



# UN COVID-19 Supply Chain Task Force

## The challenge

The global COVID-19 outbreak is leading to an acute and drastic shortage of essential supplies, including personal protective equipment, diagnostics, and medical products. The UN has decided to act rapidly and convened a Supply Chain Task Force. This task force will, among others, establish a COVID-19 supply chain system (CSCS) to provide countries with essential supplies needed for their COVID-19 response.

## The Supply Chain Task Force

The Task Force will be co-chaired by WHO and WFP and will provide strategic direction ensuring that supply chains are driven by strategic and tactical health and medical priorities and that the most critical gaps in supplies are identified and met in a timely fashion.

The Task Force will be composed of Senior representatives from each participating agency (WHO, WFP, UNICEF, UNOPS, UNDP, UNFPA, UNHCR) as well as from the Department of Operational Support, to coordinate Secretariat requirements in addition to country needs.

The COVID-19 Supply Chain Task Force will focus on:

- a. Establishing and implementing a global strategy to ensure access to critical and life-saving supplies as identified by WHO;
- b. Bringing together the collective capabilities of public and private actors to meet these needs;
- c. Ensuring the flow of vital supplies and essential cargo.

## Priority Actions of the Task Force

UN and non-UN actors are working closely together to set up the system required to deliver the priorities outlined above. Most of the required building blocks exist, but need to come together at speed, at scale and with equity of access based on need. The Task Force will oversee the establishment of the Essential Global Supply Chain System, based on the following actions:

- **Obtain through WHO a dynamic understanding of supplies required to halt the COVID-19's spread:** The establishment of a clear global demand for IPC/PPE, diagnostics & testing, clinical support supplies, therapeutics and vaccines, including guidance on prioritization to fulfil this demand is crucial to be able to approach the market with a unified approach. WHO will combine bottom-up assessment of needs through COVID-19 country tool with top-down modelling to provide a robust forecast of the overall needs and a granular view of areas with very high unmet need, vulnerability and challenges to independently access the necessary supplies.
- **Identify and map safe sources of life-saving COVID-19 supplies:** Use all available public and private sourcing mechanisms to get access to a meaningful allocation of existing global suppliers and trigger new suppliers to help address the current shortage. Task Force members will coordinate negotiations and procurement with key suppliers. For IPC/PPE, the majority of available supply in the near term will likely come from China. For other categories suppliers are based across the globe. Agree allocation principles based on need, gap and absorption capacity.



The sourcing market approach will be managed through three separate buying consortia, convened by WHO, and with support from UNICEF:

- PPE Consortium
- Diagnostics consortium
- Oxygen and oxygen-based clinical care consortium

The consortia are tasked to:

- Agree technical interventions, specifications and map out country delivery plans
  - Calculate demand forecast
  - Convene industry & negotiate price and volume agreements
  - Distribute procurement/purchasing tasks
  - Coordinate financial commitments to industry
  - Working with the SCICC to ensure production schedules are integrated into the distribution system and deliveries prioritized
- **Allocation mechanism:** Agencies will need to be registered at country level through the office of the RC/HC, for access to the partner platform to upload their demand for critical items. It is assumed that quantities being uploaded have financial commitments behind them. The office of the RC/HC will have visibility of demand and will convene agencies to agree on priority of individual requests. Once agreed the administrator will confirm the demand priority, will reject the request or will hold the request until further notice. The requests will be allocated to purchasing agencies centrally, staying as much within the principle that the agency requesting will be the same agency procuring. If an agency wishes to access quantities held by another agency, they will be directed to that agency. This can happen if one agency holds stocks, has a large general purchase order at hand or is able to supply the full quantity at speed.
  - **Establish global logistics distribution system:** A hub-and-spoke distribution chain will be operated and optimized for each category. Assets of Task Force members as well as their NGO, public and private sector partners will be brought in to complement.

The system includes:

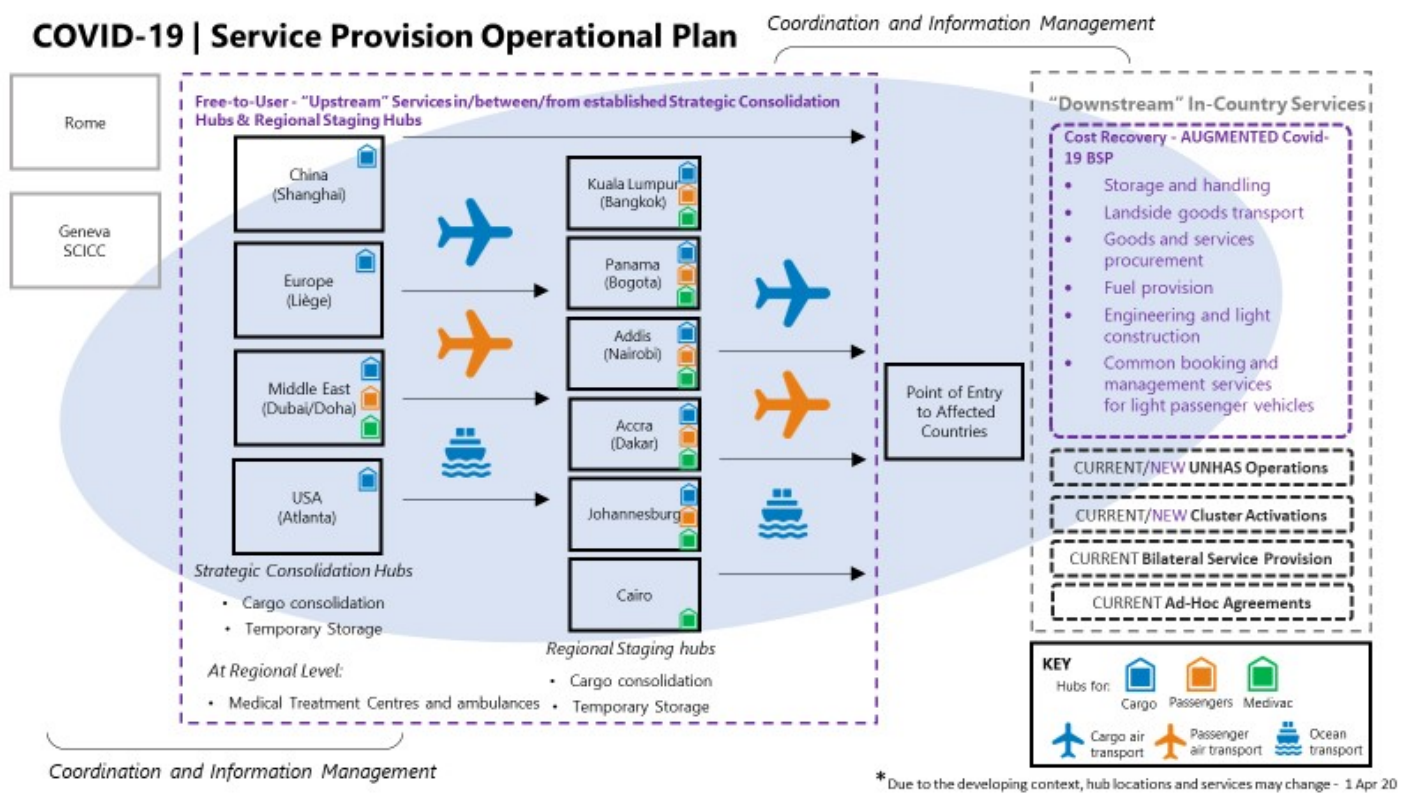
- Control Tower for full access to supply and delivery of essential health items in support of the COVID-19 response, and transparent system for tracking pipeline management of partner humanitarian cargo movements;
- Four strategic international consolidation hubs (sourcing hub in Shanghai with large volume capacity given majority of IPC/PPE supply likely from China and additional international consolidation hubs in Dubai, Atlanta, and Liege) as well as six (+/- as required) regional staging areas located along primary corridors serving priority countries identified by WHO and the Global Humanitarian Response Plan;<sup>1</sup>
- Strategic, prioritized cargo airlifts will ensure movement of cargo between international and regional hubs and onward to countries (if required) – these services are a crucial contribution of the Task Force given current disruptions to commercial operators, skyrocketing prices, and

<sup>1</sup> Note: Locations of some hubs and staging areas under final discussion, to be confirmed. Where existing infrastructure can be expanded to serve the requirements of this system, it will be leveraged for optimal efficiency.



competing demand [Note: where available, the air assets of Task Force members and the public sector will be leveraged and where required, shipping services will ensure delivery for slow moving cargo];

- A similar hub-and-spoke model will be stood up for passenger air services where commercial airlines are disrupted, to ensure that frontline health and humanitarian responders are operational in priority countries; and
- Provision of tailored supply chains for each category (IPC/PPE largely large volume from china to rest of world, testing small volume/high value from 5-10 suppliers worldwide, clinical support supplies highly variable).



- **Delivery and distribution:** Activate humanitarian and development actors (Task Force members as well as NGOs and civil society partners) who are the frontline responders across the globe with a vast network of assets, expertise, and partnerships. This is critical in containing the destabilizing impact that the pandemic will have on fragile communities, further enhancing the work already done on humanitarian continuity under the SCICC.



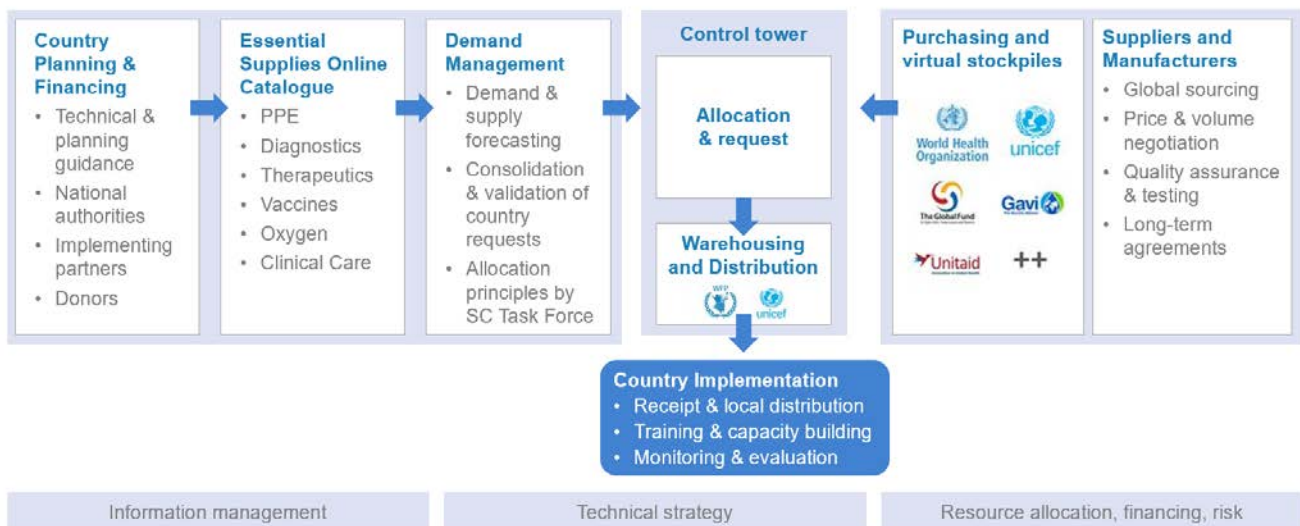
### COVID-19 Supply Chain System

CSCS will identify, certify, source, allocate, direct and deliver essential supplies to where they are needed most. It may need to cover well above 30% of the world’s supply in this acute phase, scaling down as market mechanisms become capable of addressing needs. The CSCS is a collaborative effort across UN and non-UN actors, with the WHO leading the prioritization and destination of medical equipment, and the WFP serving as logistics lead. The CSCS will leverage existing infrastructure and capabilities of all AFPs as well as the Secretariat.

The CSCS has two overarching objectives:

- **Sourcing and allocation for IPC/PPE, clinical support supplies and testing** to ensure access to healthcare workers and vulnerable populations. Medicines and vaccines could be added later.
- **Setting up a virtual and physical supply chain leveraging humanitarian air service transport.** WFP will support logistics and distribution up until goods are received by a government or local UNCT.

### Overview of the CSCS



**Demand:** Countries, partner agencies and WHO offices can log order requests. The product catalogue will initially focus on a narrow list of essential supplies and will be gradually expanded. Countries can order both products that are in stock and that are yet to be procured, as well as apply for funding. Independent of the requests, the WHO will make high-level demand estimations to triangulate supply/demand imbalances.

**Supply:** CSCS will encompass three supply channels: (1) partner agency procurement (e.g. UNICEF, The Global Fund), incl. sourcing, validation, procurement, and QA. (2) sourcing intermediaries managed by WHO. (3) WHO sourcing and procuring products in the market. These three channels will mobilize the resources to provide essential health products.

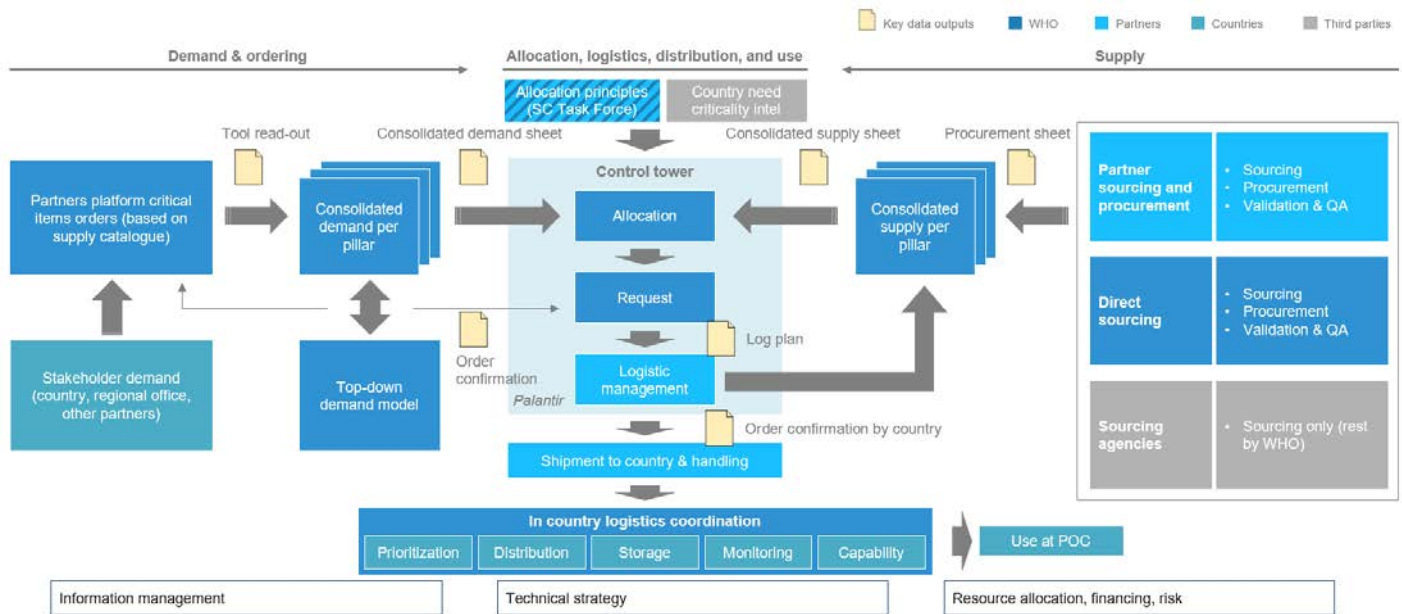
**Allocation:** Based on agreed principles (in development), essential supplies will be allocated to requests daily, against the uploaded demand from countries. The allocation strategy will be reviewed weekly, with input from WHO on current epidemiology and risk factors, including sudden changes. Also considered are changing logistics realities, such as ad-hoc access opportunities for hard to reach countries.





**Warehousing and distribution:** Allocated supplies will be shipped to the country drop-off point. The WFP will leverage their logistics system to ensure timely and safe delivery despite increasingly disturbed supply chains. The WFP may leverage other parties as needed.

**Country implementation:** Countries need to get essential supplies quickly to the point of care and ensure effective use with support from UNCTs. The WHO regional and country offices will support countries on prioritization, distribution, storage, monitoring, and capability building.



### CSCS implications for stakeholders

**Countries, partners, and regional offices (buyers).** By integrating multiple supply sources, harnessing pooled procurement, leveraging the WHO’s technical expertise, the logistical network of the WFP, the procurement capabilities of partners like UNICEF, the CSCS will bring availability, affordability, and quality benefits to buyers. Buyers registered with the CSCS are free to procure elsewhere but must report such procurements. If buyers receive supplies outside of the CSCS, these will be deducted from future allocations to ensure equitable access.

**Partner agencies, suppliers, or intermediaries:** All procurers and suppliers of COVID-19 essential products are invited to join the CSCS and benefit from targeted financial and risk instruments (e.g., forward buying, volume guarantees), a broad platform of buyers and, in the mid-term, demand outlooks. Thanks to the WFP, the CSCS can facilitate the logistics of goods provision despite interrupted supply chains.

**Regional offices, country offices:** The CSCS will take care of logistics up to the point of delivery to countries. Regional / country offices should support countries to ensure delivered supplies are used effectively for the benefit of patients, incl. assessing and assisting countries as needed with in-country prioritization, warehousing, distribution, and training as needed. The central WHO CSCS team will collaborate closely to provide support and guidance where possible.

The day to day operations of the CSCS will be managed through the Supply Chain Inter-Agency Coordination Cell under the overall guidance of the Supply Chain Task Force.



### The Supply Chain Inter-Agency Coordination Cell

The Supply Chain Inter-Agency Coordination Cell (SCICC) has been established to ensure a coherent operational response and a 'line of sight' to supply chain requirements for the COVID-19 response.

The SCICC reports to the COVID-19 Supply Chain Coordination Task Force.

#### OBJECTIVES AND ACTIVITIES

The SCICC aims at improving information and coordination of operational activities, market assessments and operational needs for the COVID-19 response.

The SCICC is in charge of the following:

- **Information Management and Reporting:** Collect, analyze and disseminate information to support strategic guidance, operational decision-making, and overall monitoring of the response and ensure regular reporting to the UNCMT on behalf of the SCTF;
- **Data Analysis:** Demand modelling, forecasting and aggregation of critical supplies requests;
- **Supply Chain Operations:** Utilizing the combined committed resources of all parties, ensure that supplier delivery schedules are integrated into the logistics and distribution systems, and that delivery sequences and priorities are met;
- **Allocate** based on demand consolidation, supplies available, agreed allocation principles and current logistics situation
- **Secretariat:** Provide the necessary support to the Task Force including by convening the Supply & Markets Working Group, draft minutes and prepare relevant documentation.

WHO will lead the prioritization and destination for medical equipment, and WFP will lead on implementation of the prioritization and manage the infrastructure, assets and services for the supply chain system.