



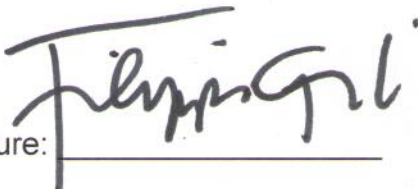
UNHCR

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

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Policy on Procurement

Approved by: Filippo Grandi
High Commissioner

Signature: 

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Contact: Head of Supply Management Service (SMS),
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1. Purpose

This Policy defines the overarching policy framework for UNHCR procurement, reconfirming the key principles guiding procurement, and setting the high-level objectives and key actions and standards to achieve them.

2. Scope

2.1. This Policy has global coverage, covering all procurement activities by UNHCR staff members and affiliate workforce (hereinafter “personnel”).

2.2. Procurement is defined as “*the acquisition through purchase or lease of real property, goods or services, including works (referred to as “purchase of goods and/or services”).*” For the purposes of this Policy, it does **not** include the hiring of individuals under an Affiliate Workforce Scheme or procurement conducted by Partners. These are governed by the respective [Human Resources](#) and [Partner](#) policies and instructions¹.

2.3. While this Policy is applicable to all members of UNHCR’s workforce, the primary target audience is:

- i. Representatives, Chiefs of Mission, Directors of Regional Bureaux and Divisions, and other senior managers overseeing procurement activities; and
- ii. All UNHCR personnel undertaking and/or involved in procurement.

2.4. Compliance with this Policy is mandatory.

3. Rationale

3.1. UNHCR conducts procurement activities in support of implementing its mandate. The scale of procurement has increased significantly in recent years, and a large part of the Organization’s annual budget is used for the procurement of goods and services. This requires efficient and effective procurement processes, the appropriate management of procurement activities, and the effective stewardship of related resources.

3.2. A clear understanding of the UNHCR Procurement Rules and Regulations is a prerequisite for efficient and effective procurement. In addition, there are various risks

¹ Pro-bono services and in-kind contributions are also not procurement actions as defined and regulated by this Policy.

related to procurement that must be proactively managed by UNHCR, including ethical and integrity issues.

3.3. Partnerships in procurement, particularly in the form of collaboration with UN entities, are gaining more importance and provide renewed opportunities that should be capitalized on by UNHCR.

3.4. This Policy reflects these key developments.

4. UNHCR's Procurement Framework

4.1 UNHCR Procurement Rules and Regulations

4.1.1. The [Financial Regulations and Rules of the United Nations](#) (UNFRR, ref. ST/SGB/2013/4) and its [Amendment](#) (ref. ST/SGB/2013/4/Amend.1), provide the overall regulatory framework for procurement and are complemented by the [UNHCR Financial Rules for Voluntary Funds](#). Together these form the basis for all UNHCR procurement processes as set out in this UNHCR Policy and in the Administrative Instruction on Procurement ([UNHCR/AI/2021/05](#)), the latter providing more detailed mandatory requirements, processes and procedures. Together these documents form the UNHCR Procurement Rules and Regulations, which should be read in conjunction with relevant parts of Chapter 8 of the UNHCR Manual (which serves as the repository of all processes, procedures, guidance and organizational structures).

4.2 Procurement Principles

4.2.1. Under Financial Regulation 5.12 of the [UNFRR](#), the following general procurement principles must be given due consideration when exercising the procurement functions of UNHCR:

- Best value for money;
- Fairness, integrity and transparency;
- Effective international competition; and
- Best interest of UNHCR.

Furthermore, the procurement processes and goods and services procured shall consider accessibility for persons with disability and follow Universal Design Principles². Technical specifications in tender documentation should, where possible, consider accessibility for persons with a disability so that products and services procured avoid creating barriers and promote equitable use.

² The 7 Principles of Universal Design include equitable use, flexibility in use, simple and intuitive use, perceptible information, tolerance for error, low physical effort and size and space for approach and use. Further information can be found at <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>

4.2.2. This means that UNHCR must conduct procurement that meets its **best interests**, and which ensures **best value for money**, appropriately balancing quality, time and cost. It does this by ensuring a **competitive** procurement process³, conducted **fairly, transparently, and with high levels of integrity**.

4.2.3. To ensure that UNHCR implements the Procurement Rules and Principles, the accompanying Administrative Instruction on Procurement ([UNHCR/AI/2021/05](#)) sets out detailed requirements, processes and procedures.

5. Key Objectives and Actions

This section sets out four key high-level procurement objectives that UNHCR is committed to and the actions and standards required to achieve them.

5.1. Objective 1: UNHCR's Procurement Actions, Contracts and Vendors are managed effectively and efficiently

To achieve effective and efficient procurement, all offices must ensure the following:

- i. Procurement Actions, which must be conducted following the required method of solicitation, are well planned between the Procurement Function and the Requesting Function. Poor or delayed procurement planning may lead to poor or more costly results, and thus harm UNHCR's ability to achieve the best value for money;
- ii. Procurement Actions are conducted in full adherence with the provisions outlined in the UNHCR Procurement Rules and Regulations (Section 4.1 above);
- iii. Appropriate segregation of duties is implemented across the whole procurement process;
- iv. Adequate levels of monitoring and quality assurance are applied throughout the procurement process;
- v. Procurement Review Authorities, including Committees on Contracts, are set up and exercise their responsibilities with integrity and in full respect of applicable rules and procedures⁴;

³ Unless an exception to the use of formal methods of solicitation is pursued in line with Rule 105.16 of the [UNFRR](#).

⁴ Please see [UNHCR/AI/2018/5/Rev.1](#) – Administrative Instruction on the Rules and Procedures of UNHCR Committees on Contracts at Headquarters and in the Field.

- vi. The Contract and associated Vendor(s) are managed by a designated staff member within the Requesting Function assigned as the Contract Manager. The Contract shall establish the standards against which UNHCR can measure if the required goods and/or services have been satisfactorily delivered, and shall enable regular and effective vendor management by the Contract Manager, supported by the Procurement Function;
- vii. Vendors, with whom business is conducted through the issuance of a UNHCR Purchase Order (PO), are administered (including registration, update, inactivation and re-activation) by the Procurement Function; and
- viii. The Procurement Function workforces at Headquarters, in Regional Bureaux and in Country Operations are sufficiently resourced, highly professional, experienced, well-trained, strongly motivated and customer and solution oriented to support the Organization in fulfilling its mandate.

5.2. Objective 2: Ethics and Integrity in Procurement ensured

5.2.1. UNHCR has zero tolerance for fraud, corruption and other forms of misconduct. It expects the highest standards of ethics and integrity by Vendors and UNHCR personnel in the Organization’s procurement activities. Therefore, all offices and members of UNHCR’s workforce must ensure the following:

- i. All potential vendors are treated equally, fairly and without favouritism which includes the avoidance of actual or perceived conflicts of interest; and
- ii. Processes are established to vet potential vendors and monitor that Vendors uphold standards set out in the [Supplier Code of Conduct](#), and comply with the terms of their Contract with UNHCR.

5.2.2. UNHCR staff members must comply with their obligations under the [Charter of the United Nations](#), the [UN Staff Regulations and Rules](#), including observing the standards of conduct expected of an international civil servant. The following obligations under the [UNHCR Code of Conduct](#) are of particular relevance to procurement activities:

- *“Uphold the integrity of UNHCR, by ensuring that my personal and professional conduct is, and is seen to be, of the highest standard.”*
- *“Perform my official duties and conduct my private affairs in a manner that avoids conflicts of interest, thereby preserving and enhancing public confidence in UNHCR.”*

- *“Safeguard and make responsible use of the information and resources to which I have access by reason of my employment with UNHCR.”*
- *“Refrain from any involvement in criminal or unethical activities, activities that contravene human rights, or activities that compromise the image and interests of UNHCR.”*

5.3. Objective 3: Collaboration with other UN Organizations proactively pursued

5.3.1. In the spirit of partnership and UN Reform goals, and in particular in light of the [Mutual Recognition Statement](#) endorsed by the High Commissioner on 5th November 2018, cooperation and collaboration with UN Organizations should be pursued proactively to maximize efficiency. This can result in savings of time and resources for UNHCR and for the UN system e.g. by avoiding duplicative administrative tasks in undertaking separate Procurement Actions or achieving reduced prices through higher procurement volumes.

5.3.2. This requires UNHCR offices to:

- i. Understand what Contracts/Frame Agreements are held or are being pursued by other UN Organizations which may be used in a ‘piggy-backing’⁵ arrangement;
- ii. Review options for collaboration on tenders which could be beneficial for UNHCR;
- iii. Share UNHCR Contracts and relevant documentation with other UN Organizations where possible, if the appropriate approvals are granted⁶; and
- iv. Actively participate in and dedicate adequate time and resources to UN Groups or forums cooperating in Procurement, at Headquarters, regional and country level.

5.4. Objective 4: Sustainable procurement proactively pursued

5.4.1. Sustainable procurement involves taking economic, social and environmental factors into consideration when specifying procurement requirements and assessing options, such as the following:

⁵ Because the Procurement Rules and Regulations of many UN organizations are mutually compatible, each organization may rely on the solicitation processes of others. This may include one UN organization entering into a Contract relying on a procurement decision of another UN organization.

⁶ UNHCR Contract Managers have the right to reject a request for sharing one of their Contracts with another UN Organization when it is in the interest of UNHCR. In some circumstances, the agreement of the Vendor concerned is also required. This is the case, in particular, where the Contract is the result of an exception to the formal solicitation process.

- i. Economic life-cycle cost parameters and total cost of ownership may require considering the implications for society and the environment in the procurement specification.
- ii. Social aspects can include effects on issues such as poverty reduction or provision of livelihoods, improving the distribution of resources, encouraging local employment and commerce, empowering women, or ensuring that appropriate labour conditions are provided and rights respected. If the Procurement Action has a social goal, such as for example “empowering women” or “the inclusion of persons with disabilities”, it shall be clearly stated in the request to Vendors including how they would be evaluated against this requirement. Certain social considerations are expected from all Vendors, namely respect for labour rights and conditions, and these are set out in the [UN Supplier Code of Conduct](#).
- iii. Environmental aspects can be specified to either minimize environmental harm, or to actively improve environmental impact.

5.4.2. If such factors form part of the goals of a Procurement Action, these aspects of the specification are then factored into the Technical Evaluation scoring process to give due weight to their importance and clarity on how they will be evaluated.

5.4.3. To achieve this objective, offices must explore pro-actively the feasible options available for increasing the sustainability of their Procurement Actions.

6. Roles and Responsibilities

6.1. The implementation of this Policy requires concerted organization-wide commitment and effort. Notably:

- i. When undertaking procurement activities for their respective Division, Bureau or Country Operation, the Director/Representative is responsible for ensuring that:
 - a. the procurement objectives are duly pursued;
 - b. procurement processes under their authority respect all provisions set out in the Procurement Rules and Regulations; and
 - c. Procurement risks are regularly assessed, and incorporated in their Corporate Risk Register, as required.
- ii. The Head of Supply Management Service (SMS) within the Division of Emergency, Security and Supply (DESS) is responsible for ensuring:

- a. the Procurement Function at Headquarters is performed in full respect of the Procurement Rules and Regulations and in a timely manner;
 - b. secondary procurement review of cases submitted by Regional Bureaux and Country Operations to the Headquarters Committee on Contracts;
 - c. UNHCR Procurement Policy, Administrative Instruction and other guidance materials related to procurement are systematically updated; and
 - d. UNHCR participates regularly in global UN forums related to procurement.
- iii. The Director of DESS is responsible for providing management oversight and support to the Head of SMS, including advocating for adequate resources, and drawing the attention of the Assistant High Commissioner for Operations to issues that require his/her attention, intervention or support.

7. Terms and Definitions

Committee on Contracts: refers to the Sub-Local, Local, Regional and Headquarters Committees on Contracts, established in accordance with the Administrative Instruction on the Rules and Procedures of UNHCR Committees on Contracts at Headquarters and in the Field ([UNHCR/AI/2018/5/Rev.1](#)).

Conflict of Interest: arises when somebody with a direct or indirect role in procurement or connected persons have a financial or other undue interest in a (potential) Vendor.

Contract: legally binding agreement between UNHCR and a Vendor, which establishes the terms and conditions of a Procurement Action. A procurement Contract is usually in the form of a Frame Agreement, a Lease Agreement, a Purchase Order or another type of procurement agreement. For lower value procurement, it may be in the form of a verbal or e-mail request and processed using a non-PO voucher.

Contract Manager: personnel within a Requesting Function responsible for the ongoing monitoring and management of a vendor Contract.

Corruption: offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.

Frame Agreement: a written Contract between UNHCR and a Vendor that is established for a specified period for specific goods or services under defined terms and conditions, with no obligation to order a maximum or minimum quantity (its synonym is Long Term Agreement).

Fraud: any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead a party, to obtain a financial or other benefit or to avoid an obligation.

Personnel: all UNHCR staff members and affiliate workforce.

Procurement: the acquisition, through purchase or lease, of real property, goods or services, including works (see Section 2.2).

Procurement Action: procurement of goods and/or services by means of a formal or non-formal method of solicitation.

Partnership Agreements or other forms of agreements with Partners are not Procurement Actions and they are governed by the relevant UNHCR policies and procedures.

Mandated Services shall not be considered as Procurement Actions. Mandatory Services are related to purchases conducted on the basis of officially documented decisions taken at UN General Assembly or Secretary General level, or Inter-Organizational level or at UNHCR Senior Management level, to pursue a certain approach to meet a UNHCR requirement, for which a competitive process is, therefore, not applicable as no alternative solution can be pursued.

Procurement Function: UNHCR section, unit or team responsible in an office for providing advice and expertise on the procurement process. They will be part of the Supply Function where this is established. At Headquarters this is the Supply Management Service (SMS) within DESS.

Purchase Order (PO): a document recorded in MSRP that represents a formal request from UNHCR to a Vendor to provide defined goods or services, where applicable, pursuant to a separate procurement Contract.

Requesting Function: UNHCR section, unit or team responsible in an office for requesting a Procurement through the means of a purchase requisition, and for specifying the procurement technical requirements to be subject to a Procurement Action.

Specifications: definition of the procurement needs; it may specify a functional description of what is required or be in the form of performance terms of reference or in the form of a detailed technical description of requirements. It may also combine elements of all three forms. Its synonym is requirement definition.

Technical Evaluation: process by which the Technical Evaluation Committee completes a pre-defined scoring matrix applying the technical evaluation criteria stated in the solicitation document to evaluate the Bidders' technical response to the Specifications of a given formal method of solicitation. This differs in format depending on whether it is for an ITB or an RFP.

Vendor: usually a commercial third party that can fulfil a procurement Contract. It specifically excludes an individual third-party contractor hired as an individual to work for UNHCR, whose Contract shall be governed by UNHCR's human resources policies and administrative instructions. However, it includes the purchase of such labour, if this is contracted with a company or an individual entrepreneur business (e.g. a plumber, an electrician, an auctioneer, etc.).

8. References

[ST/SGB/2013/4](#) – United Nations Financial Regulations and Rules

[ST/SGB/2013/4/Amend.1](#) – Amendments to the United Nations Financial Regulations and Rules

[A/AC.96/503/Rev.10](#) – Financial Rules for Voluntary Funds Administered by UNHCR

[UNHCR/AI/2021/05](#) – Administrative Instruction on Procurement

[UNHCR/AI/2018/5/Rev.1](#) – Administrative Instruction on the Rules and Procedures of UNHCR Committees on Contracts at Headquarters and in the Field

[Mutual Recognition Statement](#) – United Nations System Chief Executives Board for Coordination

9. Monitoring and Compliance

This Policy is implemented under the overall leadership and oversight of the Director of DESS, who will monitor its compliance at global level, supported by the Head of SMS, and at country and regional levels, supported by Bureau Directors.

10. Dates

This Policy will come into effect on 1 September 2021.

Regional Bureaux and Country Operations may decide, through the respective Bureau Director and the Representative/Head of Office, and the Headquarters entities, through the Head of SMS, to continue applying the current rules and regulations until 31 December 2021. Such decisions need to be documented and SMS needs to be notified. For these entities, the application of the Policy will become mandatory on 1 January 2022.

The next review will be made no later than 31 December 2025.

11. Contact

The contact for this Policy is the Head of Supply Management Service within DESS.

12. History

12.1. This Policy supersedes the procurement related sections (primarily Part 2) of Chapter 8 of the UNHCR's Manual, issued through IOM/057-FOM/057/2013 – Revision of Chapter 8 of the UNHCR Manual (Supply Chain Management). Chapter 8 is updated to reflect this Policy and will be maintained as the repository of all processes, procedures, guidance and organizational structures.

12.2. This Policy also supersedes and replaces IOM/035-FOM/036/2012 – Enhancement of the Implementation of UNHCR Policy on Sustainable Procurement.