

Procurement audit of goods and services for humanitarian operations

Swiss Agency for Development and Cooperation

Key facts

Humanitarian aid is an instrument of the Confederation's international cooperation. For 2017 to 2020, the budget foresees an average of CHF 335 million in support for humanitarian operations each year (in 2017: CHF 332.6 million). Most of this is accounted for in international agreements and contributions. In 2017, goods and services to the value of around CHF 15 million were procured through humanitarian aid. A large proportion of the procurements are made by missions abroad.

In the case of projects, humanitarian aid covers three stages of needs: emergency aid (rapid response), early recovery and recovery and reconstruction. As the procurement office for humanitarian aid, the Federal Department of Foreign Affairs (FDFA) can purchase goods and services itself, whereby public procurement law applies. For procurements in the emergency aid phase, multiple exception clauses provided for by law apply. The Swiss Federal Audit Office (SFAO) examined the existing processes, compliance with these processes and existing interfaces with missions abroad.

The audit is based on a spot check during which a "project walk through" took place in the central office. The spot checks covered three humanitarian aid projects in Nepal and Haiti. Procurements in the missions abroad were not audited.

Code of conduct introduced for suppliers – monitoring concept still to be developed

In order to prevent potential reputational damage, better care must be taken that suppliers adhere to social standards¹ in the case of calls for tender. In order to ensure this, the FDFA is currently introducing a code of conduct for suppliers. Potential controls are not mentioned. The SFAO recommends explicitly defining a risk-oriented assessment of suppliers.

Management must make periodic decisions on the procurement channels of products

Humanitarian aid has a number of strategic procurement channels, these are: the stores in Switzerland, those of the United Nations Humanitarian Response Depot (UNHRD) and framework agreements. Currently, these possibilities remain hardly used. The channels should be further developed and optimised in order to promote economic efficiency but also to comply with legal requirements (e.g. through the use of framework agreements). The SFAO recommends that the humanitarian aid management make periodic decisions on the procurement channels of products.

¹ Social standards = core labour standards which should ensure humane working conditions and sufficient occupational safety within the framework of the world trade order.

The decision as to whether to award subsidies or procure orders from third parties should be documented in order to avoid the procurement process being circumvented. In order to implement projects, humanitarian aid awards subsidies and procures orders from third parties. The operations committee (H-OpKom)² and the Contracts and Procurement Competence Centre of the General Secretariat of the FDFA must be consulted on subsidy or order decisions which exceed a certain volume. No requirements exist on how these decisions are to be documented. The SFAO recommends justifying such decisions in the central office and missions abroad in writing. This will ensure compliance with the relevant legal bases and provide a transparent record.

Humanitarian aid should focus procurement reports more strongly on medium-term effects

The reports in the spot check under review do not contain any statements on the medium-term effects of procurement. However, the reports are strongly output-oriented. If procurements are a key component of a project, statements on requirement fulfilment should then also be included in reports in the early and recovery and reconstruction phases.

Original text in German

² Operations committee: management body of the humanitarian aid area