



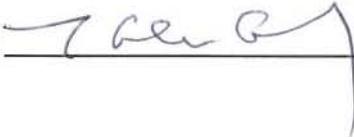
UNHCR

United Nations High Commissioner for Refugees
Haut Commissariat des Nations Unies pour les réfugiés

UNHCR/HCP/2014/11

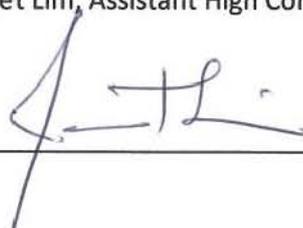
**UNHCR Policy and Procedures on Procurement by Partners
with UNHCR Funds**

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Approval date: 21/10/2014

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This and other official UNHCR Guidance is available on the Policy and other Guidance Page of the UNHCR-net.

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Purpose

1. The purpose of this policy is to revise and replace the existing guidelines on procurement undertaken by implementing partners (“Partners”) with UNHCR funds, to institutionalize simplified procedures for its application, and to align Partner procurement policies and procedures with UNHCR’s procurement policies and procedures.
2. Provisions and terms for entrusting UNHCR funds to a Partner for procurement are stipulated in the applicable Project Partnership Agreement (PPA) and are subject to the eligibility and application procedures set forth in this document.

Scope

3. This policy applies to all relevant PPAs that UNHCR concludes with all categories of Partners (United Nations, inter-governmental, local, national, regional and international non-governmental and other not-for-profit Partners).
4. The matter of direct procurement by UNHCR is not covered under the scope of this policy. UNHCR procurement guidance is provided in Chapter 8 of the UNHCR Manual.¹
5. Compliance with this policy is **mandatory** for UNHCR staff and relevant partners. Detailed procedures for the implementation of this policy are provided below under “Main Provisions and Procedures on Procurement by Partners”. **The attached Implementing Partnership Management Guidance Note No. 4 (Appendix 1) must be shared with Partners before concluding an agreement involving procurement by the Partner.**
6. This policy is specifically addressed to:
 - a) UNHCR regional and country Heads of Office, and supply, programme and project control officers in the field; and
 - b) UNHCR directors, heads of services and units, chiefs of sections, and supply, programme and project control officers at Headquarters.

7. Staff members (both international and national, in the field and at Headquarters) who are regularly involved in decision-making, planning, budgeting, procurement and project control activities are expected to be fully familiar and comply with all elements of this policy and the accompanying Guidance Note in performing their duties as applicable.

Rationale

8. Signing a PPA with a Partner for procurement indicates that UNHCR is of the opinion that procurement through such partnership brings added value to addressing the needs of refugees and/or other persons of concerns. This policy is therefore issued to:

¹ See UNHCR’s Intranet under [Executive Direction and Management > Official Documents > UNHCR Manual](#).

- a) simplify and clarify the applicable requirements for designating procurement of Goods and Services to Partners; and
- b) reduce risks inherent to procurement by a third party through alignment with UNHCR procurement policies and procedures.

Main Provisions and Procedures on Procurement by Partners

Prerequisites for Designation

9. Designation of procurement of Goods and Services to Partners must be limited to only those occasions and conditions when the Partner has a clearly proven advantage, such as awareness of local conditions, specific technical expertise, operational efficiency, cost-saving, or compelling urgency. The procurement of core relief items and vehicles is normally done centrally and not designated to Partners.

10. Procurement requirements must be anticipated well in advance and at the time of setting the operational plan and budgeting process. Usually, it is at this point of the operational cycle that a UNHCR office should determine what the supply requirements are and whether procurement should be undertaken through a partnership modality, in order to avoid delays in procurement, entering agreements, and negatively impacting operations and assistance of persons of concern.

11. Before designating procurement to a Partner, a UNHCR office is required to:
- a) Undertake and document a cost-benefit analysis to determine whether procurement by a Partner would have a comparative advantage;
 - b) Determine whether the approximate value of Goods and Services being procured requires that a Partner is pre-qualified for procurement; and ascertain the Partner has valid status of Pre-qualification for Procurement, if the value of procurement is above USD 100,000;
 - c) Ensure that the requirement for procurement specifications be included in Call for Expression and assessment of procurement capacity of the Partner forms an essential component of the Partner selection criteria for project implementation;
 - d) Detail the procurement requirements in the PPA and supporting project procurement plan;
 - e) Monitor procurement activities by the Partner to achieve value for money and ensure compliance with the PPA and Guidance Note No. 4 (attached as *Appendix 1*).

12. Previously, approval by a Committee on Contracts was required to designate partners to carry out procurement. This is now replaced by the approval to designate procurement to a Partner by the Head of Office and the selection of Partner by the multifunctional Implementing Partnership Management Committee.² This approval will streamline the process, enhance accountability, avoid disputes between UNHCR and the

² See for more details: [IOM/052-FOM/052/2013](#), *Selection and Retention of Partners for Project Partnership Agreements*, dated 30 July 2013.

Partner after signing an agreement, and reduce overall risks inherent to procurement by third parties.

13. The appropriate approval for designating procurement to a partner must be obtained by the supply officer and programme officer (or two other authorized staff in absence of these officers) countersigning the form in *Annex 1*, and having it approved by the Head of Office. This must be done prior to engaging a Partner in procurement and before signing the PPA.

Partner Eligibility

14. A Partner must meet the following requirements to undertake procurement of Goods and Services in support of project implementation:

- a) Have been selected through the process of Selection/Retention³ of Partners;
- b) Have assessed capacity (potential or availability of human and logistics resources for undertaking procurement at the required scale) and demonstrated experience in undertaking effective and efficient procurement of similar size, specification and within same (or similar) operating environment;
- c) Have applied and obtained Pre-qualification for Procurement status⁴ if the procurement value is above USD 100,000 under one PPA;
- d) Enter into a PPA and comply with its terms and provisions and the attached Guidance Note No. 4;
- e) Comply with the terms of procurement as detailed in the attached Guidance Note No. 4;
- f) Agree to consult with UNHCR on procurement activities, and seek guidance in case of unforeseen situations that affect the planned procurement; and
- g) Have clean project audit opinions and verification results related to procurement activities, as applicable.

Pre-qualification for Procurement of Partners

15. To obtain Pre-qualification for Procurement status, the Partner must apply directly to the Procurement Management and Contracting Service (PMCS). The attached Guidance Note No. 4 provides the process for pre-qualification for procurement.⁵

16. United Nations system organizations and the International Office for Migration (IOM) are not required to obtain Pre-qualification for Procurement status, since they have adopted rules, standards, procedures and conditions for procurement similar of those of UNHCR.

³ [IOM/052-FOM/052/2013](#), see footnote 2 above.

⁴ Partners that are interested in applying for Pre-qualification for Procurement status, are given a two-year grace period to obtain the status, from the date of issuance of this policy. Those that have been awarded the status will retain it until its date of expiry.

⁵ A waiver for an exception to designate procurement to a Partner who does not have Pre-qualification for Procurement status must be addressed to the Controller, approved through PMCS.

Account Allocation

17. The allocation for procurement under the Project Budget of the PPA against the correct MSRP chart fields must be observed.

Terms and Definitions

18. Capitalized terms in this policy and procedures are defined in Section F of the attached Guidance Note No. 4.

References

19. This policy and its procedures should be read in conjunction with specific guidance on UNHCR's Enhanced Framework for Implementing with Partners, the applicable UNHCR's Project Partnership Agreement, and Chapter 4 and 8 of the UNHCR Manual. Such guidance may be accessed through the Intranet page relating to Implementing Partnership Management:

https://intranet.unhcr.org/intranet/unhcr/en/home/support_services/implementing_partnerships.html.

Monitoring and compliance

20. UNHCR staff and Partners are required to comply with this policy and its procedures. The UNHCR office (programme and project control, or other authorized staff, under the leadership of the supply officer) and the Partner must establish a joint plan to closely support and monitor implementation of the agreed terms and efficient delivery of Goods and Services.

21. When verifying procurement expenses and procured Goods and Services under a PPA, project control officers, supply officers or other authorized Staff may require on-the-spot and physical evidence, to verify that the Partner is in compliance with the terms of the PPA (including abstention from misuse, corruption and fraudulent activities while undertaking procurement).⁶ Auditors may conduct random checks for obtaining assurance that funds were spent for the right purpose.

22. Compliance with this policy will be monitored by the Controller and Director, Division of Financial and Administrative Management (DFAM), supported by IPMS.

23. The Director, Division of Division for Emergency, Security and Supply (DESS), supported by the Procurement Management and Contracting Service (PMCS), is responsible for the appropriate assessment and granting the Pre-qualification for Procurement status to applicant Partner(s) and for providing support to field operations on matters related to procurement.

⁶ See for more details: *Strategic Framework for the Prevention of Fraud and Corruption*, as issued through [IOM/044-FOM/044/2013](#) dated 8 July 2013, in particular paragraphs 60-63.

24. Bureaux, senior resource managers and desks are required to provide the necessary support and oversight to the country operations in their regions.

25. Close collaboration among UNHCR staff responsible for programme, project control and supply is essential to ensure effective compliance with this policy. The accountability, responsibility and authority for the correct application and implementation of this policy lies with:

- a) the Head of Office for authorizing the designation of a Partner to undertake procurement under a PPA, for approving the selection of the Partner, and for the signature of the PPA and procurement plans;
- b) the supply officer, in collaboration with programme and project control, for the assessment of value added of designating procurement to a Partner and of the adequacy of a Partner's capacity to procure, as well as for assistance in monitoring the Partner during implementation of project;
- c) the programme officer for the preparation of PPA, for assistance in the assessment of the Partner's capacity for procurement and performance monitoring of Partner during implementation, and for budgeting and allocating the correct amounts for procurement costs; and
- d) the project control officer for leading project monitoring and verification, for participating in the assessment of the Partner's procurement capacity, and for monitoring and verification of the proper allocation by the programme officer, assessment by the supply officer and expenditure by Partners.

26. Auditors and other authorized oversight entities may assess the extent of the application of this policy and the use of funds for the intended purposes by UNHCR and its Partners.

Dates

27. This policy is effective 1 November 2014. It will be reviewed and updated on 1 November 2019, to reflect operational needs and resource considerations, unless an earlier review or update is deemed necessary. PPAs signed prior to the effective date of this policy will remain in force until their expiry date.

Contact

28. The Procurement Management and Contracting Service (PMCS) may be contacted for technical aspects related to procurement and pre-qualification status (hqsmsipp@unhcr.org)

29. For any other matters relating to partnership management and application of the Guidance Note, the Implementing Partnership Management Service (IPMS) may be contacted (epartner@unhcr.org).

History

30. This policy and procedures supersede the previous “IP procurement guidelines” (English, December 2004; French, November 2001), and relevant paragraphs of Chapter 4 of the UNHCR Manual. The Guidance Note also replaces Section 6-1B-1 of Chapter 8 of the UNHCR Manual.

31. In addition, this policy supersedes paragraphs 26(e), 27(e) and 29(e) of the *Rules and Procedures Governing the UNHCR Committees on Contracts*,⁷ as approval by committees on contracts is replaced by the selection process done by the Implementing Partnership Management Committee.

32. This policy will be incorporated in UNHCR’s Enhanced Framework for Implementing with Partners, accessible on UNHCR’s Intranet under *Support Services / [Implementing Partnerships](#)*, and in Chapter 4 of the UNHCR Manual (revised edition forthcoming). The attached Guidance Note will also be made available on UNHCR’s public website at www.unhcr.org/supply.

Annexes

Annex 1 – Template/Form to Record Designation of Procurement to Partners

Annex 2 – Main changes

Appendix 1 – Implementing Partnership Management Guidance Note No. 4: Procurement by Partners with UNHCR Funds (*to be shared with Partners*)

⁷ As issued by [IOM/026-FOM/026/2013](#), *Rules and Procedures of the UNHCR Committees on Contracts (CoC) at Headquarters and in the Field* dated 10 June 2013.

Annex 1: Template/Form to Record Designation of Procurement to Partners

a) Assessment of Procurement Modality: whether procurement through partnership is more advantageous than direct implementation	<i>Brief description of cost-benefit analysis undertaken to decide partnership modality, and justification that partnership has value added or compelling operational necessities</i>	
b) Assessment of the selection of a specific partner to undertake procurement	<i>Brief description of the rationale for selection: the outcome of capacity assessment, pre-qualification, and IPMC selection process</i>	
	<i>Name of selected partner</i>	
	<i>Value and type of procurement</i>	
Assessed by UNHCR	Name	Signature/date
Supply Officer		
Programme Officer		
Project Control Officer		
Other designated staff		
Approved by Head of Office		

Annex 2: Main Changes

The following table provides a summary of the main changes relating to UNHCR's policy on procurement by Partners.

Changes reflected in the New Policy	Previous/superseded provisions, Chapter 4 and Chapter 8/Section 6-1)	Current Reference (UNHCR/HCP/2014/11)
Designation of Procurement to Partners		
Approval of Designating Procurement to Partner Increased and simplified due diligence	N/A	Para. 11
Streamlined process, aligned with recent guidance on the selection of Partners by the multifunctional Implementing Partnership Management Committee including procurement (IOM/052-FOM/052/2013)	Ambiguous role of Committee on Contracts in designating procurement to Partner	Para. 12
Clarity in roles and responsibilities within UNHCR and with Partners	No proper designated authorities and roles	Paras. 20-25
Partner Pre-qualification for Procurement Status:		
Clarity of definitions, process and procedures for pre-qualification and its differentiation from capacity assessment	Ambiguous and misleading terms	Appendix 1 – Implementing Partnership Management Guidance Note No. 4: Procurement by Partners with UNHCR Funds

Appendix 1: Implementing Partnership Management Guidance Note No. 4: Procurement by Partners with UNHCR Funds