



Introduction to the Procurement Support Office (PSO) in Copenhagen

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**UNDP - Procurement Support Office
Copenhagen, 29-31 October 2008**

Overview

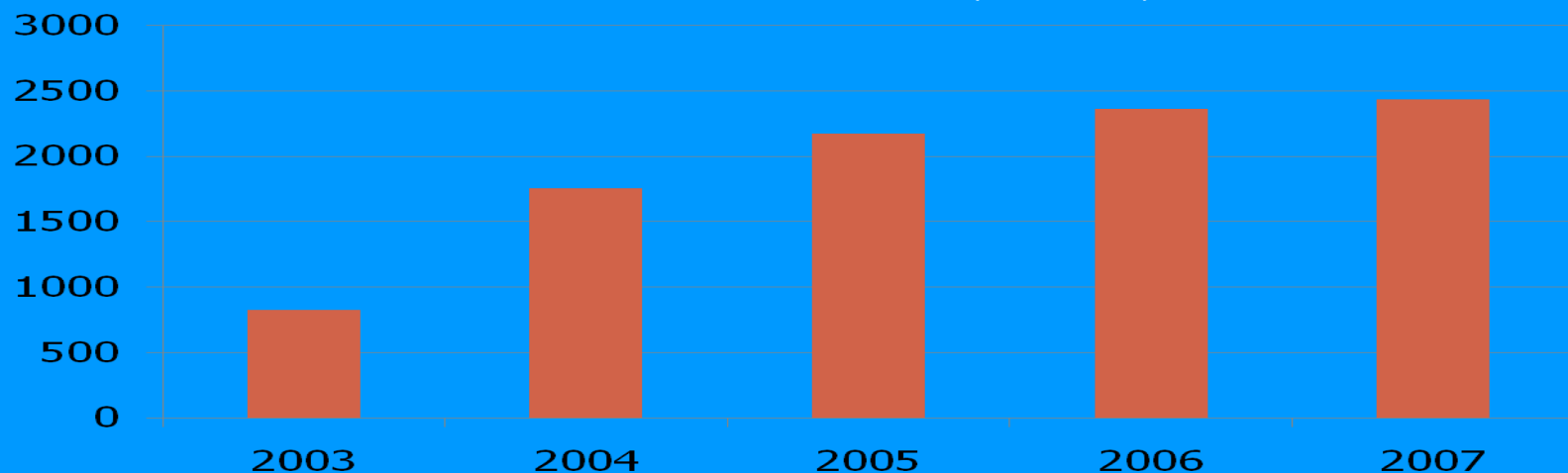


The volume of UNDP procurement tripled to approximately \$2.5 billion over a three-year period

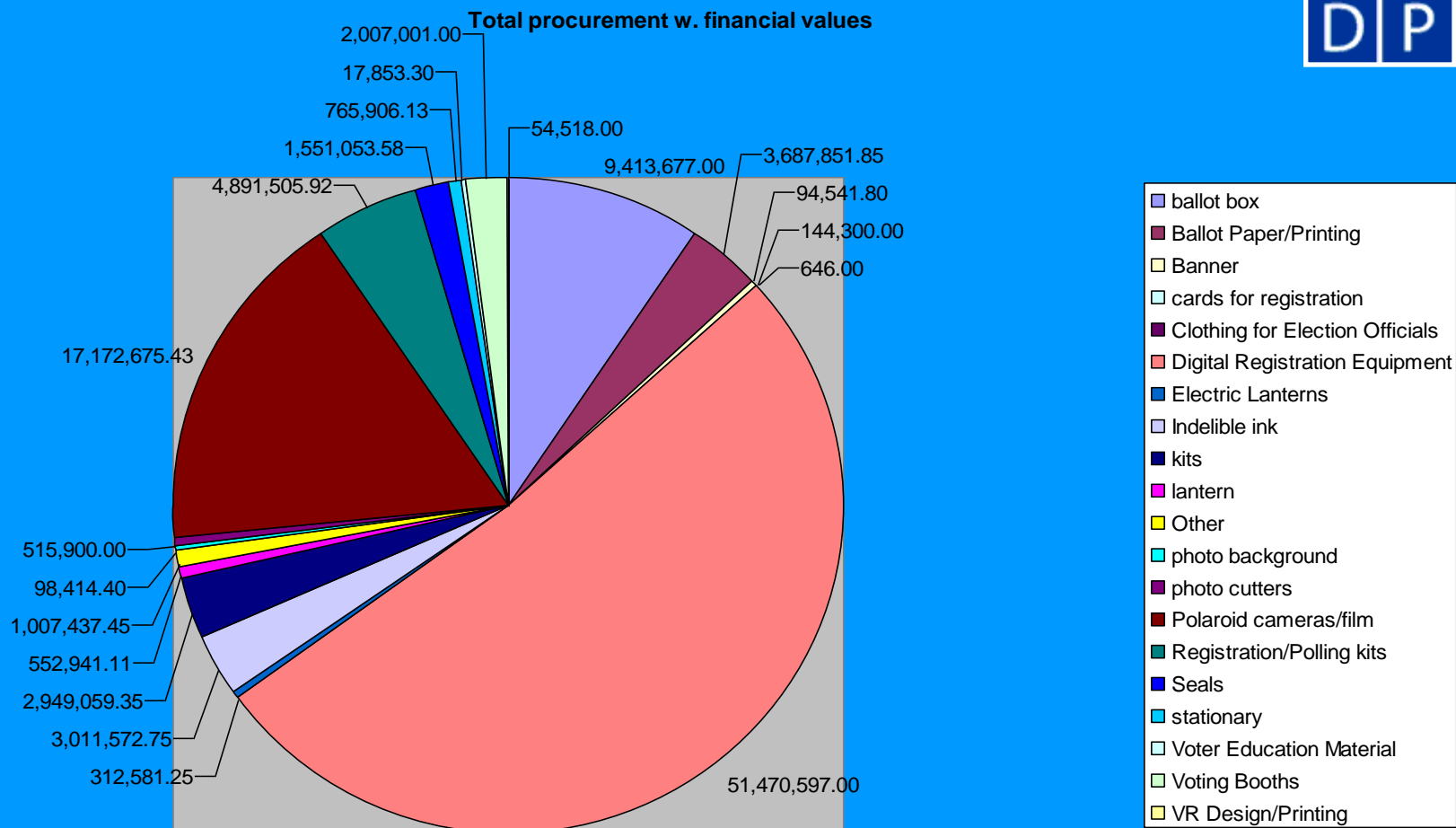
It is no longer perceived as a back-office, but rather a mission-critical and strategic function in ensuring development results for the organization.

Procurement is having a much larger scope than generally acknowledged!

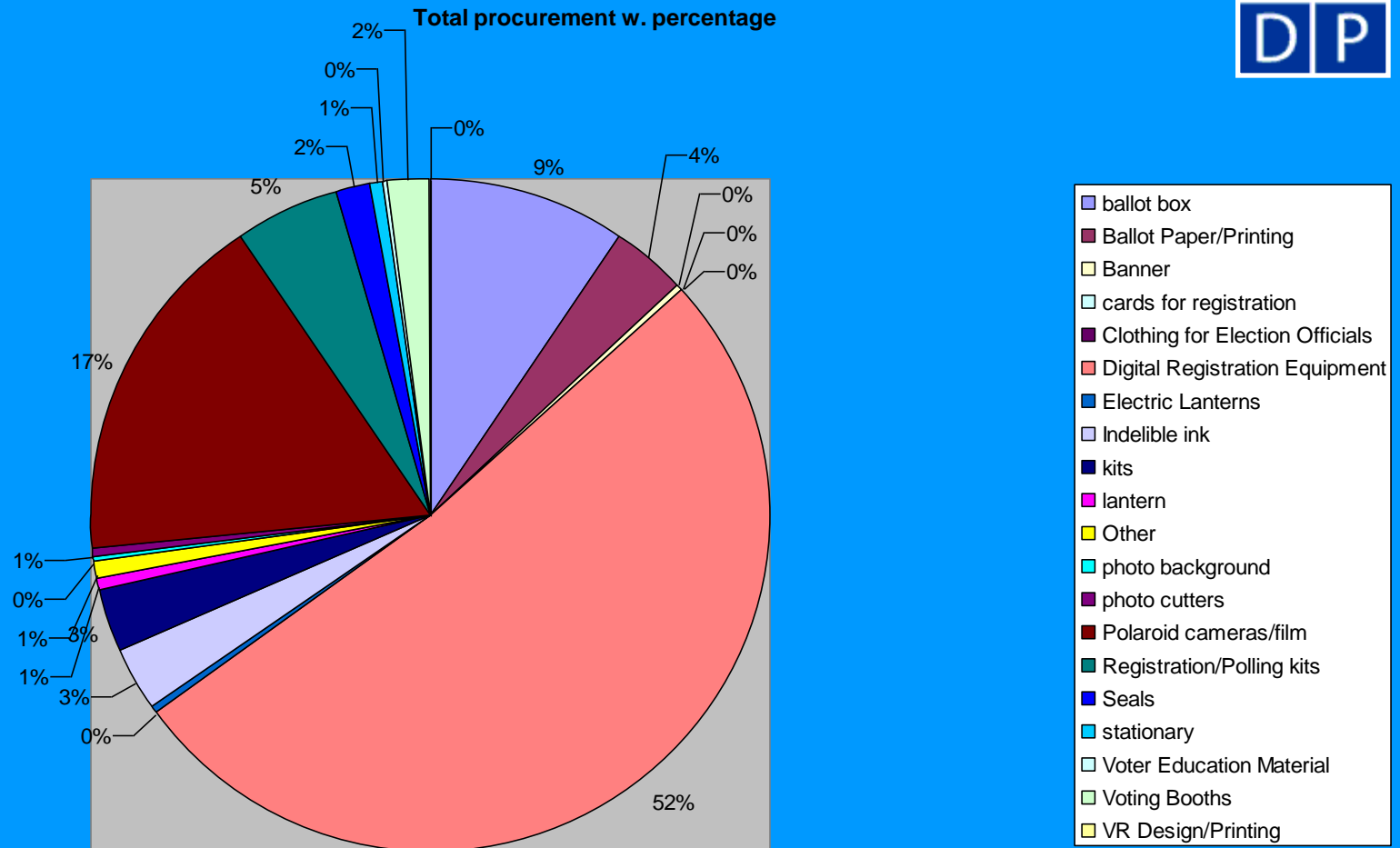
Procurement Trend (USD Mil)



Products procured by IAPSO & GPU 2004-2008



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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
- Former OLPS split into PSO and LSO

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Merged into UNOPS



- UNWEBBUY e-procurement system
- Service for procurement of “common user” items such as vehicles, IT equipment etc
- UNGM web-portal and centralized vendor database serving UN agencies and vendors



Retained with PSO

- Strategic procurement specifically in support of key UNDP Practice Areas:
 - Elections support
 - GFATM
 - Crisis Prevention and Recovery
- High-level Committee on Management (HLCM) Procurement Network Secretariat
- Training

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PSO Organisation and Focus



- Policy and Support, New York (NYC)
- Risk Management, Oversight and Quality Assurance
(RCPO and Professionalization/Training) NYC, Regional Centers and CPH
- Advisory Services (for Practice Areas) (CPH)
- Global Procurement Unit (CPH)
- High-level Committee on Management (HLCM) / Procurement
Network Secretariat (CPH)

PSO Electoral Support



- **Global Procurement Unit** : is the operational arm in providing direct procurement on behalf of COs that lack capacity or for strategic reasons (for a fee). The support could be purely on-line or supported with procurement planning missions.
- **Special Advisory Team** : acts as an independent advisory team to UNDP COs and provides advice and support on strategic planning, budgeting and on-site training, and seek appropriate integration between program and procurement. Support could be targeted exploratory, formulation and needs assessment missions and/or on-line support.

GPU/SAT - *How do we work together?*



- Performing market analysis (supply/demand/ stakeholders)
- Keeping abreast of technological innovations
- Developing efficient procurement strategies leading to long term agreements (LTA) for the most strategic and essential electoral materials
- Developing tools for procurement management
- Exploring leasing options/software development options
- Developing Standard Operating Procedures (SOP)



Across the units we aiming at increased focus on early 'Integration of Programme and Procurement'

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OVERVIEW OF CHALLENGES IN ELECTORAL PROCUREMENT

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OBJECTIVE

- To create awareness on the multiple challenges in Electoral Procurement

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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



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



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 framework, systems & tools, procedures, understanding of budget exist?
- Leadership?
- Some developing countries are challenged logistically i.e. DRC, G-Bissau

Reputational risk

- To EMB, UNDP and the donor community
- The media and certain stakeholders may misrepresent the procurement actions



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. Polaroid 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



Thank You



Discussions