



Management of Procurement Processes for Goods

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Introduction

This guide aims to help decisions on which WHO team (Country Office, Regional Team or Global Procurement and Logistics unit) should manage procurement processes for the acquisition of goods. It has been developed in the context of the increase on Delegation of Authority granted to WRs at country level rolled out across WHO in the second half of 2023. Please note that procurement of services is not included in this Guidance Note considering its decentralized-procurement approach, and GPL is not directly involved in its management.

For this Guidance Note, the terms country, regional and global, refer to the following teams:

- *Country*: procurement requestors within a Country Office, or by a department in the case of HQ.
- *Regional*: regional procurement team at Regional Office, i.e. CPS in AFRO, PSS in EMRO, PRO in EURO, PCS in SEARO, SAO in WPRO.
- *Global*: Global Procurement and Logistics unit (GPL). This unit is part of HQ/BOS Procurement and Supply Services Department (SUP). It has three main teams or areas of work, including the Global Contracting and Procurement team (GCP), which is responsible for managing procurement of goods under the WHO Catalogue, as well as non-catalogue goods procurement upon request by Country Offices. For more info on GPL, refer to its intranet page [here](#) or the [GSC Service Catalogue](#) (section 6). For the purposes of this Guidance Note, Global also includes Emergency Business Partners from HQ OSL that work within SUP on procurement matters.

This Guidance Note is structured in three sections, in addition to this Introduction. Section 2 identifies relevant policy provisions; Section 3 explains why it is important to have procurement capacity, what aspects should be considered, and who is responsible for assessing it; and Section 4 helps identify which team should manage procurement processes for goods, based on the three main sourcing mechanisms: procurement through WHO LTAs, through other UN Agencies, and through ad-hoc processes.

1. Relevant policy provisions

This section includes the most relevant policy provisions from the Financial Regulations and Rules (FRR), DOAs and eManual in relation to the responsibility and accountability to undertake local, regional or global procurement of goods. This Guidance Note is not intended to be a comprehensive policy document, so colleagues should refer to the full text of the underlying documents for further references.

1.1 WHO Financial Regulations and Rules (FRR)

WHO amended its Financial Regulations and Rules in 2023, further to the approval of the World Health Assembly. One of the changes introduced was the inclusion of a new rule (101.7) to strengthen accountability, which is reproduced below.

Extract from [FRR Effective 1 June 2023](#) – Rule I – Applicability and Delegation of Authority:

- *101.7 All staff are accountable to the Director-General and are obligated to comply with the Financial Regulations and Financial Rules and with policies and procedures established for the implementation of these Financial Regulations and Financial Rules under Financial Rule 101.4. Any*

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staff member who contravenes such Financial Regulations and Financial Rules, policies or procedures may be held personally accountable and financially liable for her or his actions.

For general information on the FRR amendment process please refer to this [Workplace post](#).

1.2 Delegations of Authority

The WHO Director General (DG) issued revised DoAs to Regional Directors (RD) in 2023 (available on the WHO website [here](#)), which was followed by DOAs issued by RDs to WHO Representatives (WRs). For further information on DoAs please visit the FNN intranet site [here](#).

Extract from DOAs issued by DG to Regional Directors in 2023:

- *11. Local and direct procurement must comply with the rules set forth in Part VI of the WHO eManual, related standard operating procedures and guidance provided by the headquarters' Contract Review Committee (CRC). Subject to such procedures there is no limit on the amount that may be spent per order, provided availability of budget capacity, and funding. Reporting of CRC submissions to be recorded and sent annually to the Office of the Comptroller.*

Extract from DOAs issued by RDs to WRs in 2023:

- *The WR is accountable to the Regional Director and Director General for implementing and managing resources entrusted upon him/her in the WHO country office of assignment, by ensuring compliance with organizational rules and regulations, policies, and operating procedures.*
- *3.1 Procuring of goods, within the approved workplans, through WHO catalogue requisitions. No limit on the amount that may be spent for catalogue procurement of goods per order (long-term agreements) including IT, provided availability of funding and alignment with programme budget and/or donor agreement except for procurement of motorcycles/vehicles/boats, which require the approval of the relevant cluster in the regional office.*
- *3.2 Procuring of goods, within the approved workplans, through non-catalogue requisitions up to a maximum of US\$ 300,000 except for procurement of medicines and vaccines, motorcycles/vehicles/boats/IT, which require the approval of the relevant cluster in the regional office. All amounts above US\$ 300,000 require CRC approval.*
- *3.5 Delegated authority for emergencies is covered by a separate delegation of authority under Emergency Response Framework (ERF).*

1.3 WHO eManual

Section VI.1.3 Procurement process

- *20. The procurement of goods from the WHO catalogue, regardless of their value, may be initiated without the participation of a Procurement Expert and such requests shall be processed by the Global Procurement & Logistics (GPL) unit.*
- *40. Locally managed procurement (in short: local procurement) means procurement where the Country Office undertakes the complete procurement process. Procurement can be managed locally only within the delegated authority. When conducting local procurement, the Country*

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Office has to ensure it has the required capacity, knowledge and/or expertise to conduct this procurement.

- 90 The procurement authority entails the following responsibilities:
 - a) Approving that the purchase requisition is in line with the programme budget and planned outputs of the relevant work plan;
 - b) Ensuring that sufficient funds are available from the award(s) defined in the PTAE0(s), and in line with the terms and conditions of the donor agreement where relevant;
 - c) Ensuring that the "specifying the needs", "competitive bidding" and "evaluation" stages have been performed and/or where applicable, CRC approval has been obtained, in accordance with the applicable provisions of the eManual and the WHO Procurement Handbook.

Section VI.2.1 General

- 80. If goods (including any related services, where relevant) are to be procured locally under either a blanket or a specific delegation of authority, a procurement requisition need not be sent to GPL. When requesting units require the advice of GPL concerning local procurement, they should request such advice by memorandum or facsimile or electronic request giving full details of the proposed acquisition including equipment specifications, price and delivery terms. If local procurement is to be made by someone other than a staff member of the regional office, e.g. by the WHO representative or a project manager, a procurement requisition specifying the items required and funds available, should be used both to request and encumber the funds for the purchase. The relevant procurement requisition should be routed through the regional office so that the funds can be encumbered.

Section VI.2.2 Procurement of goods

- 20. Goods that cannot be obtained locally or for which it is more advantageous to acquire centrally are normally procured by GPL or, under special arrangements, by regional offices within a recognized market area. When no significant economy would result from central procurement, e.g. when a small number of items of low value are required which are proprietary to a sole provider or which cannot be combined to form part of a larger order to the same provider or distributor, or simply be ordered direct from the producer at a price which is the same to all purchasers, the requisitioner (regional office, WHO representative, team leader) is authorized to procure directly from a provider.
- 40. Units wishing to procure goods are responsible for determining what markets exist for different types of supplies and for ensuring that bids, when necessary (see section VI.1.3 paragraphs 70 – 120), are obtained from a representative number of providers and that procurement is otherwise made in accordance with the policy set forth in paragraph 20 above.
- 240. Normally, stationery items and office supply should be procured locally.

Section VII.8.1 Emergency Procurement (Goods and Services)

- 20. For a graded emergency or a pre-graded event or situation, the WHO representative (WR) or the designated Incident Manager (IM) for the incident is automatically granted procurement authority as per DoA provisions available in the Emergency Response Framework (ERF). [To be noted that Emergency DoAs are being reviewed at the time of issuing this Guidance Note, and the

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latest/current version can be consulted through eManual [Section XVII.2.8 Delegation of Authority](#).

2. Procurement capacity

Per the policy extracts in Section 2 above, WRs must, if they decide to undertake the local procurement of goods through the Country Office's procurement team, ensure "*compliance with organizational rules and regulations, policies, and operating procedures*", and prior to doing so, "*the Country Office has to ensure it has the required capacity, knowledge and/or expertise to conduct this procurement*".

Procurement is a complex business operations function that is essential for the delivery of WHO's mandate and programmatic needs. Normally it should only be performed by specialized procurement staff contracted by WHO for that purpose after assessing their experience, technical ability, and competencies during a recruitment process. It can however also be undertaken by other staff (e.g. general administration staff), provided they have relevant knowledge and experience.

This Section 3 describes why it is important to have adequate procurement capacity, what factors could be assessed and who is responsible for assessing it. This Section is relevant because as explained in Section 4, having adequate capacity is one of the key criteria (but not the only one) to decide whether certain category or procurement process for goods should be managed at country, regional or GPL level.

2.1 Why is having adequate procurement capacity important?

Well-managed procurement can lead to positive outcomes: efficiency, value for money, sustainability, etc., however also to significant risks if not handled appropriately. It is important that staff or teams managing procurement processes have adequate capacity to prevent the following risks from materializing:

- a) *Personal accountability and financial liability risk* for staff involved if the procurement process is managed in a negligent manner.
- b) *Delays in the supply of purchased goods affecting programmatic delivery and commitments*, e.g. if the procurement process was not managed adequately, e.g., because of a need to repeat the tender procedure, a rejection of the case by CRC, etc.
- c) *Harm to end-users of the goods*, e.g. if inadequate quality assurance effort during the procurement process leading to substandard medicines or medical devices.
- d) *Not achieving value for money*, e.g. if the procurement process was not sufficiently competitive or the specifications were restrictive.
- e) *Wasted resources*, e.g. if goods are procured without a proper distribution plan (due to a need to encumber funds or other reasons) and are stored for a long duration in a warehouse then these products could run out of their shelf-life or deteriorate leading to write-offs.
- f) *Engaging inadequate or low performance suppliers*, e.g. due to failure in conducting sufficient due diligence prior to awarding the contract.
- g) *Claims or protests by suppliers* which perceive they have been treated unfairly in the procurement process.
- h) *Fraud and corruption risk*, e.g. for not having adequate internal controls or not experienced in identifying red flags in the procurement process.

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- i) *Reputational damage with donors and partners* if procurement processes are delayed or lead to suboptimal results e.g. poor quality or high prices.

2.2 What aspects should be considered to determine procurement capacity in an office?

The following aspects should be considered to assess if a team has adequate procurement capacity:

Level of staffing:

- i. Availability of dedicated procurement staff and their level of seniority.
- ii. Country Office typology according to the type of support provided to Member States, as defined in the Core Predictable Country Presence (CPCP) exercise currently led by the [Action for Results Group \(ARG\)](#).

Knowledge and capability:

- iii. Whether staff have external certifications on procurement and supply chain, e.g. CIPS (or equivalent).
- iv. If staff have completed the WHO course on [GP Procurement: Administrative Training](#) available on *iLearn*. (Note: the content of this course is under review to reflect recent policy changes and upcoming adjustments due to BMS).
- v. Level of knowledge and understanding of WHO procurement policy (FRR, eManual, Procurement Handbook, relevant SOPs) as well as key procurement documents such as corporate solicitation templates, contract templates, and general conditions of contract.
- vi. Level of expertise on key systems used to facilitate procurement processes at WHO, namely GSM, UNGM and In-Tend.
- vii. Experience: having adequate experience in managing essential procurement responsibilities:
 - Defining procurement plans and strategies.
 - Reviewing draft specifications and requirements provided by the technical team and ensuring these are appropriate from a procurement perspective.
 - Conducting market research.
 - Preparing solicitation documents and managing the solicitation process, including by posting tenders in UNGM and In-Tend when required and arranging pre-bid meetings.
 - Carrying out and facilitating the evaluation of offers, including evaluation clarifications.
 - Conducting negotiations with suppliers.
 - Conducting due diligence on identified suppliers.
 - Preparing the Adjudication Report and submission to CRC, if applicable.
 - Debriefing unsuccessful bidders.
 - Undertaking procurement related tasks in GSM.
 - Contract management duties, including following up with suppliers and managing contract performance.
 - Addressing audit questions on procurement processes managed and following up on audit recommendations.
- viii. Staff have adequate experience procuring the category(ies) of goods requested. This is important because while certain general procurement experience is relevant across all purchasing

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categories, there are specific challenges associated to certain categories, e.g. hospital equipment, medicines, ICT equipment or vehicles.

- ix. Staff have adequate experience in handling procurement processes of similar complexity, monetary value, and risk. This is relevant because, for example, the skill required to procure one vehicle for the office, is not the same as to procure a large fleet of ambulances or buses.

Compliance and other factors:

- x. Existence of compliance or audit recommendations on procurement processes managed by the team in recent years.
- xi. Existing/Functioning /Yearly renewed Local Procurement Committee.
- xii. Segregation of duties enforced.
- xiii. Level of score from ICF (Internal Control Assessment Framework).
- xiv. Existence of active prequalified vendor database.
- xv. Suppliers' performance evaluation mechanism in place.

It is important to note that the assessment conducted on the procurement capacity of a team may change over time, e.g. it could increase if new staff are recruited into the team or if existing staff's capacity is developed through training, shadowing more experienced staff or other means; and similarly, it could also decrease e.g. if key staff move on from the team and are not replaced.

2.3 Who is responsible for assessing procurement capacity?

The following staff are responsible for assessing if a team under their responsibility has adequate procurement capacity for a given category of goods, monetary threshold, or specific procurement process:

- *Country level*, the WR is responsible to ascertain if the country procurement team has adequate capacity. The WR may decide that the Country Office has adequate capacity to procure certain category of goods or up to a certain monetary threshold and refer other processes to the regional procurement team or GPL. If required, the WR may seek support from the Regional Office or GPL to assess their team's capacity, which could be done through a desk review or an on-site mission.
- *Regional level*, the Director of Administration and Finance (DAF)/BOS is responsible for determining if the regional procurement team has adequate capacity for a given process, monetary threshold, or category of goods. DAF/BOS can decide that a regional team has adequate capacity for a given category of goods but not others, and it is expected that not all regional teams have the same capacity (e.g. traditionally EMRO has managed medicines procurement at regional level, but not some of the other regions, which have relied on GPL for procuring such category).
- *Global level*, GPL's GCP team is considered to have adequate capacity to lead procurement processes on the four categories it has been managing for many years (in 2023, the GCP team was responsible for over 4,000 catalogue and non-catalogue purchase orders worth a total of USD 250 million in these four categories): drugs and biologicals; hospital and training equipment; laboratory equipment and supplies; common items (vehicles, ICT equipment, communications equipment, cold chain equipment, generators, tents, etc.). Should a Country Office request GPL to procure a category it has not procured before, or it's at a level of complexity or risk that goes beyond the ordinary, then it is the Director SUP, upon consultation with the Unit Head, GPL, who shall determine if the GPL GCP team has adequate capacity.

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3. Identification of team managing procurement process for goods

3.1 Procurement through WHO Long-Term Agreements

This section explains which team should lead the management of purchase orders issued under Long-Term Agreements (LTA) established by WHO. This will depend on the geographic scope of the LTA:

- *Global LTAs for goods.* LTAs established by the SUP team in Budapest after review by HQ Contracts Review Committee (CRC) and are included in the official [WHO Catalogue](#). These POs are always managed by GPL and GSM is designed for Catalogue requisitions to be routed automatically to the team.
- *Regional LTAs for goods.* LTAs established by a regional procurement team, after review by a regional CRC. These POs are normally managed by the regional procurement team.
- *Local LTAs for goods.* LTAs established by a Country Office procurement team, after review by a local or regional CRC. These POs are normally managed by the country office procurement team.

3.2 Procurement through other UN Agencies

This section relates to when WHO procures certain goods through another UN Agency, i.e. when such Agency acts as the supplier to WHO (hence they will be named in the purchase order). This is different from when WHO piggy backs on another Agency's LTA, in which case WHO's purchase order is issued to a supplier of goods, not the UN Agency, and this is covered in Section 4.4 below.

At present, WHO has MOUs or other agreements in place with four UN Agencies which offer goods through catalogues they have established: UNICEF, UNFPA, UNOPS and UNDP. These agreements explain the process to request quotations and contract the UN Agency, the conditions they apply, and the fee that they will apply (typically 3-5% in addition to the cost of the goods and transport to destination). SUP will be issuing guidelines to GPL and regional teams on this soon.

Traditionally, only GPL was entrusted to manage requests for goods offered by other UN Agencies. At present, in order to decentralize and make this process more efficient, it can also be done by regional procurement teams, but not by all country offices and HQ teams. This is because the process of engaging these Agencies is not very straightforward (they have different catalogue systems, processes, fees, etc.) hence it benefits from having a reduced number of WHO colleagues that know how it works, and it follows a preference expressed by these UN Agencies as they have a manageable group of WHO colleagues to train or provide updates if they have any changes.

Procuring through other UN Agencies is subject to CRC review based on monetary thresholds, so if applicable, the case should be submitted to CRC by either the regional procurement team or GPL, depending on which team is managing the process.

3.3 Procurement through ad-hoc processes

This section relates to the procurement of goods subject to ad-hoc procurement process, typically managed through either a competitive process or a direct contracting process of a supplier and excludes the two situations described in sections 4.1 and 4.2 above.

Ad-hoc procurement processes for goods can be managed by either the Country Office procurement team, regional procurement team or GPL, based on the following criteria:

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1. *If the procurement team has adequate capacity*, commensurate to the monetary threshold and complexity of the procurement process, per assessment conducted following the guidance included in Section 3 above.
 2. *Value addition of procuring through one team or the other*. Even if a team, e.g. Country Office or regional team has been assessed to have the capacity to undertake a given procurement process, it may still be advantageous for WHO (e.g. in terms of timelines or value for money) for it to be managed by GPL, to leverage their dedicated staff, specialization, experience, market knowledge, etc. and allow Country Office or regional team to focus on other priorities. Similarly, as an example, it would not be efficient for GPL to procure stationery for a Country Office, and it can be done locally in a more effective manner, relying on local suppliers.
 3. *Category of goods being procured*, noting that for certain categories, per the DoA issued to WRs, it is required that the Country Office seeks prior approval by the relevant cluster in the regional office, namely: medicines and vaccines, motorcycles, vehicles, boats, IT.
 4. *Type of expected suppliers*, noting that if there is a sufficient pool of qualified local suppliers for the requirement which can offer goods with value-for-money conditions, it would normally make more sense for the procurement to be managed by the Country Office; and conversely if it is expected that the goods are supplied by global suppliers, which operate across WHO regions, that such process is managed by GPL.
 5. *Acuteness of the need*, e.g. at the outset of a declared emergency, it may be preferable to source locally by the Country Office if suppliers have items in stock in the country than internationally as the goods would be subject to international transport, customs clearance, etc.
 6. *Special arrangements at regional level*, e.g. if a given Region has SOPs or Circulars in place mandating that procurement processes above a certain monetary threshold are managed either at regional or GPL level.
 7. *Risk and other considerations*, e.g. sustainability or donor requirements, national legislation requirements and import barriers.
- To be noted that whichever team leads a procurement process will be fully responsible and accountable for it, including to submit the case to CRC if applicable, manage supplier performance, and address compliance or audit queries related to it.

3.4 Summary table – Management of procurement processes for goods

The below table provides a summary of which team should manage procurement processes for goods.

Type of Procurement of Goods		Country Office	Regional Office	GPL
4.1 Procurement through WHO LTAs	WHO Catalogue	X	X	✓
	Regional LTAs	✓	✓	X
	Country LTAs	✓	X	X
4.2 Procurement through other UN Agencies		X	✓	✓
4.3 Procurement through ad-hoc processes		✓ ₁	✓ ₁	✓ ₁

Note: 1) Subject to the criteria identified in section 3.3.