

# European Commission United Nations Development Programme International IDEA

Karen Hong Procurement Support Office/UNDP

Joint Training on Effective Electoral Assistance UNDP Electoral Procurement: The Big Picture

> DAY 5 Bruxelles, 05 Decembre 2008



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□To explain the organizational structure of UNDP/Procurement Support Office (PSO)

□To explain the general principles of UNDP Procurement

□To create awareness on the multiple challenges in UNDP's Electoral Procurement











•The volume of UNDP procurement tripled to approximately \$2.5 billion over a three-year period

• It is no longer perceived as a back-office, but rather a mission-critical and strategic function in ensuring development results for the organization.

•Procurement is having a much larger scope than generally acknowledged!





# **Partial Merger of UNDP/IAPSO**

- □ IAPSO ceased to exist from 1 Jan 2008
- □ Part of IAPSO's functions merged into UNOPS
- Remaining part merged to strengthened UNDP PSO (Procurement Support Office)
- □ Former OLPS split into PSO and LSO









### **Merged into UNOPS**



**UNWEBBUY** e-procurement system

□Service for procurement of "common user" items such as vehicles, IT equipment etc

**UNGM web-portal and centralised vendor database** serving UN agencies and vendors



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# **Retained with PSO**



Strategic procurement specifically in support of key UNDP Practice areas of:

- Elections support
- Global Funds to Fight Aids, TM
- Crisis Prevention and Recovery

High-level Committee on Management (HLCM) Procurement Network Secretariat

□ Training







The following general principles must be given due consideration while executing procurement on behalf of UNDP:

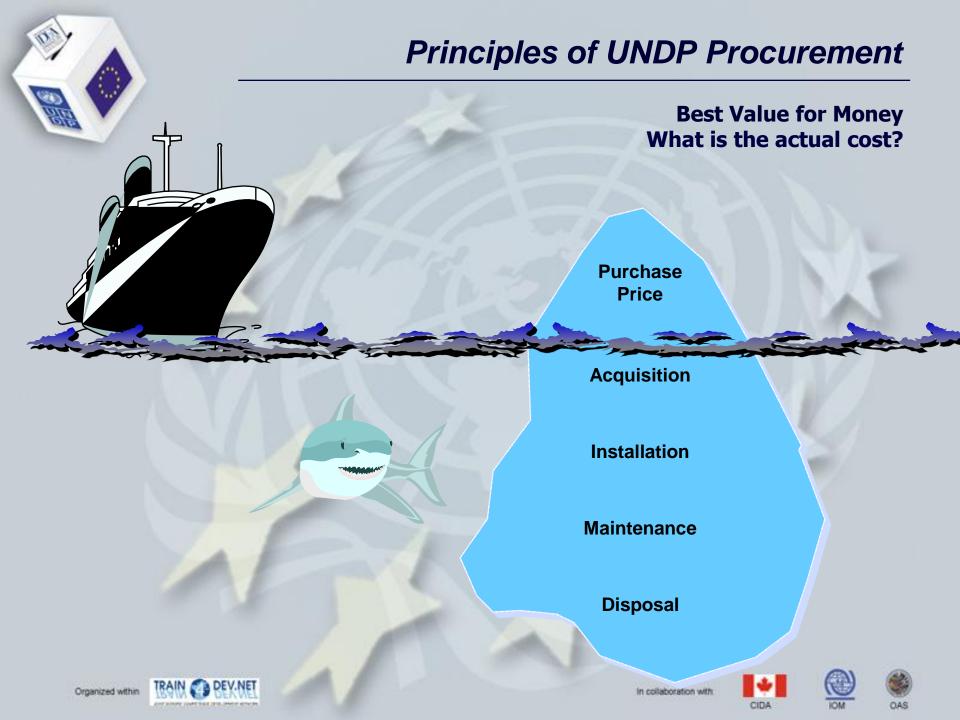
- o Best Value for Money
- o Fairness, Integrity and Transparency
- o Effective International Competition
- o In the interest of UNDP













**Effective International Competition: Types and implication on lead time (excl delivery time)** 

Tender Methodology	Application	Lead time						
If Long Term Agreements (LTA) does not exist								
RFQ – Request for Quotation (Goods/Services)	< USD 100,000	1-3 weeks						
ITB - Invitation to bid (Goods)	> USD 100,000	10-12 weeks						
RFP – Request for proposal (Services)	>USD 100,000	12-16 weeks						
Where LTA exists								
LTA – Long term agreements	Where they exist	1 – 4 weeks						





CIDA





### Commonly procured goods and services –

### the Electoral Cycle approach







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Au	dits &	Reform	Constitution & legislation		Staffing	
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Security	Day			Education Trai	ning of election	officials
Polling Forms		Electoral		Traini	ng of civic & vo	iter
Embassy voting & out-of-country	ry voting (	Campaign	Voter Registration	educa Mat	tors erials/announce	
Counting Centres	Party liais monitoring		Party & Candida VR equipm/mat	te services (TV, erials/announce	radio, press) ments	
	Ballot lottery, design, production, logistics		Data Entry Centre, hardware, software			
	plaints mechanis	m	Observers & ac Data processin	g, VR list & ID ca	rds (DM	OAS CAS



### **Procurement within an Electoral Cycle**

HOW? - Focus on what is core

#### PARTNERS

#### **Access Expertise**

 Access best practice and skills •Flexible based upon needs Pay as you use
Reduce fixed cost of UNDP Consistent approach Provides quality assurance

> GOVERNMENT **SYSTEMS**

 Increase government capacity Develops local ownership Allow exit strategy Reduce cost to UNDP



UNDP

Core to UNDP

 Allows UNDP to focus efforts Improve service delivery Utilise specialist skills and expertise •Strengthen comparative advantage

OUTSOURCED

#### Work with UN agencies

 Core to their mandate Utilise skills and expertise Increase joint working
 Retain 'not for profit' benefits Provides international coverage
 Reduce fixed cost to UNDP

WITH EXPERTISE







SUPPORTING



### **Procurement within an Electoral Cycle**

**Procurement Oversight** 

Key purpose is to mitigate risks

 Provided for in UNDP through the Financial Rules and **Regulations and Procurement Manual as part of Internal Control** Framework - 'Checks and Balances' in action via strong segregation of duties

 Avoid a closed loop circuit – a process does not begin and end with one person or group

In practice? Done in many levels/stages of the procurement chain

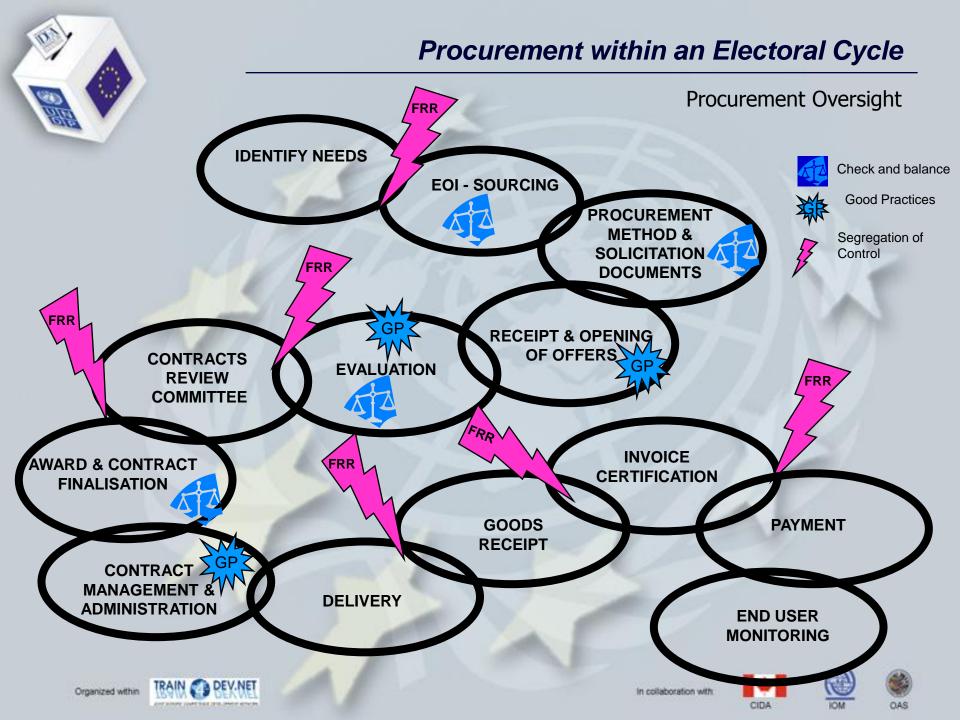


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### **Elections Procurement – Challenges**

#### **Structural Arrangements in place**

- Independent Electoral Management Bodies (EMB)
- EMB with a permanent structure or is it a shell?
- Human Resources in EMB and UNDP (bodies or technical experts?)
- Procurement Structure in EMB and UNDP

#### **Supply Market Distortion**

- Political lobbying lead to prejudicial outcome of the tender process, market distortion
- Some commodities are very simple but limited specialized suppliers.
- Affects cost, best technical solution, undermined the procurement entity

#### **Insufficient Budget**

- Lead to sub-optimal goods and services being purchased
- Several ad hoc procurement exercise as patch work solution



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### **Procurement within an Electoral Cycle**

### **Risks and Challenges – From the** perspective of a UNDP Procurement Officer







### **Elections Procurement – Challenges**



#### Inflexible deadlines

- Often use by critical stakeholders as a tool to exert pressure on the procurement agent

- Cause serious value for money predicaments i.e. need to airfreight, create artificial single source situation

#### Incomplete or Late Technical Specifications and ToR/Request for assistance

- Creates small margin of error. Remedy action limited

- Creates ambiguity, a situation suppliers can manipulate and difficult for procurement agent to disqualify

- Can result in the wrong supplier being selected











### **Elections Procurement – Challenges**

### National ownership, capacity and infrastructure

- EMB may not be ready, not created yet or simply lack capacity
- Capacity is not just one-off training
- Are policy frameworks, systems & tools, procedures, understanding of budget exis
- Leadership?
- Some developing countries are challenged logistically i.e. DRC, G-Bissau, Afghani

#### **Reputational risk**

- To EMB, UNDP and the donor community

- The media and certain stakeholders may misrepresent the procurement actions (perception vs. reality)









#### **Unrealistic Expectations**

- By stakeholders on the Procurement Rules & Regulations to deliver
- Ill-informed of the market response time and structure

#### **Technological Innovations and Sustainability**

- Over-focus on traditional products i.e. poloroid cameras, silver nitrate ink
- Innovation in the market place was not embraced

#### Cost of high-tech solutions and sustainability

- Cost of Voter Registration without logistics factored in could go up to US\$1.78.
- Could create unrealistic benchmark for some countries.
- Creates negative perception if this is not repeated in subsequent elections
- Could be a one time event with little synergies into a wider institutional plan











### **Elections Procurement – Solutions**

#### Seek advice early

- First and foremost be aware that emergency ambulance is available!
- Make informed decision

#### **Integrate procurement into project formulation**

- Include procurement opinion/s into project formulation
- Create a post for Procurement Officer in the PMU

#### **Procurement tools + Innovation**

- Procurement plans to establish realistic timeline
- Long Term Agreement (LTA) to create efficient procurement, expedite delivery, control unrealistic price/build economy of scale
- Explore innovative options i.e. better/new products, leasing options, total outsource, synergize with other civil activities

### **Respect for code of conduct**

Play fair – suppliers and EMB

### Be realistic with the budget

Tools available via the EC Methodological Guide and CORE guideline













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## **Thank You**



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### Discussions







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