



# **European Commission United Nations Development Programme International IDEA**

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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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# *Objective*

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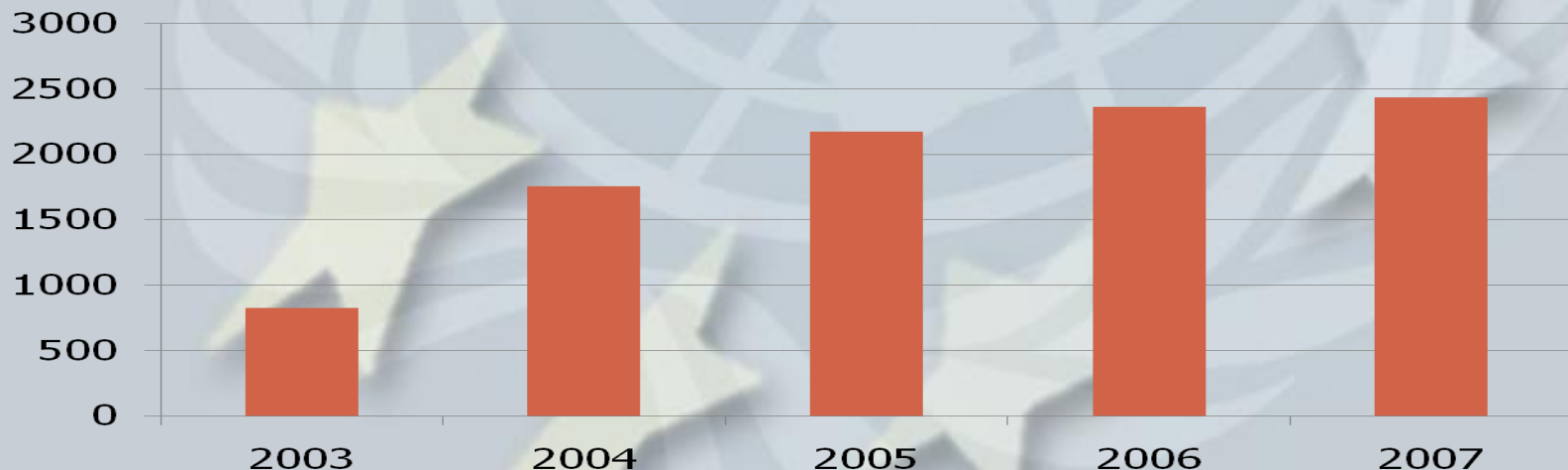
- ☐ To explain the organizational structure of UNDP/Procurement Support Office (PSO)
- ☐ To explain the general principles of UNDP Procurement
- ☐ To create awareness on the multiple challenges in UNDP's Electoral Procurement



# Overview

- 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!

Procurement Trend (USD Mil)





# ***Partial Merger of UNDP/IAPSO***

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- ☐ **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*

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- ☐ **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**



# *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





# *Principles of UNDP Procurement*

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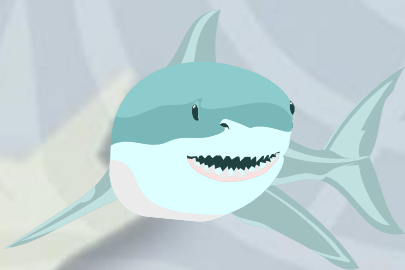
The following general principles must be given due consideration while executing procurement on behalf of UNDP:

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



# Principles of UNDP Procurement

**Best Value for Money**  
**What is the actual cost?**



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# Principles of UNDP Procurement

## 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



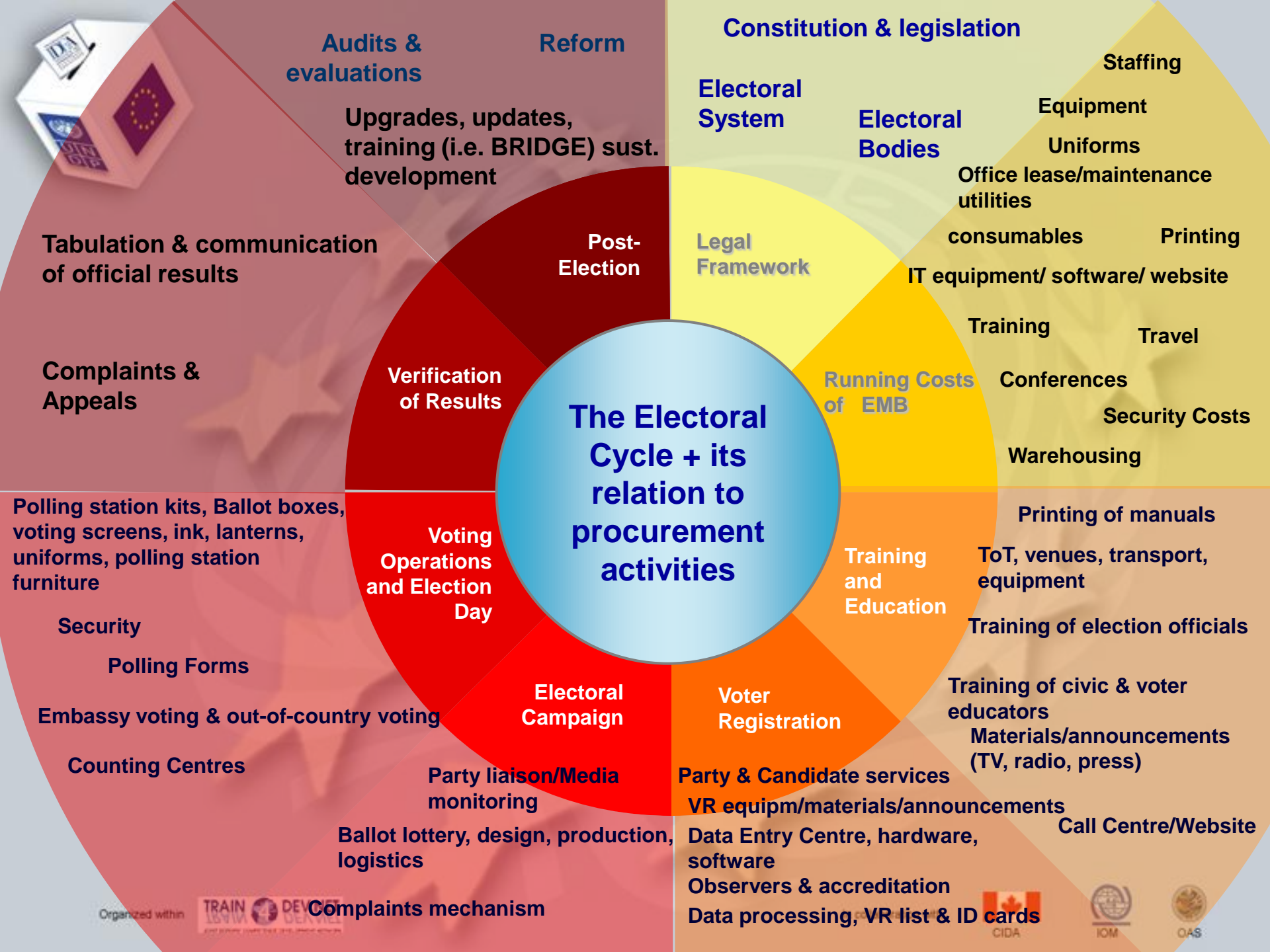
## **Commonly procured goods and services – the Electoral Cycle approach**

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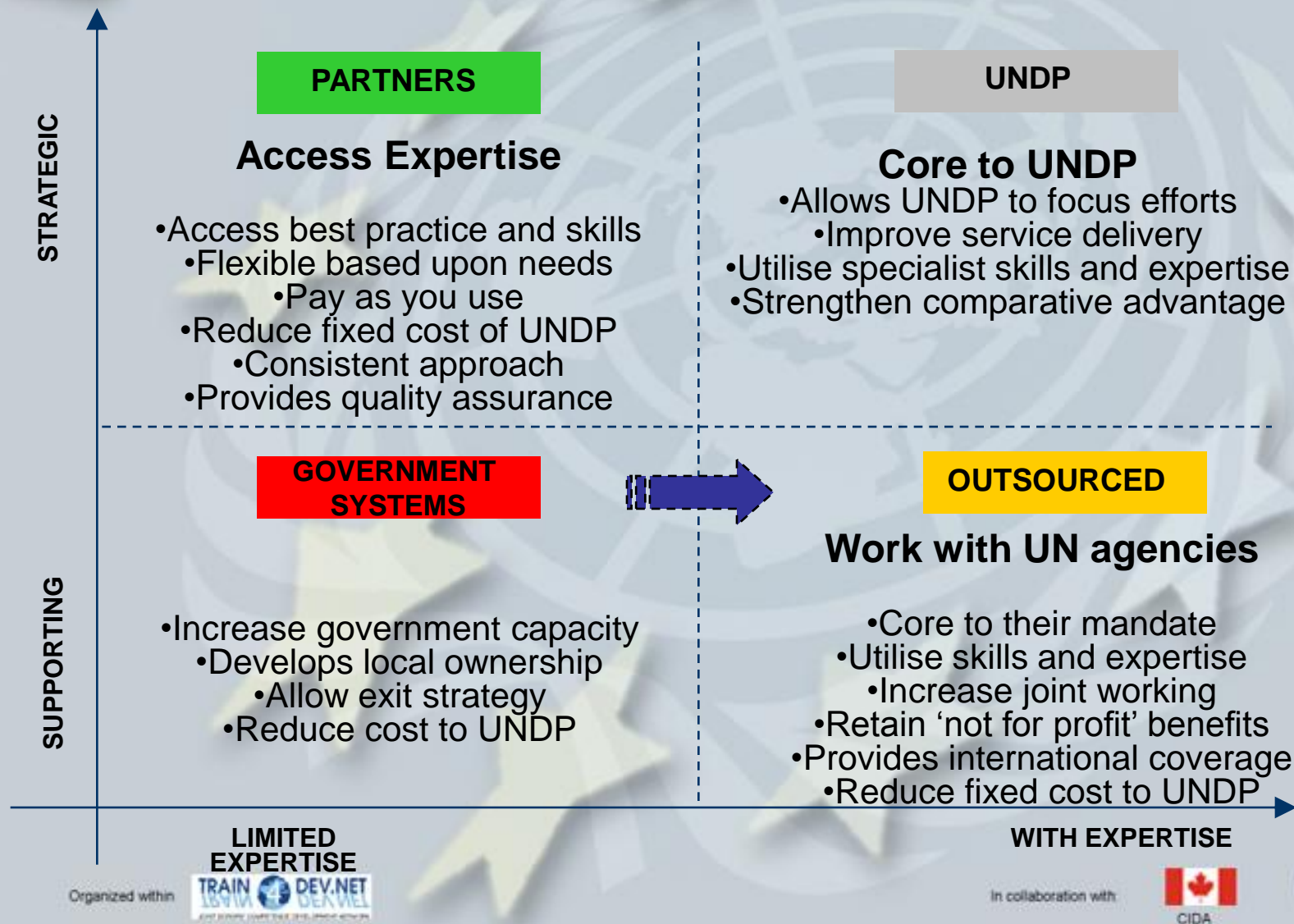






# Procurement within an Electoral Cycle

HOW? - Focus on what is core





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

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## **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?**

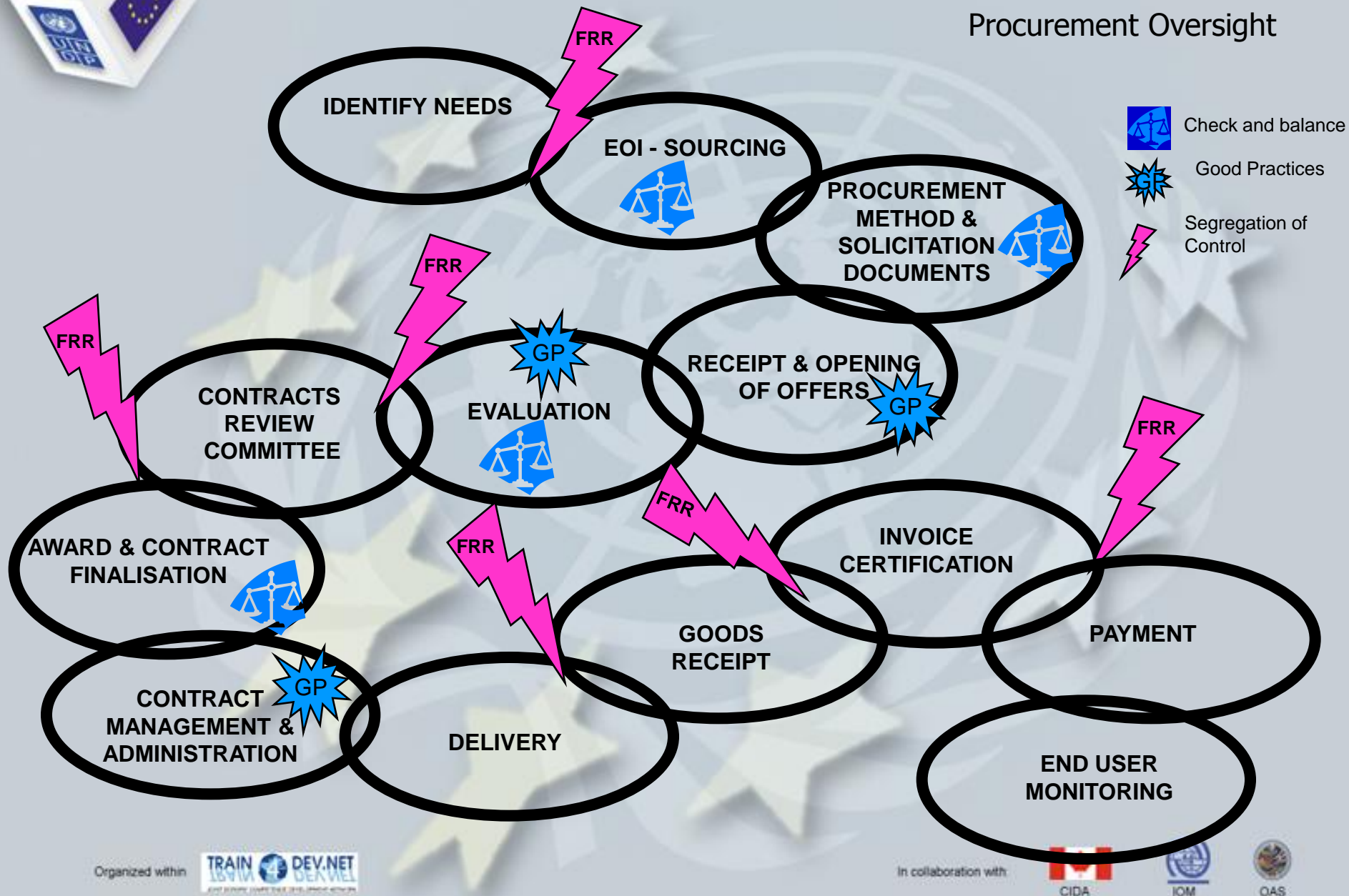
**Done in many levels/stages of the procurement chain**





# Procurement within an Electoral Cycle

## Procurement Oversight







# ***Elections Procurement – Challenges***

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## **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



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

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

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# ***Elections Procurement – Challenges***

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## **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***

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## **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 exist?
- Leadership?
- Some developing countries are challenged logistically i.e. DRC, G-Bissau, Afghanistan

## **Reputational risk**

- To EMB, UNDP and the donor community
- The media and certain stakeholders may misrepresent the procurement actions (perception vs. reality)





# ***Elections Procurement – Challenges***

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## **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***

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## **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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