



24TH SESSION OF THE HLCM PROCUREMENT NETWORK
WASHINGTON, DC, 19-21 SEPTEMBER 2018
SUMMARY OF DECISIONS & OUTCOMES



The 24th session of the HLCM Procurement Network (HLCM PN) was hosted by the Washington, DC-based organisations - World Bank, IMF and PAHO - at the World Bank Group's Main Complex on 19-21 September 2018 under the following Management Board and Secretariat:

Chairperson Ms. Patricia Moser (Director, Procurement Group, UNOPS)

Vice-Chairperson Ms. Bérénice Bessièrè (Director, Procurement and Travel, WIPO)

Advisory Chairperson Mr. Eric Dupont (Chief, Procurement Services Branch, UNFPA)

Secretariat Ms. Kerry Kassow (UNDP)

The meeting included an inter-active retreat¹ with the theme, 'Innovating in and with Procurement'. The focus of the remainder of the meeting was primarily on Working Group and Project briefings, as well as a number of strategic Show & Tell sessions. The following is a summary of the key outcomes of the discussions.

¹ The key outcomes of the retreat have been reported on separately

All documents related to the meeting are available on the HLCM-PN Workspace on www.ungm.org or by contacting the PN Secretariat on kerry.kassow@undp.org



THE WORKING GROUPS

1. SUSTAINABLE PROCUREMENT WORKING GROUP

INFORMATION SESSION – PRESENTED BY WG (CO)CHAIR², MR. NIELS RAMM (UNOPS)

The PN was provided with an update on the below topics.

(i) Sustainable Procurement (SP) Working Group regular activities

(ii) Status of the project, 'Tracking SP implementation within the UN system – Phase 1'

the overall objective of the project is to establish an approach to systematically monitor, measure and report on sustainable tenders/contracts within the UN system.

The update included:

- Results of the pilot testing exercise
- Presentation of the finalised version of the SP indicators framework
- Next steps in preparing and launching Phase II of the project (automatisation of the framework)

At the PN meeting in March 2019, the WG will seek membership agreement on the final set of indicators and methodology as well as on whether to continue to Phase 2. If this is endorsed, the WG will seek funding for the technical development work and develop a communication strategy for sustainable tenders.

More information on the group's activities can be found on the [SP WG page](#) on the UNGM.

2. STRATEGIC VENDOR MANAGEMENT WORKING GROUP

INFORMATION SESSION – PRESENTED BY WG CHAIR, MR. SANDRO LUZZIETTI (IFAD)

Since the last PN meeting, the Strategic Vendor Management (SVM) Working Group has continued its initiatives under the various Vendor Management topics:

(i) Vendor Access and Business Seminars: the new model for International Procurement Seminars (IPS), which has been endorsed by the PN, continues to be implemented; one IPS (hosted by Austria, Belgium, France and Germany) has taken place in June this year and a second one will be hosted by the Nordic countries in November. Plans are also underway for events in 2019. The UNGM team has successfully delivered the Trade Promotion Portal for Trade Agencies and Chambers of Commerce, which is used for supporting the organisation of the IPS. PN members were invited to fully adopt and support the IPS model.

(ii) Vendor Sanction and Model Policy Framework (MPF): the WG is monitoring the adoption of the MPF by UN agencies: results from a new survey will be provided at the next meeting. Progress has been made by the UNGM team in solving the issue of "potential matches" (with sanctioned vendors) among new vendors registering. The second-level review of these "potential matches" still needs to be resolved by the Working Group and the Ineligibility Administrators of the various UN agencies.

² Working Group (co)Chair, Ms. Isabella Marras (UNEP), was unable to attend the meeting

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(iii) Vendor Assessment: after extensive testing and discussions with a major provider of vendor information, it was agreed to launch a collaborative procurement exercise, led by UNPD with the objective of establishing one or more LTA with service providers of vendor information, open to the UNGM and individual UN agencies. A WG task force will proceed as a matter of priority with development of the necessary specifications.

(iv) Knowledge Centre (KC): after the re-organisation of the KC home page, new tiles were developed relating to top categories purchased by the UN system. The Working Group Chair appealed to the PN to volunteer as 'Lead Agencies' to maintain and enrich the content of the various tile categories in the KC pages; it was agreed that a brief would be prepared, outlining what this role would entail, to allow agencies to make a more informed decision.

3. PROFESSIONAL DEVELOPMENT WORKING GROUP

INFORMATION SESSION – PRESENTED BY WG CHAIR, MR. TORBEN SOLL (UNDP)

The WG Chair provided a brief update on the following:

(i) UN Training Catalogues 2018: both the 'Recommended Training Courses' and the 'HLCM PN Training Compendium' have been updated and are available from the [UNGM Knowledge Centre](#). The number of courses listed in each catalogue continues to increase from year to year.

(ii) UN Procurement Practitioner's Handbook (PPH): at the last PN meeting it was decided that the PPH would be translated into French, and subsequently into Spanish and Arabic should funds become available. UNICEF offered to fund the translation of the PPH into French. Quotes for the task have been obtained from external service providers, but it would be preferable to find a translator with suitable knowledge of UN procurement terminology. ILO agreed to share details on translators with such expertise. The WG Chair called for a native French-speaking nominee(s) to provide quality-control of the translation work once underway.

In terms of ongoing updating and maintenance of the PPH, it is envisaged that the original project team responsible for the PPH revision will continue in its oversight and content management capacity. The PN was reminded to provide suggestions for any new relevant content on an ongoing basis.

(iii) UN Procurement Awards: The idea of establishing Procurement Awards has already been accepted by the PN. The next task is to set up a small team to define the parameters and develop the actual concept; scope of the award should be kept to a manageable scale. The WG Chair asked the PN for nominees to join the team. Interest in this was expressed by UNOPS.

(iv) Renewal of CIPS Knowledge Portal Subscription: The free-of-charge, 2-year subscription to access the portal via the UNGM is reaching expiry. Although, CIPS does not appear to have any focus on this fact, it was agreed that the WG Chair will remind them. The expectation is that, given the marketing value the link has to CIPS, that they will continue to give UN users free access to the portal.



SPECIAL PROJECTS

All three of the below projects have been endorsed and funded by the HLCM Trust Fund for Harmonisation and Simplification of Business Practices. Since the last PN meeting, MOUs have been signed between the CEB Secretariat and the Lead Agencies. Following the subsequent recent transfer of funds to the Lead Agencies, the projects are now fully underway.

1. COLLABORATIVE PROCUREMENT OF IT HARDWARE

INFORMATION SESSION – PRESENTED BY LEAD AGENCY REPRESENTATIVE, MS. KATINKA ROSENBOM (UNICEF)

Since the last PN meeting, comparisons have been made between the LTAs that UNDP, UNICEF and UNPD have for IT Hardware, and which most agencies are piggy-backing on. In addition, UN agency focal points have been identified, and a request has been issued for spend/forecast projections.

The PN was informed that ILO and WHO are about to finalise a joint CPAG tender aiming at selecting one or more suppliers of IT equipment (desktops, laptops, etc.) to be delivered worldwide. The resulting contract(s) are likely to be awarded in November 2018 and will be immediately posted in UNGM for the use of other UN organisations.

The next steps are as follows:

- UNICEF will organise a meeting with UNDP and UNPD to fully map a strategy for the way forward, specifically to ascertain whether their contractual arrangements allow for configuration/loading of customised agency images/software before deployment.
- UNICEF will reach out to ILO and the WB to explore possible ways to collaborate within the project.
- Undertake a spend analysis, based on the estimated spend/volumes of each agency for the last 3 years.
- Establish a strategy for improved terms and conditions.

2. HARMONISATION PROJECT, PHASE 3

INFORMATION SESSION – PRESENTED BY HARMONISATION WORKING GROUP CHAIR, MR. ERIC DUPONT (UNFPA)

The main deliverable of this project is the development of harmonised key procurement template documents. Activities will be aligned with the work being undertaken by the Sustainable Procurement WG in terms of including SP indicators in tender documents. In addition, inputs will be sought from the new group formed to carry forward some of the innovation initiatives (see point (i) in the AOB section).

Now that HLCM funds have been received, a process is underway to recruit a consultant to manage and coordinate project activities - applications have been received and are currently being reviewed. This activity is being managed jointly by UNFPA, UNDP and UNOPS.

PN members will be (re)invited in due course to join the overall project group.

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3. PROCUREMENT SAVINGS METHODOLOGY EXERCISE

INFORMATION SESSION – PRESENTED BY LEAD AGENCY REPRESENTATIVE, MS. PATRICIA MOSER (UNOPS)

The objective of this project is to define and agree on a UN-wide methodology for procurement savings. This will enable a consistent approach to capturing, calculating and reporting procurement savings across all organisations to partners, donors, member states and other stakeholders, taking into account internal UN and external best practices.

Now that the funding has been received, an External Best Practice Tender has been posted and negotiations are underway with consultants. In addition, the Project Coordinator, Mr. Brian Chalk (UNOPS), has sent a procurement savings survey to PN members. The PN was reminded to respond to this important enquiry.

OTHER TOPICS

1. UN SECRETARIAT BRIEFING ON THE SECRETARY-GENERAL'S REFORM INITIATIVES

INFORMATION SESSION – PRESENTED BY ASSISTANT SECRETARY-GENERAL FOR CENTRAL SUPPORT SERVICES, UN SECRETARIAT, MR. CHRISTIAN SAUNDERS

The General Assembly has endorsed major reform workstreams this year in the areas of Peace & Security, Development and Management. Management Reform underpins the reform proposals on Peace & Security and the Development System and it aims to:

- ✓ **Decentralise decision-making authority**
- ✓ **Simplify policies and processes**
- ✓ **Enhance commitment to accountability & transparency**

On 1 January 2019 a new structure will be implemented, whereby two new departments – DMSPC and DOS³ – will service and support the entire UN Secretariat. The details of this new structure and its expected benefits were presented to the PN.

In terms of process efficiency improvements called for under the reform, the following is being emphasised within the Secretariat:

- Share procurement services within the HLCM-PN and use expertise owned by other UN organisations
- Collaborate in common procurement exercises
- Standardise specifications / SOWs for common field requirements
- Minimise duplication of effort within the HLCM-PN

In turn, the following is expected:

- Support implementation of the modalities for 'Common UN procurement at the Country Level'
- Complete common procurement templates (as intended under the Harmonisation Project, Phase 3)
- Promote and utilise procurement tools available on the UNGM Knowledge Centre

³ DMSPC: Department of Management Strategy, Policy and Compliance
DOS: Department of Operational Support

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- Utilise e-commerce tools for direct purchase against LTAs/Systems Contracts available across the UN system

Specifically, regarding the HLCM-PN, it was highlighted that it is the responsibility of each PN member to:

- Monitor and share information on vendor performance
- Immediately address issues related to prohibited conduct by vendors
- Open contracts for use by other UN organisations
- Be accountable for implementation of PN projects

To ensure the above, PN member organisations should re-affirm their commitment to apply the Model Policy Framework for Vendor Eligibility; support UNGM as a common procurement tool of the UN system for information sharing; and make use of the outcome of joint HLCM-PN projects, such as the collaborative contracts for vehicles.

Finally, the PN was informed that a global service delivery model will be established to provide non-location specific shared services to all UN Secretariat entities. The UN currently maintains back office functions in multiple, and often high-cost, locations. The SG proposes consolidating transactional services to a few centres for global service delivery. The goal is to capture economies of scale, leverage expertise, improve client focus as well as accountability, transparency and compliance.

2. THE UN GLOBAL MARKETPLACE (UNGM)

INFORMATION SESSION – PRESENTED BY UNGM STEERING COMMITTEE CHAIR, MR. GIORGIO FRATERNALE (ILO) AND UNGM TEAM LEAD, MR. NIELS RAMM (UNOPS)

Members were provided with an update on key highlights from the UNGM Operational Report 2018. These included:

- Keys figures on vendor registrations, UN users, tender notices, contract awards and LTAs posted as well as Tender Alert Service revenues.
- Enhancements implemented in terms of UNGM usability and regarding the Ineligibility Module's processes and functionalities.
- Status of the Trade Promotion Portal that has been implemented to support Chambers of Commerce, Trade Agencies, Industrial Associations and similar, in managing their vendors/statistics, business events, etc.
- A Chinese Vendor Outreach Project, which includes dedicated helpdesk support and other vendor capacity development activities in China.
- Implementation of a CRM platform and integrated issue system to improve customer service, experience and satisfaction.

UNOPS, the current hosting organisation of the UNGM environment, anticipates moving its ICT infrastructure to the Cloud-based hosting solution 'Google Cloud Services'. While there are many opportunities and benefits of hosting applications in such an environment, there are also risks and limitations. One of them being that, since Cloud services such as Google are subject to US sanctioning policies, certain countries may not be guaranteed access to UNGM and its associated services. UNGM has just under 3000 registered vendors from six sanctioned countries. Therefore, the UNGM Steering Committee is currently exploring alternative (possibly free of charge) solutions for hosting the UNGM infrastructure and will keep the membership informed.

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The UNGM SC Chair also presented proposed wording for Data Protection Disclaimers for new vendors registering on the UNGM, vendors that are already registered, and a disclaimer that should be added to each agency's template tender documents.

The Harmonisation WG Chair reminded member agencies that a simple instructional video that serves to guide users in uploading their LTAs to the system is available in the [Knowledge Centre](#) of the UNGM.

Finally, as a result of negotiations that took place between the World Bank and a number of UNGM Steering Committee members the previous day, the World Bank announced that it has in principle agreed to join the UNGM and is currently working on finalising the details internally.

3. MEMBERSHIP TO THE HLCM PN

INFORMATION SESSION – PRESENTED BY MR. KIYOHIRO MITSUI (UNPD)

At the last PN meeting, it was agreed that the matter of voting rights within the PN should be examined. There was a general consensus that there should be equal rights for all members (both Core and Associated) to vote as all members contribute financially to PN operations. Ms. Neris Baez Garcia de Mazzora (IAEA) and Mr. Kiyohiro Mitsui (UNPD) volunteered to address this issue in the PN Statutes.

In order to develop clear guidelines as to whether any Associated Member organisation can be considered for full membership of the HLCM-PN, UNPD requested advice from the UN Secretariat Office of Legal Affairs (OLA), in particular on how the organisations are categorised in the UN System chart, on the status of other organisations whose representatives have attended HLCM-PN meetings in the past, and their status vis-à-vis the UN system. The PN was provided with an update on the advice received and an overview of how HLCM-PN are therefore categorised. Consultations that have also taken place with the HLCM Secretary and will continue in order to achieve full clarity on the HLCM's position on the matter.

An update will be provided at the next PN meeting and, depending on the outcome of the consultations, the PN will be asked to endorse a decision on the way forward. Ultimately, the intention is to amend the PN Statutes and, assuming it is still relevant, finalise a draft procedure for Associated Membership.

4. UN WEB BUY PLUS HOSTING PN COLLABORATIVE LTAS

DISCUSSION SESSION – PRESENTED BY MS. ANGELA KASTNER & MR. FEDERICO GIUDICI (UNOPS)

UNOPS was approached by UNFPA about the possibility of hosting the collaborative vehicles LTAs on the UN Web Buy Plus system. A similar request was made a year ago by a few UN agencies at the PN meeting in Montreal. As the contract manager of the collaborative vehicle LTAs, UNPD requested a discussion of the matter by the HLCM-PN before progressing further. Being open to the idea, guest representatives from UNOPS attended the meeting to present and discuss the capabilities of UN Web Buy Plus.

It was agreed that the current discussion between UNOPS, UNPD and UNDP, concerning the vehicles LTAs, should continue. In addition, there was considerable interest from the PN in exploring the possibility of using UN Web Buy Plus as an e-commerce tool for placing orders

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through UNGM. It was agreed that this, as well as associated potential fee models and governance structures, would be further discussed by the UNGM Steering Committee and UNOPS. There is also potential for linking the concept to the new 'Innovation to Impact' group that emerged from the retreat the previous day.

5. OVERVIEW OF THE BUSINESS INNOVATION GROUP INITIATIVE

INFORMATION SESSION – PRESENTED BY MR. DOMINIC GRACE (UNDP)

A Business Innovation Group (BIG) has been formed to develop the One-UN office function. The PN was provided with an overview of this initiative, which will impact all operational support services, including procurement.

UNDP, UNICEF, UNHCR, and WFP have all committed 2 full-time staff to the initiative. In addition, there is 1 cost-shared resource from UNFPA.

The Project Team has been tasked with preparing a strategy for the BIG to meet the Secretary General's five business operations reform targets (below), and deliverables have been defined for each of these areas.

1. **Mutual Recognition**
2. **Client Satisfaction**
3. **Common Premises**
4. **Business Operations Strategies**
5. **Common Back Office** (includes procurement as a one of 6 service lines)

It is recognised that ongoing communication on this initiative will be of great importance, and that the Project Team must remain in close contact with the networks of the HLCM in order for all parties to stay aligned and avoid duplication of efforts.

6. REPORTING ON COLLABORATIVE PROCUREMENT

DISCUSSION SESSION – PRESENTED BY MS. PATRICIA MOSER (UNOPS) & MR. ERIC DUPONT (UNFPA)

Common or Collaborative Procurement is currently defined in the PN-endorsed modalities for 'Common UN Procurement at Country Level' as encompassing the following set of activities:

- Using existing long-term agreements (LTAs) or contracts of other UN organisations
- Establishing and using joint LTAs through a Lead Agency approach
- Using the procurement services of other UN organisations
- Procuring from other UN organisations
- Other formal collaborations with UN partners through: (i) joint procurement unit, or (ii) sharing specifications or developing common specifications

It appears that some UN agencies also consider and report technical collaboration with WHO as a collaborative procurement activity, although the above-mentioned document does not include it as a category of collaborative procurement. From the PN Management Board's perspective, collaboration between WHO and UN agencies procuring health-related commodities is a division of roles rather than collaborative procurement. WHO provides, via its mandate and amongst other things, regulatory support for pharmaceuticals through the development of internationally recognised norms, standards and guidelines that UN procuring agencies are requested to adhere to. The PN Management Board's view is that UN

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agencies procuring health commodities do not choose to collaborate with WHO, rather they are required to follow these international standards.

UNICEF, however, views such strategic collaboration within the UN as relevant to report as collaborative procurement, and that drawing on organisations' complementary strengths ought to be pursued, and recognised.

The PN Management Board sees a need for the PN to harmonise so that collaborative procurement can be measured and reported on in a consistent manner to donors, member states and other stakeholders. Recognising that the definition of Collaborative Procurement was established in 2012, it was agreed that it would be recirculated by the Harmonisation Working Group to seek PN consensus on the terminology. The discussions on the topic will continue with UNICEF, and other UN agencies, under the umbrella of the Harmonisation Working Group and, as necessary, at the next PN meeting.

AOB

(i) New initiative: 'Innovation to Impact'

As a result of the retreat, which took place during the first two days of the meeting, the PN agreed on priorities and to set up three groups, focused on:

- **Cognitive Procurement**
- **Vendor Management** (incentive based)
- **Outsourcing Procurement**

The overall initiative will be called **Innovation to Impact** and will initially be led by the PN Chair, Ms. Patricia Moser. PN members are encouraged to continue the momentum from the retreat and participate in this important work.

(ii) Travel

Leveraging the UN's considerable procurement volume in the area of travel was discussed during the Show & Tell session on the CPAG Annual Report. Negotiating an agreement for Europe could be explored as a starting point. UNOG agreed to assess the level of interest from the agencies in European locations.

(iii) HLCM-PN on Twitter @UN_Procurement

The PN's following on Twitter has increased by about 150% since the last meeting. Nevertheless, PN members were reminded to follow and support PN activities on Twitter by sharing stories/news to be tweeted, re-tweeting PN posts, etc.

(iv) Venues for future meetings

As agreed at the last PN meeting, the next session will take place in Vienna on 27-29 March 2019, hosted by OSCE and IAEA.

The 2019 Autumn session will take place in Valencia, hosted by the UN Secretariat. Dates are yet to be determined.

SHOW & TELL SESSIONS

The following 'Show & Tell' sessions were also a part of the PN meeting agenda:

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- (i) [UNOPS Approach to Procurement Learning and Development](#) – Mr. Santiago Millan (UNOPS)
- (ii) [2017 CPAG Annual Report](#) – Mr. Stephen Farrell (UNOG)
- (iii) [UNICEF's Global Supply Strategy on Product Innovation & Markets](#) – Ms. Katinka Rosenbom (UNICEF)

Supporting information can be found as indicated in the footer.