

PMNCH Executive Committee Meeting

Virtual meeting: 24 February 2021, 15:00 to 17:00 CET (120 min)

Document Title: EC 02-2021; 06, SOPs for Board Leadership procurement reviews.

Summary: The purpose of this document is to define the Board Leadership review and approval process (Standard Operating Procedures or SOPs) for two types of situations when the Partnership for Maternal, Newborn & Child Health (PMNCH; Partnership) provides resources to third parties to deliver work as part of its workplan.

The first situation is when PMNCH provides resources in the form of grants, as a procurement mechanism, to external organizations and as per the requirements of the existing World Health Organization (WHO) and PMNCH hosting agreement. In addition, the second situation is when PMNCH procures services from its existing Board Member or Alternate organizations, which cumulatively exceed in value US\$ 100,000 in any one calendar year.

These SOPs have been reviewed and discussed by the Board Leadership in December 2020 and are proposed to be an annex to the PMNCH Board Manual, to be revised as and if necessary.

Actions Required: Approve the SOPs for Board Leadership procurement reviews

Standard Operating Procedures (SOPs): Board Leadership procurement review

1. Context

PMNCH is hosted by the WHO, where its Secretariat is based. PMNCH therefore derives its legal status from WHO and shares the same obligations, benefits and status as the host organization. In this regard, WHO lends its administrative, fiduciary and legal framework to the PMNCH Secretariat. This means that when the PMNCH Secretariat transacts with third parties, it is WHO that enters into the relevant contracts and makes commitments on the Partnerships' behalf. In view of this, the activities of the Partnership's Secretariat as well as its staff are subject to WHO Rules.

The PMNCH Secretariat has in turn the responsibility of facilitating partners' work in delivering on PMNCH Board agreed strategies / business plans / workplans, and this includes managing the PMNCH's budget. PMNCH spends its resources on three categories of expenditures in delivering its workplans. These are:

- (i) employing staff on WHO contracts to work at the Secretariat;
- (ii) procuring services from or providing grants to third parties to deliver specific deliverables, which are noted within the workplan and where expertise external to the Secretariat staff are required; and
- (iii) paying for travel, printing, and other out of pocket expenditures.

In managing its budget and expenditures, PMNCH has been and continues to be fully compliant with all WHO employment and procurement rules and regulations. This has been confirmed through the external Audit undertaken in 2019 and has also been noted in [WHO Director General's report to the WHO Executive Board](#) in November 2020.¹

Whilst there are no provisions in the noted procurement rules and regulations that would prevent PMNCH Secretariat procuring services from PMNCH Board Members and / or Alternates, there is merit in highlighting any such circumstances to the PMNCH community, as a further demonstration of PMNCH's commitment to transparency, openness and pursuit of best value for money.

2. Situations requiring input from the Board Leadership

There are two situations in which the Board Leadership will be asked for their review and approval of PMNCH led procurement processes, as described below.

2.1 Grants requiring Board Leadership input

As part of its workplan delivery process, PMNCH can provide grants² to implementing partners to deliver activities deemed important for the achievement of PMNCH Board's agreed objectives. This may include transfers of resources to other UN agencies, grants to NGOs to implement relevant

¹ Paragraph 30 in DG's report states: "With respect to procurement, the Partnership is compliant with WHO's Financial Rules and Financial Regulations, and contracts for goods and services are cleared through the Secretariat's regular channels (for instance, the Office of the Legal Counsel)."

² Grants tend to be a relatively small proportion of PMNCH's annual budget.

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activities in their countries, and / or other third parties, as may be appropriate or needed in the context of PMNCH's workplan.

When providing grants, PMNCH follows the processes prescribed in the [Generic Hosting Terms for WHO hosted partnerships](#). These specify that *"In order for WHO to process a grant payment to a third party beneficiary of a partnership secretariat grant, the partnership secretariat must demonstrate to WHO that the grant has been authorized by the Partnership Board or is pursuant to specific delegation of authority that the Board has provided in writing to the ED."* (p. 11, para 4.4).

In this context, it is proposed that the PMNCH Secretariat seeks the Board Leadership's opinion and approval before any such grants are awarded.

2.2 *Service contract awards to Board Members and Alternates requiring no-objection from Board Leadership*

In addition to the existing procurement rules and regulations, the PMNCH Secretariat would also like to seek no objection from the Board Leadership before issuing any service contract to any current Board Member or Alternate, which cumulatively exceed US\$ 100,000 in any one calendar year.

3. Proposed process in relation to grants

Step 1: Identifying the need for a grant

PMNCH Secretariat will as part of its normal workplan implementation and monitoring processes identify the need for issuing a grant (rather than a service contract) to implement one or more relevant aspects of its workplan(s) and the overall strategy.

In doing so, the PMNCH Secretariat will:

- describe why it believes that the grant mechanism should be used rather than any other contracting instrument;
- establish the objectives of the grant and related monitoring framework, estimate the required budget, contextualizing it within the relevant workplan budget, and establish the implementation period for the work in question; and
- identify a process by which such the grant recipient would be selected.

Step 2: Submission of potential grants to the Board Leadership for review and approval

Having compiled the information, the Secretariat will submit this to the Board Leadership in a pre-agreed format, which will contain the following information (proposed template is attached in annex 1):

- short description of the project, including its title, objectives, and how it fits within the overall workplan;
- name of the proposed recipient or a process to identify one;
- estimated budget and context within the workplan budget;
- estimated project timeline;
- proposed contractual mechanism;

- other background information, including:
 - why this project is of high value and speaks to PMNCH's added value;
 - which area of the Strategy and workplan this project will contribute to; and
 - justification, if appropriate, why a sole provider or a Board Member / Alternate is proposed.

Step 3: Review and decision

Relevant information will be made available to the Board Leadership electronically, for their discussion / approval over email or in advance of a meeting (including via telephone or web-based communication platforms). Decisions are made by consensus.

Prior to engaging in the review of any grant or service contract, members of the Board Leadership will declare any real or perceived conflict of interest in respect to eventual grantees or service providers. Should such conflict of interest exist, the relevant member would recuse themselves from the process. This should also be indicated in the decision document.

Decisions are expected to be made within seven working days of relevant information shared by the Secretariat.

4. Disseminating information

In line with the Board Manual, PMNCH already publishes in its annual Financial Reports the names of Board Members and Alternates who have received cumulatively more than US\$ 100,000 per year from PMNCH in grants or service contracts. This practice is proposed to be continued.

In addition, it is proposed that information on grants provided in any one year requiring approval by the Board Leadership – as per the process described above – will also be published in PMNCH's annual Financial Reports.

Annex 1: Grant Approval template

Project name	
Project description	
Potential recipient	
Budget	
Project timeline	
Background • why this grant / project is of high value and speaks to PMNCH's added value; • which area of the Strategy and workplan this grant will contribute to; • justification for why there is only a sole supplier, should this be applicable.	
Process for identifying the grantee	
Decision / comments	☐ Approved ☐ Rejected
	Comments: