



UNDP PROCUREMENT FOR SUSTAINABLE DEVELOPMENT STRATEGY 2022-2025

UNITED NATIONS DEVELOPMENT PROGRAMME



UNDP Procurement for Sustainable Development Strategy

Prepared by the Bureau for Management Services (BMS) /
Office of Procurement (OP)

EXECUTIVE SUMMARY

International security threats, the COVID-19 pandemic, climate change, and natural disasters – compounded by global supply chain bottlenecks and shortages of food, health products, and financial crises – have had a significant impact on the way UNDP procures goods and services for itself and for the people it serves around the world. In this context, the UNDP's acquisition and grant-making function must continuously adapt to ensure that our procurement process is a strategic enabler for program delivery and operational effectiveness.

Innovation, digitalization, and new ways of development financing are the key enablers of UNDP's Strategic Plan 2022-25, which is the corporate vision of structural transformation, leaving no-one behind and building resilience. The UNDP Procurement for Sustainable Development Strategy builds upon and pursuant to UNDP's Strategic Plan 2022-25, by detailing a vision for procurement to enable and support UNDP's overall development goals and mandates.

The Procurement Strategy provides “fit-for-purpose” procurement solutions for UNDP projects and programs, advancing UNDP's Strategic Plan. The objectives of the strategy are as follows:

1. Providing “Fit-for-Purpose” Procurement Solutions
2. Enhancing Procurement Capacity Development
3. Mainstreaming Sustainable Procurement
4. Optimizing Procurement Services across Strategic Programmatic Sectors
5. Leveraging Digitalization for more Efficient Procurement Processes

When making UNDP their implementing partner of choice, development partners can expect:

- Access to the same high quality procurement services provided by UNDP's central, regional, and local procurement functions irrespective of geography.
 - A procurement agency for technical assistance and expertise in the areas of health, elections, crisis response, energy, environment, and construction.
 - The capacity to develop, in conjunction with programme staff, tailor-made solutions in emerging sectors.
 - Procurement services that center on sustainable production and consumption.
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PROCUREMENT AS AN ENABLER OF UNDP'S STRATEGIC PLAN

The UNDP Procurement for Sustainable Development Strategy (hereafter referred to as “The Procurement Strategy” or “This Strategy”) will position the Organization’s procurement function as a key enabler - realizing the corporate vision of structural transformation, leaving no-one behind, and building resilience.

With a procurement volume exceeding \$2.6 billion in 2021, UNDP consistently ranked among the top four procurers in the UN System¹ over the last five years - with the most diverse range of commodities being purchased, exceeding 3,000 categories. This purchasing power, coupled with its operational footprint in more than 140 countries, positions UNDP as the one of the largest providers of diverse goods and services to UN Country Teams. The UNDP procurement function leverages its presence and diverse offer of goods and services to provide a responsive and adaptable support architecture in service of the Organization’s programmatic offering.

This Strategy has a strong focus on procurement capacity development and links directly to the People 2030 Strategy in terms of implementing necessary qualification standards, learning opportunities, and the creation of a professional procurement cadre.

The implementation of Quantum and the digitalization of the procurement function will transform how UNDP does procurement and will lead to efficiencies and enhanced support to programme delivery, which is laid out in this Strategy.

The Bureau for Management Services (BMS) conducted a Review of the Procurement Function² in 2020, with the objective of ensuring that corporate strategies, policies, tools, and systems across cross-cutting management areas were well integrated and fit-for-purpose. The review developed recommendations to improve process efficiency and effectiveness to deliver greater value for money and improve oversight and governance of the procurement process. Four of these recommendations are addressed in this Strategy: Early oversight, Professionalization, Sector management, and the increased use of Long-Term Agreements (LTAs).

VISION

UNDP’s procurement function will enable #NEXTGENUNDP by providing “fit-for-purpose” procurement solutions that support increasingly complex UNDP projects and programs.

PRINCIPLES

The principles that underpin this Procurement Strategy are:

- Procurement is a key driver for international development.

¹ In 2021, the five top procurement agencies were in descending order: UNICEF, WFP, UNOPS, UNDP and the UN. (Annual Statistical Report on UN Procurement, www.ungm.org)

² UNDP Procurement Function Review, December 2020, by Deloitte.

- Procurement staff are international development professionals and can make meaningful contributions to designing viable development projects.
- The decentralized nature of UNDP provides an advantage; its purchasing power and geographic distribution allow it to meet partners where they are, with the Sustainable Development Goals as a central focus.
- Procurement solutions must be client-centric and collaborative throughout the procurement cycle.
- Procurement makes use of modern risk mitigation, risk prevention and risk monitoring strategies.

OBJECTIVES

UNDP's procurement vision will be achieved by:

| | |
|---|---|
|  <p>1. PROVIDING “FIT-FOR-PURPOSE” PROCUREMENT SOLUTIONS</p> | <p>Fit-for-purpose procurement solutions will be developed, harmonized with the corporate procurement architecture, and adapted to the needs of Country Offices, Regional and Central Bureaus.</p> |
|  <p>2. ENHANCING PROCUREMENT CAPACITY DEVELOPMENT</p> | <p>Procurement staff will be empowered to contribute to project design and implementation as international development professionals. The professionalization of the procurement function across the Organization will be strengthened through training and state-of-the art certification.</p> |
|  <p>3. MAINSTREAMING SUSTAINABLE PROCUREMENT</p> | <p>Sustainable procurement solutions will be scaled across UNDP's corporate procurement architecture, contributing to the wider Sustainable Development Goals Agenda.</p> |
|  <p>4. OPTIMIZING PROCUREMENT SERVICES ACROSS STRATEGIC PROGRAMMATIC SECTORS</p> | <p>Sector-led procurement will be optimized across select sectors to provide efficient and harmonized procurement services to Country Offices, Regional and Central Bureaus.</p> |
|  <p>5. LEVERAGING DIGITALIZATION FOR MORE EFFICIENT PROCUREMENT PROCESSES</p> | <p>Digitalization will be pursued to optimize the procurement processes, enabling consistent, efficient, and effective high-quality procurement services and strategic data-based decision making.</p> |



OUTCOMES

UNDP operates in a complex ecosystem, where competing priorities, needs and donor requirements demand a clear value-add from the Organization. As a partner of choice in procurement, UNDP will offer:



High-quality procurement services provided by UNDP's central, regional, and local procurement functions irrespective of location.



Access to technical assistance and expertise in areas such as health and pharmaceuticals, elections, crisis response, energy and environment, and construction.



The capacity to develop, in conjunction with programme staff, tailor-made solutions in new sectors.



Sustainable procurement mainstreamed across UNDP's procurement services.

An aerial photograph of terraced rice fields in a mountainous region. The terraces are carved into the hillsides, creating a series of concentric, wavy lines that follow the contours of the land. The fields are filled with green rice plants. In the background, more mountains are visible, shrouded in a light mist or haze. The sky is filled with soft, white clouds. The overall scene is peaceful and scenic.

1. PROVIDING FIT-FOR-PURPOSE PROCUREMENT SOLUTIONS



OBJECTIVE



1. PROVIDING “FIT-FOR-PURPOSE” PROCUREMENT SOLUTIONS

The strategy aims to provide fit-for-purpose procurement solutions, harmonized with a corporate procurement architecture and adaptable to the needs of Country Offices, Regional and Central Bureaus.

BACKGROUND, CHALLENGES AND OPPORTUNITIES

The procurement model of UNDP is decentralized, with about 90% of the procurement volume being managed by Country Offices, Regional Bureaus, and Central Bureaus, and about 10% being managed by the Office of Procurement (OP) in BMS.³ BMS/OP is also responsible for establishing Organization-wide procurement policies, procedures, as well as corporate tools and systems.

In this context, the focus will be on providing client-centered support that enables both harmonized and customized procurement services across Country Offices, Regional Bureaus, and Central Bureaus. The services also will be responsive to new programmatic challenges and development needs – ensuring they are fit-for-purpose while remaining compliant with UNDP procurement rules and regulations.

³ UNDP Procurement Function Review, December 2020, by Deloitte.



APPROACH

Considering the specific needs, strengths and opportunities in each Country Programme, the existing network of Regional Procurement Advisors (RPAs) will be leveraged to develop a structured approach for more effective two-way information flow, to and from BMS/OP, to and from Country Offices, Regional and Central Bureaus. This will help disseminate directly and promptly information on policies, procedures and systems, best practices, and other new initiatives. This will also capture Country Office and Central Bureau needs which would require the development of new tools, policies, and procedures.

Procurement support will be offered throughout the entire project and programme cycle, including the design stage. An early oversight review for all procurement processes, recommended by the Functional Review, will be a joint effort between Country Offices, Regional Procurement Advisors, and the Advisory Committee on Procurement (R/ACP). The early review will identify gaps and provide the opportunity to offer better solutions, strategy, risk management and quality assurance upfront prior to the sourcing process. It will also enable better assistance to projects and programmes in developing procurement solutions whose innovative concepts will not need to be vetted at the very end of the procurement process.

In recognition of the growing importance of the private sector in assisting the development community reaching the SDGs, and in line with UNDP's Private Sector Development and Partnership Strategy, BMS/OP will collaborate with Country Offices to align private sector programming with UNDP's corporate procurement architecture, and, where opportunities exist, to use its purchasing power to affect positive change on local suppliers in their efforts to support Agenda 2030.

ACTIVITIES

Develop a structured approach to engage in more effective two-way communication flow with Country Offices.

- Embed the RPAs in the five Regional Bureaus, who will continue to support Country Offices in finding innovative and adaptable procurement solutions to reflect their needs.
 - Ensure cross-regional knowledge transfer and coordination through the RPAs and provide strategic support to Country Offices and be engaged in capacity building initiatives. (See Chapter on Enhancing Procurement Capacity Development).
 - Institutionalize knowledge sharing of lessons learnt and best practices and establish a knowledge sharing platform.
 - Ensure feedback from Country Offices to be considered for new policy formulation in a timely manner.
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Support project and program design and early implementation phases (at CO, regional and HQ level with vertical funds) by reviewing feasibility of project designs from a procurement perspective. This will contribute to the right quality of goods, services or works being delivered on time, within an agreed budget.

Recognizing the complexity and the number of actors in the development community, support Corporate and Regional Bureau-led efforts to engage with International Financial Institutions (IFI) and other non-traditional donors and partners.



A smiling woman with curly hair, wearing a yellow shirt, stands in front of a green chalkboard. The chalkboard has faint, handwritten text in Portuguese, including "funções:", "2 pontos", and "a rota".

2. **ENHANCING PROCUREMENT CAPACITY DEVELOPMENT**



OBJECTIVE



2. ENHANCING PROCUREMENT CAPACITY DEVELOPMENT

Procurement staff will be empowered to contribute to project design and implementation as international development professionals. The professionalization of the procurement function across the Organization will be strengthened, including through providing training and state-of-the art certification.

BACKGROUND, CHALLENGES AND OPPORTUNITIES

Considerable effort has been dedicated to rolling-out the Chartered Institute of Procurement and Supply (CIPS)⁴ training programs, levels 2,3 and 4. Over the last decade, 3,000 UNDP staff have been CIPS-certified through courses provided by BMS/OP to receive accreditation as procurement professionals. In addition, BMS/OP offers thematic training programmes which are available to UNDP global procurement staff, in areas such as contract management, risk management, and ethics.

Despite these capacity building efforts, there are still procurement capacity gaps, with procurement capacity spread unevenly across Country Offices, Regional Bureaus, and Central Bureaus, which may affect overall programmatic performance and delivery. Procurement capacity gaps and needs will be identified and will support the professionalization of the UNDP's global procurement function.

⁴ Established in 1932, the Chartered Institute of Procurement and Supply (CIPS) is an organization that promotes best practice throughout the international supply chain and procurement profession. CIPS has a global network of over 200,000 members in over 150 countries. CIPS is the leading worldwide professional body for procurement and supply chain professionals.



APPROACH

Tailored learning and certification opportunities made available to all procurement practitioners and managers, programmatic stakeholders, and Government partners. To achieve this, partnerships with the leading professionalization institution in the industry, such as CIPS, will be pursued to provide qualifications tailored not only to the specific practices, procedures, policies of UNDP procurement, but also harmonized with best practices in the wider UN system and among Government partners.

The capacity of UNDP's global procurement function will be strengthened by closely aligning with UNDP's "People for 2030 Strategy" (Phase 2), which takes a comprehensive approach to progressively transform UNDP's culture and capacity to deliver more and better development results. The procurement capacity development approach will focus on enhancing strategic workforce management; building procurement capabilities and developing people; building a high-performance procurement culture; creating a rewarding career experience; and in sourcing, attracting, and retaining top talent.

UNDP will align with the ambitious competency framework for the procurement profession defined by CIPS in the "*Global Standard for Procurement and Supply*"⁵ Further analysis will be undertaken to analyze the procurement functions and refine the qualifications standards and capacities to allow procurement professionals to become international development professionals.

This capacity-building offer will align UNDP with the SDG Agenda and enable it to become the leading development partner in the domain of procurement capacity development, sustainable public procurement, and in combating fraud and corruption in procurement.

Enhancing procurement capacity will:

Support the SDG 2030 Agenda by building procurement capacities in support of sustainable development outcomes and innovation as envisioned in SDG Goal 12.7 (sustainable public procurement). BMS/OP has already developed and delivered SPP training programmes and will expand further in this domain in the coming years.

Extend critical procurement capacity development services to partner governments, supporting SDG Goal 16 (building strong institutions) by strengthening national procurement institutions.

Accelerate SDG Goal 16.5 (reducing fraud and corruption) in all its forms in public procurement systems by providing state-of-art procurement capacity development services to partners.

⁵ <https://www.cips.org/intelligence-hub/global-standard-for-procurement-supply>

ACTIVITIES

Building on current procurement capacity development programmes, and in collaboration with ORH, establish corporate requirements and standards for procurement practitioners across UNDP.

Continue providing basic level 2, 3, and 4 CIPS certification to Country Offices.

Develop and roll-out a new CIPS certification for levels 5/6, the “Professional Diploma in Procurement & Supply,” which focuses on sustainable procurement, circularity, and greening strategies. This will position BMS/OP as a practice leader within the procurement capacity development space in the UN system and with government partners.

Develop new training courses, such as training on sustainable procurement, sourcing of complex construction services, sourcing of complicated consultancy services, logistic and supply chain management, etc.

Provide specialized procurement training programs and entry-level training to Country Offices on UNDP specific procurement policies and procedures. In collaboration with OHR a mentorship program for procurement practitioners will also be established.

A man with dark hair, wearing a blue jacket, is standing in a greenhouse. He is looking up at a tomato plant, with his right hand touching a stem. In his left hand, he holds a tablet computer. The greenhouse is filled with rows of tomato plants, some with small yellow flowers and others with red tomatoes. The background is slightly blurred, showing the structure of the greenhouse.

3.

MAINSTREAMING SUSTAINABLE PROCUREMENT



OBJECTIVE



3. MAINSTREAMING SUSTAINABLE PROCUREMENT

Sustainable procurement solutions will be scaled across UNDP's corporate procurement architecture, with the design, adoption, and implementation of this process contributing to the wider SDG agenda.

BACKGROUND, CHALLENGES AND OPPORTUNITIES

Making a concerted effort and commitment to embed sustainability considerations into what, how and where we buy, as well as what happens to the goods we leave behind, is not just sound procurement policy – it is a broader promise to our partner countries.

As we are in the last decade of the 2030 Agenda, the role of public procurement is shifting towards becoming a critical partner and enabler of organizational sustainability. In this context, Sustainable Procurement (SP)⁶ activities reflect broader economic goals such as job creation, promoting technology innovation, and supporting opportunities for Small and Medium Sized Enterprises (SMEs), in addition to meeting the underlying principles of public procurement. On the environmental side, SP aims to factor in the environmental impacts of production and usage, like pollution and resource efficiency. On the social side, SP aims to integrate concerns around ethical sourcing, promoting fair employment practices, supplier diversification, following the principles outlined in the UN Global Compact, Guiding Principles on Business and Human Rights, and the SDG 2030 Agenda. Taking a supply chain perspective, SP due diligence measures further need to be applied throughout global supply chains, from commodity inputs to manufacturing and distribution, ensuring that lower-tier inputs are not contradictory to the principles of SP.

UNDP sustainable procurement efforts are linked to the UN Strategy for Environmental and Social Sustainability Management for the UN System (2022-30), which takes a comprehensive approach to sustainability integration, especially in operations. The UN Strategy scorecard includes an indicator on enhancing UN supplier due diligence management, highlighting how the UN procurement function can play a pivotal role in delivering the UN contribution to the SDG Agenda by aligning procurement policies and practices more firmly with the organization's development goals.

⁶ Sustainable Procurement (SP) can be defined as “a process whereby organizations meet their needs for goods, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organization, but also to society and the economy, whilst minimizing damage to the environment.” (UK Sustainable Procurement Task Force, 2006).



APPROACH

This strategy's sustainability approach is built on the "Waking the Giant" model⁷, adapted to an International Organization and addressing sustainability integration challenges across policy, organizational change, capacity building, and market development. While acknowledging that sustainability integration challenges persist at multiple levels, a key constraint for UNDP is meeting the capacity building and training requirements needed across the +3000 procurement categories delivered by UNDP. This challenge is exacerbated by the decentralized procurement structure in UNDP with limited sector-consolidation, leading to a multiplication of training needs. Another challenge relates to supplier readiness and absorption capacity in many countries where UNDP operates, coupled with a lack of legislation and infrastructure, such as recycling plants and charging stations.

This strategy aims to reconfigure UNDP's procurement function towards a sustainable service offering that is aligned with UNDP's programmatic development objectives. BMS/OP will further engage with other UN Agencies and IFIs, as well as Country Offices, Regional and Central Bureaus, to support UN-wide efforts to enhance sustainability integration across UN procurement operations.

BMS/OP has developed a Sustainability-weighted Procurement Portfolio Model⁸ for the purpose of identifying sustainability risks in UNDP's procurement portfolio for the purpose of developing sustainability guidelines for the categories which represent the highest risk.

⁷ The Waking the Giant implementation model identifies typology barriers across; the legislative framework; organizational change dynamics; capacity challenges at the practitioner level; and the readiness of the national supply markets to absorb sustainability requirements, overall highlighting the prerequisite conditions and opportunities for effective SPP rollout.

⁸ <https://www.oneplanetnetwork.org/knowledge-centre/resources/sustainability-weighted-procurement-portfolio-management-ppm-approach>

ACTIVITIES

Develop and implement SP guidelines for the top procurement risk categories and update sustainable procurement specifications to include mandatory and optional sustainability criteria in all templates. These guidelines will be disseminated on a searchable repository and supported with CO-specific training to ensure maximum impact.

Develop and implement a sustainable procurement action plan with sustainable procurement objectives and targets, clarification of responsibilities and accountabilities and a performance measurement framework.

Develop and rollout, in partnership with BPPS, a mechanism to manage the greenhouse gas emissions from freight forwarding LTAs and explore emissions reduction mechanisms across additional sectors.⁹

Include sustainable procurement related goals that are specific, measurable, attainable, relevant, and time-bound into the performance management agreements for procurement staff, as well as develop and distribute examples for key stakeholders of the procurement process such as local heads of procurement, programme managers and operations managers.

Implement SP training and awareness for procurement professionals and key suppliers on overall UNDP sustainability objectives and practical integration of sustainability guidelines.

⁹ BMS/OP will use current carbon costs standards and shipping distances between locations to calculate emission values for offsetting. The intention is to offset using the same mechanism as currently used for offsetting business travel.

A woman with dark hair tied back, wearing a grey turtleneck and a light-colored blazer with dark vertical stripes, is holding a tablet and looking upwards with a smile. She is standing in a large warehouse with high ceilings and industrial lighting. The background is slightly blurred, showing the structure of the warehouse.

4. OPTIMIZING PROCUREMENT SERVICES ACROSS STRATEGIC PROGRAMMATIC SECTORS



OBJECTIVE



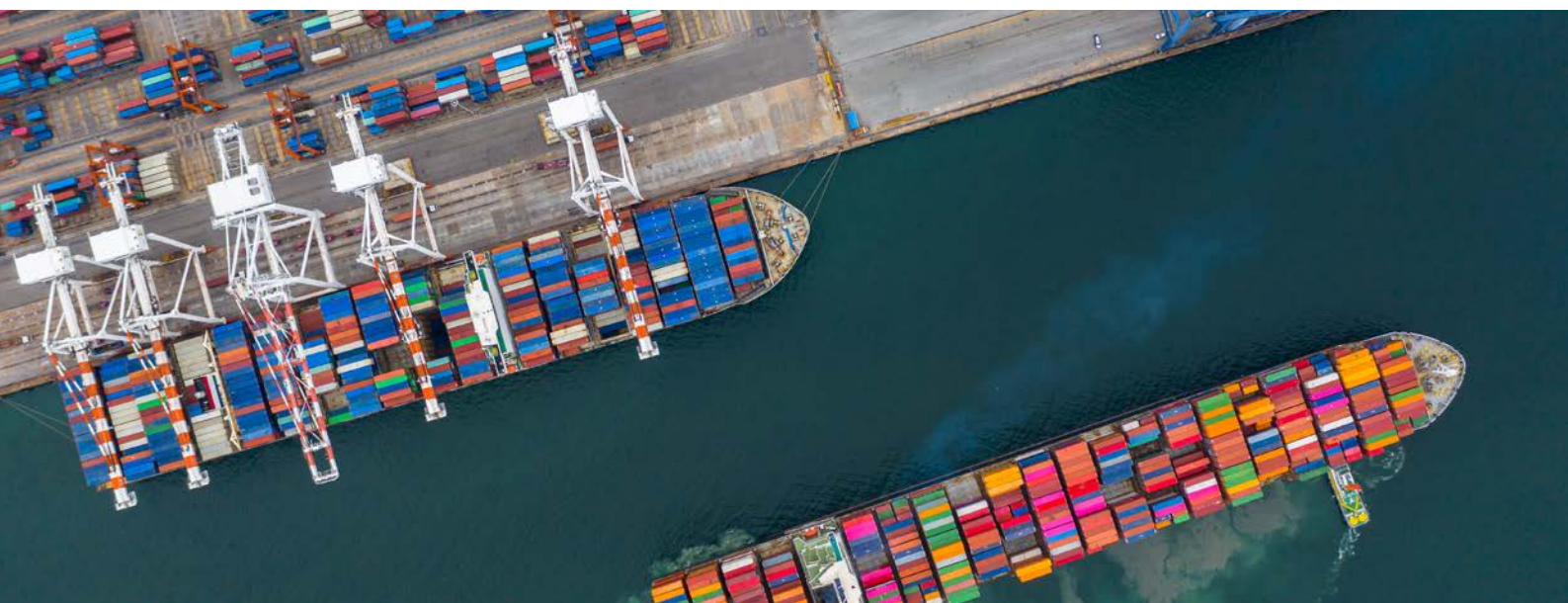
4. OPTIMIZING PROCUREMENT SERVICES ACROSS STRATEGIC PROGRAMMATIC SECTORS

This strategy aims at optimizing sector-led procurement across select sectors to provide efficient and harmonized procurement services to Country Offices, Regional and Central Bureaus.

BACKGROUND, CHALLENGES AND OPPORTUNITIES

To achieve economies of scale and ensure consistent quality assurance across its broad procurement portfolios, strategic and high-risk procurement sectors are being managed by expert sector teams in BMS/OP. The business case for providing these procurement services corporately has developed over time as a response to high demands for these services from Country Offices and vertical funds. BMS/OP currently provides on-demand procurement services for six strategic sectors: health and pharmaceuticals, environment and energy, crisis response, elections materials and identification systems, high-value IT projects, and vehicles. These teams have built up the technical expertise, quality assurance and risk management capacity to support and partner with Country Offices, Regional and Central Bureaus to deliver harmonized and quality assured procurement services to their government partners, benefiting from the reduction of purchase and transaction costs and shorter lead times, by leveraging corporately managed global LTAs.

This sector-led approach was confirmed during UNDP's COVID-19 response. UNDP procurement staff delivered support to +140 Country Offices, during a global stock-out situation, with significant quality assurance risks. As UNDP had already invested in quality assurance and risk management expertise in health, the Organization was able to scale this capacity as the crisis evolved, positioning UNDP as a key government partner in delivering critical COVID-19 PPE/medical equipment. The lessons learned from this highlighted the value of developing in-house technical expertise and quality assurance across strategic and high-risk procurement categories.



APPROACH

To extend the sector-led procurement model to new strategic sectors, BMS has reviewed the ten sectors identified in the Procurement Functional Review and found that the currently provided sectors are relevant, with data suggesting that additional sectors should be considered. BMS/OP also further consulted with the Regional Bureaus which confirmed the soundness of the identified sectors. The result indicated interest from Regional Bureaus in expanding procurement services for energy and environment, as well as creating a new strategic sector for construction.

In close collaboration with Regional and Central Bureaus, the sector-led procurement model will be optimized for existing strategic sectors, and this will be extended to others, by:

- Managing procurement strategies of selected strategic sectors.
- Executing strategic activities for these sectors.
- Establishing global and regional LTAs.
- Surveying market research and maintaining the 'pulse' on global sector trends/advances.
- Coordinating with BPPS on evolving program scope and delivery needs.

The expected benefits are:

- Reduced process cycle times for developing contracts and processing purchase orders.
- Enhanced adoption and visibility of LTAs across all Country Offices.
- Improved visibility and reporting of sector spend and forecasting.
- Improved operating efficiency and risk management.

The development of new LTAs will be conducted in parallel with the introduction of policies and guidelines ensuring the contract discipline needed to secure corporate-wide price savings, while optimizing operational effectiveness in line with delivery, quality, and cost considerations. The LTAs will also be introduced into Quantum which will ensure that all Country Offices, Regional Bureaus, and Central Bureaus to have equal access.

ACTIVITIES

Create procurement sectors for climate and construction.

Enhance the health procurement sector.

Launch new global/regional LTAs for high volume and value categories with potential for savings through economy of scale and standardization.

A woman with dark hair, wearing a red dress with a gold and white pattern, is sitting outdoors. She is leaning against a wall and looking at a laptop screen. The background is a blurred outdoor scene with greenery and buildings.

5. LEVERAGING DIGITALIZATION FOR MORE EFFICIENT PROCUREMENT PROCESSES



OBJECTIVE



5. LEVERAGING DIGITALIZATION FOR MORE EFFICIENT PROCUREMENT PROCESSES

Closely collaborating with corporate, regional, and local experts, this strategy will seek to leverage digitalization to optimize procurement processes, enabling consistent, efficient, and effective high-quality procurement services and strategic data-based decision making.

BACKGROUND, CHALLENGES AND OPPORTUNITIES

The decentralized nature of the UNDP procurement function, together with disparate and disconnected technology platforms and systems have led to inconsistent and inefficient process execution. This, in turn, results in longer process cycle times, higher costs, and increased procurement compliance risks. These system limitations also lead to poor data quality which limits UNDP's ability to use performance metrics to drive higher service levels. Additionally, the inconsistency in the execution of procurement processes results in longer lead times, higher cost, and increased procurement compliance risk.¹⁰

With the launch of Quantum, UNDP procurement staff will be able to use a common end-to-end platform for the entire procurement process and consistent application across Country Offices, Regional Bureaus, and Central Bureaus. This will enable the optimization of the procurement function and increase efficiencies, which will lead to accelerated delivery of UNDP projects and programmes.

Optimization will also ensure that procurement planning is consolidated, the right procurement strategy is established upfront, specialized and/or technical support, consultations and approvals are obtained as required in an automated workflow that replaces the traditional time-consuming manual processes. Significant efficiency savings and reduction in transaction burden will be achieved as the end-to-end procurement processes including communications with suppliers and other stakeholders can be made from any device, anywhere, and at any time. This will free up procurement talent to focus on more strategic initiatives.

¹⁰ UNDP Procurement Function Review, December 2020, by Deloitte.





APPROACH

This Strategy will aim to optimize the entire procurement process in collaboration with the procurement teams in Country Offices, Regional Bureaus, and Central Bureaus. The automated end-to-end procurement processes will lead to better spend visibility and timely data availability to enable strategic data-based decision making and reporting in procurement.

The benefits will be:

- Data-driven decision making as better trend analysis and analytics (e.g., risks, opportunities) will be available.
- A more strategic and pro-active business services function.
- Consistent and effective procurement process execution.
- Reduced process lead times and reduction of transactional costs.
- Increased monitoring and compliance with procurement rules and procedures.
- Increased quality of procurement data.
- Better contract management.

Stronger monitoring and compliance across the organization will involve significant changes where subject matter expertise is engaged for complex, specialist areas of procurement such as construction, ICT, innovative programme initiatives like GEF and GCF projects. This will facilitate the harnessing existing capability in the system to support business units, improve risk management, exploiting innovation and market opportunities, sharing lessons learned and best practices and drive a consistency of practice and decision-making that is currently lacking. It will also promote consistent implementation of new priorities and policy compliance, as inconsistencies will be easily detected and can be promptly addressed.

ACTIVITIES

Focus on implementing a culture change in procurement practices over the next 2-3 years, conducting trainings on Quantum, rolling out the remaining procurement modules in the system, updating the designs and continue to use the system to optimize the procurement processes.

Identify and address process inefficiencies and engage the necessary procurement and technical expertise to optimize the processes to accelerate delivery. This will establish the procurement function as a value-add service and business partner, as well as supporting development and management projects.

Identify and monitor planned vs actual procurement volume and spend categories and share these with Country Offices, Regional Bureaus, and Central Bureaus for monitoring of delivery.

OPERATIONAL ENABLERS

Building on the transformation enabled by UNDP's IT Strategy (2020), the People for 2030 Strategy (Phase 2) and the learnings of the Procurement Functional Review (2020), this strategy will be achieved by:

Developing a UNDP-specific brand as a procurement agency of choice for its development partners.

Innovating and transforming the way UNDP does procurement by utilizing the creativity, talents, and skills of UNDP personnel in Country Offices, Regional Bureaus, and Headquarters to develop and deploy modern procurement and supply solutions.

Deploying new and innovative ways of working using digital solutions, process automation systems, artificial intelligence, cognitive computing, and other intuitive news tools and technologies.

Developing new partnerships and financing models in line with the UNDP Strategic Plan, reaching out to clients and development partners in a more coherent way.

Creating state-of-the-practice, dependable and fit-for-purpose end-to-end delivery and supply solutions, which are client-centric and need, not process, driven.

Mainstreaming sustainable procurement throughout UNDP projects and programmes.

Meeting the increasing complexity of programmes by anticipating emerging needs and creating policy and oversight frameworks that raise to the challenge.



IMPLEMENTATION

The implementation of the Procurement Strategy will be governed and driven by the BMS Director in her capacity as Chief Procurement Officer (CPO) with the direct and day-by-day support of BMS/OP, headed by the Director of BMS/OP.

The Director of BMS/OP is responsible for the implementation of the Strategy and will report progress against indicators to ensure the expected results are delivered.





