

Supply Division

Update on the context and trends

In 2022, UNICEF Supply Division (SD) contributed to inclusive and equitable access to essential supplies and services, in the face of what has been dubbed a global “polycrisis” – a war in Europe, a global energy crisis, rising inflation, food insecurity, the climate crisis, and the ongoing COVID-19 pandemic.

The scale, complexity and frequency of emergencies increased significantly in 2022. The war in Ukraine reduced food supply to many countries, including in East Africa. In the Sahel and in the Horn of Africa, drought, famine as well as rising food and fuel prices, led to displacement, and insecurity. The floods in Pakistan destroyed 70 per cent of crops, leading to food scarcity - including in neighbouring Afghanistan - putting many more people at risk of hunger. In Haiti, unrest and instability compromised access to primary healthcare and basic services. The number and complexity of public health emergencies (PHEs) also increased in 2022. In addition to the ongoing COVID-19 pandemic, there were significant outbreaks of Mpox, measles, Marburg virus and Ebola. Emergencies also increased the occurrence of water- and insect- borne diseases such as cholera, dengue virus and malaria.

Children were particularly affected by this polycrisis. Higher food and energy prices contributed to increased global hunger and malnourishment in children. The effects of climate change exacerbated floods, heatwaves, cyclones and drought and hindered children’s access to education, food and healthcare. Furthermore, COVID-19 restrictions continued to delay routine vaccinations and contributed to significant learning losses among the most vulnerable children.

Humanitarian supply chains were also in turmoil in the first half of the year, with major disruptions to air and sea freight. Easing slightly by the end of the year, logistics and transportation challenges, including ongoing container shortages, increased port congestion, complex shipping bottlenecks, rising transportation costs and persistent labor shortages, exacerbated supply chain issues and compromised access to essential goods and services.

To ensure inclusive and equitable access to essential supplies and services, SD worked to mitigate the effects of this polycrisis on the rights and well-being of children, through coordinated and collective efforts across eight strategic areas: emergency preparedness and response, strategic procurement and delivery, market influencing and product innovation, financing partnerships and solutions, systems strengthening, digitalization of the supply chain, strategic partnerships and people and culture.

Procurement overview

In response to the compounding effects of the polycrisis and despite ongoing logistics turmoil, UNICEF procured a record \$7.383 billion in goods and services in 2022, a 93 per cent increase from pre-COVID-19 pandemic figures.

The global value of goods procured was \$5.555 billion, while the total global value of services procured was \$1.828 billion, including construction services (valued at \$300 million), cash and voucher assistance (valued at \$211.3 million) and in-country logistics and warehouse services, which increased by 36 per cent from the previous year to \$124.4 million.

In 2022, UNICEF delivered 3.429 billion vaccine doses, including 977.9 million COVID-19 vaccine doses. In response to the global nutrition crisis, SD delivered \$256 million worth of nutrition supplies in 2022 – a 90 per cent increase from the previous year, largely due to an exponential increase in deliveries of ready-to-use therapeutic food (RUTF), a lifesaving paste that treats severe wasting in children under 5 years old.

Deliveries from SD’s global supply hubs also reached an all-time high, with \$363 million worth of goods delivered in 2022 - a 30 per cent increase from 2021. To support increased emergency responses, SD optimized its warehousing capacities and, in Copenhagen, increased operations to seven days a week and added new packing lines to nearly triple the number of kits packed.

ACT-A and COVID-19 response

With its partners, UNICEF has led the largest vaccine supply and delivery operation in history, helping to ensure equitable access to quality-assured COVID-19 vaccines. In 2022, COVAX delivered 924.6 million vaccine doses to 113 countries and territories. UNICEF delivered 100.8 million doses to 27 countries on behalf of the African Union's African Vaccine Acquisition Trust (AVAT) initiative. Through its ACT-A Supplies Financing Facility (ACT-A SFF), SD supported 76 countries with \$614.4 million to increase access to lifesaving COVID-19 supplies. SD also mobilized the market for auto-disable syringes to produce four times as many syringes, from 750 million in 2019 to 3.2 billion in response to COVID-19 forecasts.

SD significantly reduced the price of COVID-19 diagnostics through its engagement with partners, from \$5.00 per antigen rapid diagnostic test (Ag-RDT) when the pandemic began to \$2.15 per test by the end of 2022. SD also established supply arrangements to enable access to the first quality-assured Ag-RDT for COVID-19 self-testing.

New COVID-19 antivirals, such as Molnupiravir, were increasingly used as part of national COVID-19 response strategies to help reduce hospitalization of non-severe COVID-19 in patients at high risk. Initially not widely accessible to low- and middle-income countries, by the end of the year SD had shipped \$2.1 million worth of Monupiravir to nine countries. SD also established supply agreements for the procurement of up to 4 million treatment courses of Nirmatrelvir/Ritonavir. SD expanded its innovative COVID-19 Market Dashboard beyond vaccines and immunization devices, to include information on COVID-19 therapeutics, providing further transparency to governments and partners on critical medical supplies to treat COVID-19. The Dashboard attracted over 115,000 page views in 2022.

In 2022, in the context of the COVID-19 pandemic, SD delivered:

- 977.9 million doses of COVID-19 vaccines (including donated doses) to 92 countries,
- 1.05 billion syringes to 84 countries and 10.2 million safety boxes to 82 countries, through the COVAX Facility
- 7.4 million liters of cold chain equipment capacity to over 104 countries
- \$160 million worth of personal protective equipment items to 121 countries to protect health-care workers and support the continuity of health services
- 20,716 oxygen concentrators, advancing access to oxygen therapy and oxygen equipment for many low-and middle-income countries (LMICs)
- 69 Oxygen Plants-in-a-box to 27 countries
- 8.5 million COVID-19 diagnostic tests to 51 countries
- 1.05 million COVID-19 treatments to 16 countries

Major contributions and drivers of results

Emergency preparedness and response

Despite the increasing scale, complexity and frequency of emergencies, SD delivered a historical record number of lifesaving supplies to children in emergencies - over \$863.9 million worth of supplies for emergencies in 140 countries, with over 57 per cent going to Level 2 and Level 3 emergencies. Nutrition supplies were one of the largest emergency commodity groups, with 70,204 metric tons of RUTF delivered in 2022 – a **36 per cent increase**.

Overcoming increasing pressure on supply chains, rising freight costs and bottlenecks, SD continued to ensure the timely delivery of supplies by collaborating with partners and by optimizing warehouse operations across its global network. Over 320,000 kits were delivered from supply hubs in 2022, including 142,000 medical kits and 122,000 education kits.

SD supported emergency preparedness by working with country offices to preposition supplies locally and building capacity for preparedness and response, including for PHEs. This included the COVID-19 pandemic and disease outbreaks such as the Ebola virus disease in the Democratic Republic of the Congo and neighboring countries and in Uganda, the Marburg virus disease in Ghana, and unprecedented cholera outbreaks in 30 countries. To support these efforts, SD developed the health

emergency preparedness and response (HEPR) strategy and a PHE 'Archetypes' framework to guide supply selection for responses to different outbreaks.

To increase visibility of supply operations, SD generated country-focused supply chain dashboards for a consolidated view. Moreover, SD developed the Nutrition Crisis Dashboard, which also included RUTF country forecasts and funding availability for improved strategic planning.

To deepen understanding of emergency preparedness, improve response and increase coordination and information sharing, SD organized a virtual Emergency Preparedness and Response training, including an online simulation, for over 70 UNICEF colleagues from six regions.

The Supply Community also provided **direct staffing support**, primarily in warehousing, supply and logistics and procurement, **through 59 deployments to 17 emergency locations**, including Afghanistan, Pakistan and Ukraine.

Strategic procurement and delivery

SD supported access to essential supplies and services for every child by increasing regional and local procurement and production, supporting leadership and strategic oversight in areas where UNICEF has the strongest comparative advantage and ensuring logistics security and efficient warehousing. In 2022, UNICEF procured a historical record \$7.383 billion in goods and services.

The Supply Function engaged with **11,755 suppliers in 2022**, deliberately increasing procurement from programme countries by diversifying its supplier base for commodities, with a specific focus on supplies for emergency response such as WASH and education supplies. Globally, UNICEF procured **41 per cent of its goods and services from vendors in programme countries**. For example, over 64 per cent of RUTF procured was from manufacturers in programme countries.

Securing access to affordable and sustainable quality-assured supplies required a strategic approach to markets and procurement that relied on forecasting, financing and contracting. In 2022, SD's forecast accuracy in immunization remained above 87 per cent.

As the largest buyer of vaccines globally, SD supported national vaccination targets by procuring and delivering routine childhood vaccines, as well as vaccines for outbreak response. SD supported 11 vaccine introductions in country immunization programmes, including the Rotavirus vaccine in Nigeria, the Typhoid Conjugate Vaccine in Nepal and the Human papillomavirus vaccine in six countries, among others. SD also awarded a \$170 million contract to supply the first ever malaria vaccine - this landmark award will lead to the availability of 18 million doses of RTS,S/AS01 (RTS,S) over the next three years, potentially saving thousands of lives every year.

Working closely with global freight forwarders and partners, SD improved the on-time delivery of purchase orders – from an average packed-to-ship rate of 30.5 days in 2021 to 7.7 days in 2022.

UNICEF supply hubs were also optimized through strategic interventions including expanding the Taastrup hub to back-fill Copenhagen warehouse operations, improving management of the Panama hub and closing the Accra and Shanghai hubs.

SD also led initiatives to improve sustainability, including developing the solar procurement strategy in alignment with UNDP solar strategies and building on Cold Chain Equipment Optimisation Platform (CCEOP) Solar Direct Drive (SDD) implementation experiences. SD also accelerated efforts to reduce plastic waste for long-lasting insecticidal nets (LLINs) by actively managing packing requirements.

Market influencing and product innovation

In 2022, SD worked to reduce market barriers that hinder access to supplies by increasing market transparency and by influencing global and local markets, issuing eight market notes, including one on the new malaria vaccine, and a supply alert on the RUTF situation and outlook.

SD increased industry engagement, convening six major consultations throughout the year, including a Nutrition Supply Forum on challenges to key nutrition supplies and the second Humanitarian Supply Chain and Logistics Industry Consultation. In collaboration with USAID and the World Food Programme (WFP), SD also convened the RUTF Industry Consultation to discuss challenges and potential solutions to expedite supply availability. In addition, SD convened the annual Vaccine Industry Consultation - the largest consultation to date - to address vaccine market developments, supply chain strengthening, emergency response stockpiles and restoring immunization coverage

disrupted by COVID-19.

SD developed an adjusted price mechanism to manage significant risks related to raw material pricing volatility. With raw materials like polypropylene or polyester accounting for an average 45 per cent of the final price for LLINs, suppliers agreed to apply the mechanism to mitigate LLIN price volatility, resulting in an ‘auto price adjustment’ and increased savings over time. SD also developed and implemented supplier finance accelerated 5-day payments to expedite essential nutrition supplies and support supplier liquidity.

Responding to the unmet needs of children, SD engaged with businesses to drive the development of innovative products, bringing six novel products to scale in 2022, including hearing aids, wheelchairs and baby transport warmers, among others. SD specified expected performance criteria, communicated these through target product profiles and incentivized businesses to develop new products through pull incentive structures, such as purchase guarantees, and made new products available through the UNICEF Supply Catalogue. To drive demand for innovative products, SD advocated for the added value of innovative products to existing programmes such as using the feeding bowl to reinforce behavior change in infant feeding programmes. SD also organized a cross-cutting demand generation workshop to share lessons on scaling innovations across sectors.

Following the launch of 26 priority assistive product specifications in late 2021, SD used the newly established long-term arrangements (LTA) to quickly respond to the needs of children with disability in Ukraine, sending 314 wheelchairs of varying types and 220 hearing aids in 2022.

In response to the COVID-19 pandemic, SD deployed the oxygen ‘Plant-in a Box’ – the fastest product innovation in UNICEF’s history. SD provided technical assistance in the rapid procurement and deployment of oxygen equipment and created a one-stop shop for oxygen supplies, establishing LTAs, expanding the oxygen therapy products portfolio to include oxygen concentrators, accessories, consumables and ventilators, and establishing LTAs for biomedical services and repairs.

Financing partnerships and solutions

In 2022, SD worked to increase domestic and domestically-mobilized financing in LMICs to improve market dynamics and strengthen local supplier bases. UNICEF-hosted financing structures were deployed, including the ACT-A SFF and the Nutrition Match Fund (NMF), which enabled three countries, who were awarded \$2.8 million, to match their domestic resources.

The Vaccine Independence Initiative (VII) facilitated \$251.9 million in country pre-financing and special contracts to accelerate the procurement of vaccines, nutrition, medicines, diagnostics, and ancillaries for self-financing countries.

To support new vaccine introductions in middle-income countries (MICs) that do not typically receive donor support and have lagged in the introduction and scale-up of vaccines and other essential supplies, SD rolled out the MICs Financing Facility (MFF). Building on the success of VII, the MFF will allow countries to benefit from UNICEF’s procurement, scale, access, market expertise, and affordable pricing.

In conjunction with the VII and financing partners, including the Bill and Melinda Gates Foundation (BMGF) and the UNICEF USA Impact Fund for Children, SD improved timely access to RUTF through a new advanced payment solution for RUTF suppliers. In response to the global nutrition crisis, the solution addressed suppliers’ working capital financing needs, increasing overall production capacity and the availability of RUTF.

SD signed a \$98.4 million agreement with the Mastercard Foundation and the Africa Centers for Disease Control and Prevention (Africa CDC) to procure cold chain equipment, syringes, safety boxes, and freight services for COVID-19 vaccines and ancillaries.

A total of 1,729 cost estimates for Procurement Services (valued at \$762 million), of which 592 were COVID-19-related, were issued in 2022 and released to 85 countries. SD negotiated and concluded 26 new memoranda of understanding with 21 countries.

Systems strengthening

SD supported countries in strengthening end-to-end supply chains through systemic and focused interventions that build resilience. UNICEF strengthened government-operated supply chains, using

tools such as the Maturity Model. In 2022, UNICEF supported 27 governments in developing or updating national supply chain strategies to address barriers to health, nutrition, and WASH commodities.

In Madagascar, UNICEF launched the One UN for Health Supply Chains Initiative, bringing UN Agencies, key donors and implementing partners together to develop a Maturity Model-based strengthening roadmap. The Maturity Model served as the guiding framework for this inclusive review process, laying the foundation for a shared understanding and common vision of the country's supply chain priorities.

SD also developed new guidance on the Maturity Model and End-User-Monitoring methodologies, concept notes, templates, and Agora training courses to institutionalize the use of flagship tools for planning processes, annual work plans, resource mobilization efforts and to embed system strengthening into core UNICEF programmatic plans.

In collaboration with USAID, the Global Fund, GAVI, the World Bank, BMGF, the Regulatory Agencies of Nigeria and Rwanda, and the Africa CDC, SD launched the Traceability and Verification System (TRVST) to support countries in verifying the authenticity of health products and to track and trace them through the supply chain, using GS1 barcoding technology. Rwanda and Nigeria are the first African countries to authenticate vaccines using this technology and SD has now included GS1 barcoding as a mandatory requirement for all vaccine tenders.

Digitalization of the supply chain

In 2022, SD advanced its work to optimize the use of digital solutions to improve supply chains and support decision-making, working to digitalize processes, drive supply chain efficiency and activate data in support of supply chain optimization.

The Digital Supply Chain Initiative (DSCI) InfoHub Project was launched to support a dynamic use of supply chain data, with the goal of creating new visuals and information that will help the Supply Community proactively identify bottlenecks and anticipate issues. The InfoHub houses many data sources, including data generated by the Last Mile Supply Monitoring Project, to increase visibility of supplies along the supply chain.

SD also launched the forecast digitalization project to improve demand planning and forecasting processes, establish a tactical demand planning layer and provide a system to support demand forecasting and planning. In parallel, SD worked to strengthen warehouse planning through the SD Warehouse Material Requirements Planning project, which is expected to improve planning for products in stock and improve visibility of available products not allocated to existing orders.

SD initiated a mining exercise to simplify, remove, or automate processes, resulting in the identification of 13 opportunities, including one to automate purchase order compliance processes through a bot in SAP. In support of the new procedures, SD also launched new construction contracts in VISION, tailored for construction and targeted at managing risk.

Strategic partnerships

In 2022, existing partnerships were strengthened, and new ones were fostered to leverage expertise and resources. 80 per cent of goods procurement was conducted in collaboration with other UN agencies and development partners – an increase from prior years due to increased procurement for the COVID-19 pandemic response.

SD expanded its collaboration with Gavi on the introduction of novel diagnostics for vaccine-preventable diseases, including cholera, measles, meningococcus, rubella, typhoid and yellow fever. Gavi invested \$55 million to improve the availability and use of diagnostic tests. SD also collaborated with UNHCR and UNFPA on the menstrual hygiene management LTA to harmonize technical specifications and improve the sustainability of packaging.

Following the signature of a partnership framework with the Africa CDC to support the ongoing response to COVID-19 and build resilient primary health systems that enable public health emergency preparedness and response, SD outposted a team to Addis Ababa, Ethiopia. In addition, SD submitted a \$19.5 million proposal to the Africa CDC to further support in-country logistics.

Supporting efforts to combat severe malnutrition, USAID committed \$200 million to UNICEF for the

procurement and distribution of RUTF - the largest single investment in malnutrition treatment in history.

SD further strengthened its long-standing partnership with BMGF, collaborating with their newly established Global Health Agencies and Funds section to scale new innovative products and activate UNICEF's capabilities for driving demand of new innovative products.

In partnership with the World Economic Forum (WEF), UNICEF signed the Supply Chain & Transport Industry Charter for Humanitarian Supply Chain Resilience with 16 logistics companies to support the global movement of humanitarian supplies.

With the development of pediatric medicines formulations lagging by nearly a decade behind adult formulations, SD worked to promote innovation and access to quality-assured, safe, efficacious and affordable medicines for children through the Global Accelerator for Pediatric Formulations "GAP-f".

SD coordinated technical approvals for 104 contributions-in-kind (CIK) worth \$72.1 million to meet programmatic needs and help minimize unintended consequences for healthy markets. For large scale emergencies, such as Ukraine and Pakistan, only high value offers that filled procurement gaps and accelerated responses were pursued, including 20,000 mattresses for health facilities and safe spaces in Ukraine. Over \$13.3 million worth of in-kind logistics was brokered, including free-of-charge warehousing in Dubai and Pakistan for increased agility and efficiency, and in-kind freight valued at \$3.3 million to airlift critical supplies and fill funding gaps in Ukraine.

People and Culture

In 2022, SD invested in building a modern, agile, diverse, and connected Supply Community. It convened the first hybrid Global Supply Meeting, bringing the Supply Community together for the first time in five years. Inspired by external speakers, participants reflected on the fast evolving and challenging external environment of the Supply Function and agreed to a set of actions to advance access to supplies for children.

The Supply Community was awarded a UNICEF Staff Team Award for the "COVID-19 Vaccine Rollout: A Global Effort by the UNICEF Supply Community" – representing over 1,200 staff in 183 UNICEF offices, including SD.

In 2022, SD achieved parity in the geographic diversity of its international professional staff and, of the 533 staff members in SD, 58 per cent identified as women and 42 per cent as men.

SD completed 156 recruitments and onboarded 167 staff members. Strategic sourcing and active social media outreach contributed to increased interest in SD vacancies. SD also implemented special recruitment measures to accelerate the mobilization of staff and to mitigate risks for staff impacted by the COVID-19 response.

The first of its kind, SD's Managers Dashboard was launched to improve visibility and support decision-making, providing an overview team diversity, vacancies, recruitments, onboarding, job descriptions, PERs, and mandatory course completion.

SD coordinated the highest number of stretch assignments and deployments on record, with 42 stretch assignments (including 20 from within SD) and 62 staff deployments across the Supply Community. Fostering an enabling workplace culture, 9 team and 91 individual strengths coaching sessions were conducted. In view of enhancing Supply Community skills, SD performed a learning needs assessment for the Supply Community and established seven new core online supply chain courses with over 1,197 participants attending 30 global learning activities in 2022. In addition, 1,388 external participants joined SD's Agora courses on logistics, procurement, the Supply Chain Maturity Model and goods distribution practices.

Communication

In 2022, SD celebrated 60 years of supply and logistics operations in Denmark, with a series of events, including a partner event in the warehouse, co-hosted by Executive Director Catherine Russell and the Danish Ministry of Foreign Affairs, and HRH the Crown Princess of Denmark. Other highlights included a photo exhibition by photographer Jan Grarup, showcasing UNICEF supplies in the field, which was displayed in the Copenhagen City Centre and at UN City. SD also hosted numerous high-

level visits with partners, Ambassadors to Denmark, National Committees, government officials **and UNICEF Goodwill Ambassadors.**

SD increased its visibility and engagement, attracting over 725,000 unique page views to its official website, a 22 per cent increase when compared to pre-pandemic levels. SD also shared 1,335 posts across six social media channels to an audience of over 80,000 followers (a 33 per cent increase from 2021), garnering nearly 326,000 reactions – a 117 per cent increase from the previous year, driven particularly by SD@60 content.

Media training was provided across SD to enhance communication capacity and to improve media engagement around SD's key messages, achievements, and to protect UNICEF's reputation and status as a center of excellence.

Governance and Oversight

In 2022, SD provided progressive and risk-informed governance arrangements and management practices. With stock levels for emergency and pandemic preparedness reaching unprecedented levels in 2021, risks relating to the pre-positioning of stock were actively monitored and managed in 2022 through a newly established warehouse oversight committee. Aided by new tools for proactive stock level monitoring and through concerted efforts, most of the additional stock was successfully deployed in 2022 and financial investments were protected.

In 2022, SD ran the Contracts Review Committee secretariat, covering over 70 meetings and virtual reviews.

The new Supply Procedures and Guidance Notes were launched, replacing the Supply Manual.

Aligned with the DFAM Regulatory Framework, the 18 procedures and 14 notes provide an overview of the Supply Function, SD regulatory content and guide the Supply Community globally.

Work planning and reporting processes were simplified and aligned with SD's strategic areas. SD continued to monitor its performance through the Balanced Performance Scorecard indicators, with particular emphasis on the timeliness of deliveries to Country Offices and partners. Additionally, SD monitored liquidated damages to inform decisions on application.

New hybrid meeting support tools were introduced, including in-room audio and video capabilities, further enhancing the way SD colleagues can collaborate.

Lessons Learned and Innovations

Emergency preparedness and response

With business “unusual” becoming the new norm, new ways of working and quick adoption will remain critical to addressing the increased volume, complexity and frequency of emergencies and to ensuring continued resilience. To enable sufficiently fast response to sudden onset emergencies, country offices need to put in place the required preparedness measures including pre-positioning of key supplies and being prepared for rapid decision-making on supplies to be delivered in the first wave – on a ‘no regrets’ basis - including fast re-allocation of country office budgets as needed. Finally, UNICEF must review, define and communicate its global emergency preparedness and response commitment in terms of emergency types, scope, timeliness and financial commitment.

In coordination with PG, SD published an evidence piece assessing the use of water purification tablets in emergency settings. It assessed the use of chlorine tablets by end-users and primary stakeholders in emergency contexts, the correct use of chlorine tablets by recipients and compared their use with other household water treatment and safe storage technologies and UNICEF's global chlorine tablet programme. Key recommendations included scaling up distribution and improve targeting, with emphasis on Sudan, Yemen, South Sudan, and Ethiopia, strengthening local supply support, and establishing a standardized, digital pre- and post-distribution monitoring system, among others.

Strategic procurement and delivery

Coordination across teams vastly improved thanks to cross-sectoral efforts, namely for activities related to the COVID-19 pandemic and emergency responses including for Afghanistan and Ukraine.

In response to the COVID-19 pandemic, cross-center teams were convened, allowing experiences from different teams to be leveraged for strategic and complex negotiations as well as for the delivery of vaccines and therapeutics. With partners, donors and suppliers overlapping, internal cohesion was key to effective and fast responses, consistency and internal capacity building. With the increasing pace, scale and complexities of emergency response, earlier coordination should be explored.

Reliable, timely and relevant data, in a format that supports decision making, provides crucial support to strategic procurement and delivery.

Commitment and action on the sustainability agenda is required, including clarity on target outcomes and dedicated resources to advance the agenda.

Delayed authorization to ship adversely affected planned shipments of packed supplies. To address importation and customs complexities aggravated by lacking internal capacity for process management, country offices preparedness and supply shipping responsiveness must be prioritized.

Market influencing and product innovation

Since the inclusion of assistive technology into its Supply Catalogue, SD continues to play a leading role in ensuring access to assistive products for children with disabilities. To further support advancements in assistive technology, investments in highly specialized skill sets will be required. In view of stimulating increased demand for new and innovative products for children around the world, it will be important to increase the number of new and innovative products sent to Country and Regional Offices to test and trial.

It will remain important to clarify our engagement model with the Office of Innovation and to standardize the methods and frameworks for innovation.

In 2022, SD finalized and published its Review of Market Communications to understand the extent to which SD's communications have been effective in our role to influence markets and highlighted areas, including strategies and tools, where SD could more effectively reach decision-makers in industry and donor institutions.

Financing partnerships and solutions

As governments and partners face increasing uncertainty, particularly in regard to public financing, streamlined processes and quotation cycles enable more throughput at lower marginal cost.

Systems strengthening

There has been notable progress in increasing knowledge and supporting the learning needs of supply field staff in SD's systems strengthening, mainly through the establishment of a new Knowledge Hub, the dissemination of tools, guidance, success stories and the development of AGORA e-courses. As country-level implementation remains a challenge, these investments should be capitalized upon, and efforts should be scaled-up to convert theoretical knowledge into practical skills. Support is needed to further capacitate supply staff on the ground to apply the tools, guidelines and methodologies produced to help them replicate and institutionalize best supply chain strengthening practices (e.g. Madagascar). The planned outposting of select supply chain strengthening positions at regional-level is expected to generate increased buy-in, incentivization and engagements at country-level.

Digitalization of the supply chain

Digital supply chains are critical, not just for countries to deliver better services, but also for SD's operational excellence and efficiency. Internal communication on Digital Supply Chain Initiatives (DSCI) with the Supply Community further support their implementation and accelerate results.

Strategic Partnerships

With the management of major partnerships somewhat diffused across SD, it would be advised to identify lead focal points with clear ownership for each partnership. Increased cohesiveness in the way SD communicates and advocates with existing and potential partners would contribute to improving its positioning in a crowded space.

People and culture

Increased automation helps to streamline processes; SD plays an important role in helping the Supply Community better adapt to such changes, therefore particularly attention is needed to ensure staff are prepared and trained to adopt digital tools.

With the high number of recruitments, additional training for hiring managers would benefit recruitment processes and improve retention, particularly on how to conduct interviews and provide constructive feedback, as well as alignment on guidance across human resources teams.

Communications

SD's communications have further gained space with target audiences on key areas of the Supply Function's work. Exploring increased opportunities with PFP. National Committees and DGCA on targeted messaging on increasing access to essential supplies for children. In addition, SD has demonstrated leadership in data and expertise, which should be increasingly leveraged in strategic communication to support partnership building, including on how sustainability in supplies contributes to improved resilience.

Governance and oversight

Cross-functional collaboration and oversight were paramount to SD in 2022, as they enabled increased understanding of risk areas and facilitated the implementation of mitigating actions. SD would benefit from clarification on the organisation's risk appetite, through organizational risk governance mechanisms and leveraging the newly recruited Chief Risk Officer, and particularly as it relates to emergency preparedness and global pandemic preparedness.