

Procurement for Results

Strategy 2008-2001



UNDP's Vision for Procurement



... to be a fully recognized, end-to-end management practice, integrated into programmes and implementation modalities, and carried out by a cadre of highly qualified personnel, utilizing best practices to achieve value for money in the most cost effective and efficient manner, while minimizing risk, amplifying transparency and accountability, and fostering development results.

Procurement Strategy Priority Areas



1. APT Procurement to Support Programme Delivery
2. Partnering with Other UN organizations
3. Capacity Development

1) APT Procurement to Support Programme Delivery



Accountability

Professionalization

Transparency

Six Differences . . .

- (1) End-to-end management procurement function
 - Not an administrative function, but a managerial practice
 - Focus on planning, execution, monitoring and revision
 - Procurement strategies on all levels
 - Risk assessment methodologies
 - Establishing data and market intelligence
 - Vendor Management Systems

Six Differences . . .

- (2) Integrating Procurement Activities into Project Implementation Cycle
 - Procurement to be taken into account early in project cycle
 - Consider: strategy, market complexity, required competence and resources
 - Improved planning to manage risk

Six Differences . . .

- (3) Professionalization
 - Establish cadre of procurement specialists
 - Adapted to organizational procurement needs, global/local recruitment market and individuals' expectations
 - Accountable to CPO

Six Differences . . .

■ (4) Procurement Support and Oversight

- Increasing the level of support and advisory services
- Regional Advisors
- Target of 90% acceptance rate for first-time ACP submissions by 2011
- Established Specialized Advisory Services aligned to focus areas, ie. Elections, Crisis Prevention and Recovery, and GFATM.
- Oversight mechanism strengthened through segregation of ACP from PSO
- ACP extend through Regional Chief Procurement Officers chairing RACPs
- Accountable to CPO

Six Differences . . .

- (5) **Procurement APT in every activity**
 - Aim to maintain healthy procurement systems and reduce corruption
 - Applies to projects implemented by UNDP and also others
- (6) **Responding to Crisis**
 - Continues to present challenges
 - Priority to establish a regime for crisis responsiveness, incl. preparedness, SURGE and early recovery
 - Special focus on training experts

The Way Forward – 13 Steps

1. Delegation of authority

- Based on procurement requirements, i.e. capabilities and performance
- Identified by dashboard with key indicators
- Levels of authority to be adjusted accordingly

2. Realign and strengthen procurement function

- Greater support and monitoring
- Utilize regional and global units to undertake procurement where necessary

The Way Forward – 13 Steps

3. Procurement Planning

- By end of 2011
- Procurement plans for all significant procurement
- Advertising procurement plans to enable marketplace to respond more effectively, stimulate competition and result in better outcomes

4. Spend Analysis

- To follow planning
- Analysis data to result in development of LTAs, creation rosters for experts, etc.

The Way Forward – 13 Steps

5. Professionalization of Procurement Function

- Will define a career path
- Based on organizational needs, job competence requirements and levels of responsibility
- Will conduct in-house competence inventory
- Individual Procurement Certification Scheme
- Require at least one appropriately certified procurement practitioner at each business unit
- Training for non-procurement specialists

6. Filling vacant RCPO positions

- With training of all CAPs, RACPs and ACP at HQ

The Way Forward – 13 Steps

7. Regional Procurement Advisors

- Provide support and input in beginning

8. Transparency

- All information freely available to all stakeholders
- Enhancing existing information mechanisms
- Updating external webpage

The Way Forward – 13 Steps

9. Long-term Agreements

- Systematic Planning Analysis of recurrent goods and services
- Enhanced corporate arrangements to manage, communicate and use
- Conducted under leadership of PSO
- Agreements with development partners and other agencies to be concluded

10. Special procurement regime for crisis situations

- Partnership between BOM and BCPR
- Address procurement and unique needs in crises
- Focus on policy, systems, tools and expertise

The Way Forward – 13 Steps

11. Vendor Management

- Increased participation of vendors and suppliers in process
- Revamp vendor management system
- Rigorous checking and evaluation
- Formalize process around vendor eligibility
- Vendor protest mechanism
- More published information

The Way Forward – 13 Steps

12. **Constant Revision of Policies, Processes and Procedures**
 - Annual comprehensive exercise
 - Knowledge sharing through Practice Guides, Lessons Learned and SOP
 - Special attention to UNDP's Practice Network's Procurement Group
13. **Tools to Support Assessment and Oversight of NIM implementation**
 - Currently no framework to allow government entity to undertake procurement utilizing UNDP
 - Standardize approaches



Partnering with Other UN Organizations

- Leverage expertise
- Forge bonds with UNICEF, UNFPA, UNHCR, DPKO and WFP
- Focus on:
 - Support and part of Leadership in UN harmonization activities
 - Support and part of leadership in Delivering as One initiative
 - Secretariat support to HLCCM Procurement Network

Capacity Development

- Develop strategies where assessment indicates weaknesses
- Focus on:
 - Procurement Capacity Development Centre, BDP
 - Exit strategies for UNDP implementation



Criteria for Success – The 3 Cs

- Commitment
- Communication
- Constant Review

So What Does This *Really* Mean?



NO SURPRISES!



What else does it mean?

- No fundamental Change to UNDP Decentralized Business Model, ***BUT***
 - Focus out of UNDP Strategic Plan – no stand-alone procurement
 - Become systematic to approach – not *ad hoc*, nor just “local” – think Regional, Global & Partners
 - Become Professional - INVESTMENT
 - No “entitlements”-based authorities
 - Programming and Operations must work together

Finally



**Need to balance Capacity Development
with Direct Procurement Activities**