative logistics in action

UNICEF championed innovative freight solutions – such as multi-stop charter flights (map below) – to overcome massive disruptions caused by the COVID-19 pandemic

and transport over 2 billion doses of vaccines for routine immunization and emergency vaccination campaigns to over 100 countries in 2020.



COVAX: The largest vaccine supply operation ever

The COVID-19 pandemic reached every part of the world. To end it, vaccines must do the same. UNICEF, on behalf of the COVAX Facility, is leading the procurement and delivery of COVID-19 vaccines to ensure equitable access for participating countries and areas, regardless of their wealth.

COVAX procurement coordinator and agency

- UNICEF is coordinating the COVID-19 vaccine procurement process on behalf of the COVAX Facility.
- UNICEF is supporting 82 low- and lower middle-income countries to procure COVID-19 vaccines, as well as organizing transport and delivery of the vaccines.

Expertise in vaccine delivery and storage

As the largest single vaccine buyer in the world, UNICEF is harnessing decades of expertise in procurement and delivery of vaccines for routine immunization and outbreak response. UNICEF is working to ensure that COVID-19 vaccines procured on behalf of COVAX are transported from the manufacturer to countries around the world at a stable temperature.

- Since 2017 and through April 2021, UNICEF delivered over 100,000 vaccine refrigerators to 100 countries.
- Of these, more than 50,000 were solar powered. This is very important for vaccine storage in places with unreliable electricity and cold storage facilities.
- In 2020 alone, UNICEF purchased 22,500 refrigerators for 62 countries, installing 18,340 at health facility level in 25 countries.



10,300 SUPPLY SHIPMENTS PER YEAR TO REACH 147 COUNTRIES AND AREAS



INCLUDING 2,700 VACCINE SHIPMENTS PER YEAR TO DELIVER OVER 2 BILLION ROUTINE VACCINE DOSES TO OVER 100 COUNTRIES

IMMUNIZATION SUPPLIES

In 2020, UNICEF delivered



2.01 BILLION VACCINE DOSES TO 102 COUNTRIES



912.7 MILLION SYRINGES FOR IMMUNIZATION TO 83 COUNTRIES

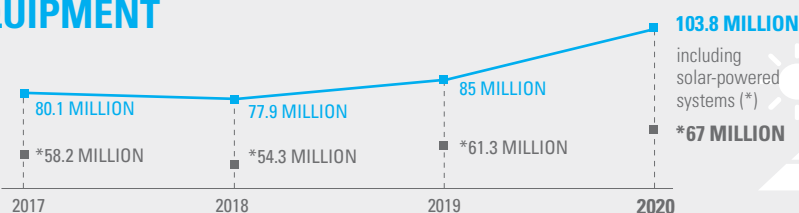


10 MILLION SAFETY BOXES

- 860 million auto-disable syringes
- 52.4 million re-use prevention syringes
- 30,000 re-use prevention syringes with sharp injury prevention system

COLD CHAIN EQUIPMENT

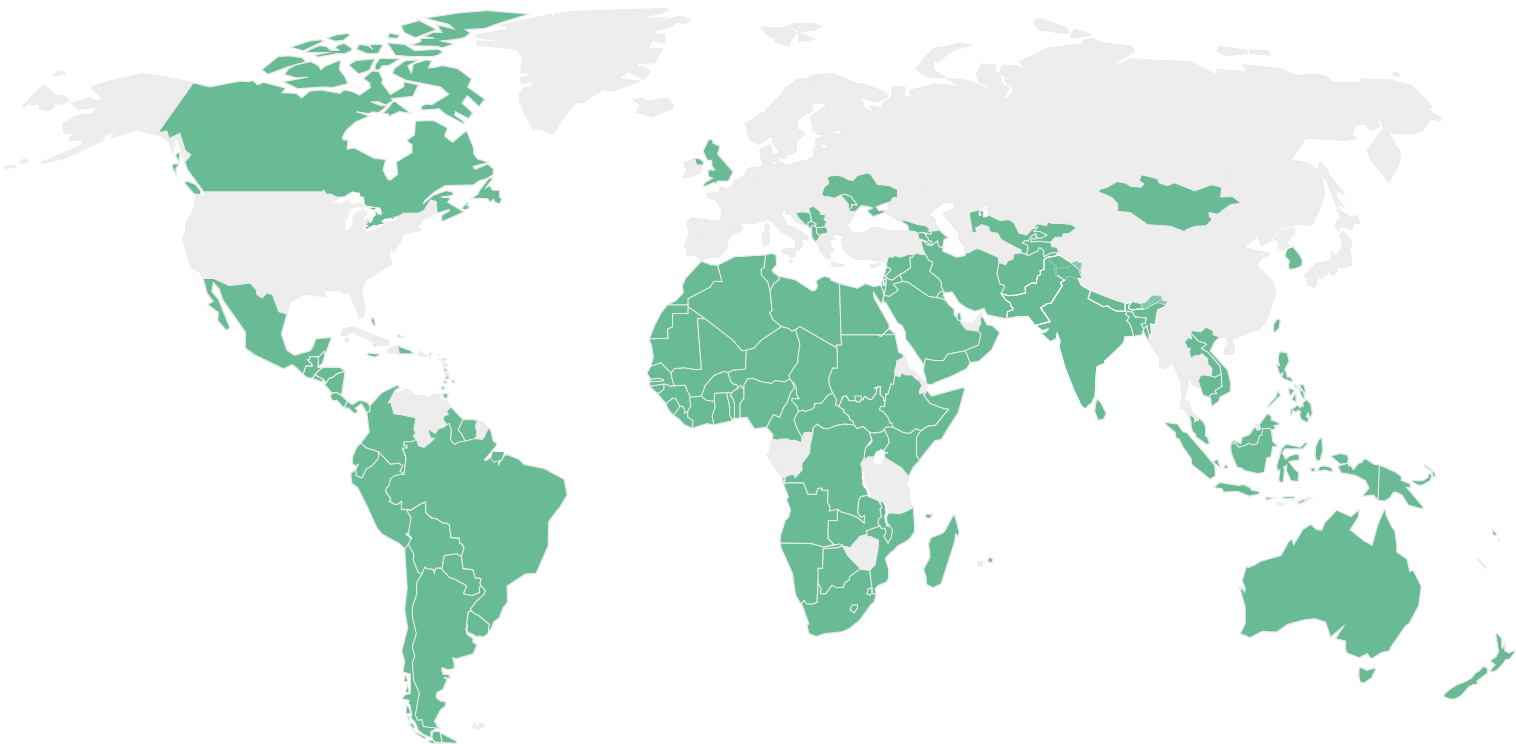
VALUE OF COLD CHAIN EQUIPMENT PROCURED



Delivering vaccines to the world

UNICEF is delivering quality-assured COVID-19 vaccines to countries around the world. This immense logistics effort involves working with vaccine manufacturers, freight

forwarders, airlines and country governments to ensure safe and rapid transport.



For the latest information on the COVID-19 vaccine market and COVAX delivery information, visit the UNICEF Vaccine Market Dashboard: unicef.org/supply/covid-19-vaccine-market-dashboard

Stockpiling and pre-positioning syringes

Syringes and safety boxes are crucial for the safe rollout of COVID-19 vaccines.

- In 2020, UNICEF stockpiled more than half a billion auto-disable syringes in its Copenhagen and Dubai warehouses in anticipation of the COVAX rollout, so that they can shipped in coordination with the vaccine doses.
- In 2021, UNICEF is transporting and pre-positioning up to 1 billion syringes and 10 million safety boxes to support national COVID-19 campaigns.



UNICEF stockpiled more than half a billion syringes in its Copenhagen and Dubai supply hubs to support COVAX vaccine rollout

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Tangam DIY



The tangram is a seven-piece dissection puzzle. Just like a box of supplies, it becomes so much more in the hands of its end users. Throughout the report, tangram shapes are used to illustrate the extraordinary global movement of supplies.



UNICEF Supply Division

Supply Annual Report 2020

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