European Commission
United Nations Development Programme
International IDEA

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

DAY 5
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Objective

- 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!
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
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

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?

Purchase Price
Acquisition
Installation
Maintenance
Disposal
**Principles of UNDP Procurement**

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

<table>
<thead>
<tr>
<th>Tender Methodology</th>
<th>Application</th>
<th>Lead time</th>
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<tbody>
<tr>
<td>If Long Term Agreements (LTA) does not exist</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RFQ – Request for Quotation (Goods/Services)</td>
<td>&lt; USD 100,000</td>
<td>1-3 weeks</td>
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<tr>
<td>ITB - Invitation to bid (Goods)</td>
<td>&gt; USD 100,000</td>
<td>10-12 weeks</td>
</tr>
<tr>
<td>RFP – Request for proposal (Services)</td>
<td>&gt;USD 100,000</td>
<td>12-16 weeks</td>
</tr>
<tr>
<td>Where LTA exists</td>
<td>Where they exist</td>
<td>1 – 4 weeks</td>
</tr>
<tr>
<td>LTA – Long term agreements</td>
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Commonly procured goods and services –
the Electoral Cycle approach
Procurement within an Electoral Cycle

**HOW? - Focus on what is core**

**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

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

**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

**STRATEGIC**

**PARTNERS**

**SUPPORTING**

**GOVERNMENT SYSTEMS**

**LIMITED EXPERTISE**

**OUTSOURCED**

**WITH EXPERTISE**

**UNDP**

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- Focus on what is core

**Organized within TRAIN DEV.NET**

**In collaboration with**

- CIDA
- IOM
- OAS
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
Procurement within an Electoral Cycle

Procurement Oversight

- Identify Needs
- EOI - Sourcing
- Procurement Method & Solicitation Documents
- Receipt & Opening of Offers
- Evaluation
- Contracts Review Committee
- Award & Contract Finalisation
- Contract Management & Administration
- Delivery
- Goods Receipt
- Invoice Certification
- Payment
- End User Monitoring

Check and balance
Good Practices
Segregation of Control

- Procurement within an Electoral Cycle
- Good Practices
- Segregation of Control

FRR
GP
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
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 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

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
For further queries:

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Discussions