Plan of Action for the Harmonization and Simplification of Business Practices (HBP) in the United Nations System

Donor Report for the HBP in 2014

STATUS REPORT
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Background

The Harmonization and Simplification of Business Practices Plan of Action (HBP) was created to enable UN System organizations to take collective action in the area of management to increase the effectiveness and efficiency of the UN System. It was recognized that numerous important initiatives required collective action as well as funding, which was not available. Hence, under the oversight of the High Level Committee of Management the HBP trust fund was established. Since its launch in 2009, the Harmonization of Business Practices Plan of Action (HBP) has funded 18 projects in the areas of Finance, Human Resources, Procurement and ICT. The impact of these projects has been significant and they have helped make the UN system a significantly more effective and efficient system. This report will focus on activities in 2014; however, for a comprehensive picture of the accomplishments of the HBP, previous reports are available at http://www.unsceeb.org/content/harmonization-business-practices-key-achievements-2011-2012.

During 2014 the (HBP) was coming to an end due to depletion of funds. The full contribution of over US$10 Million has been committed to projects. The CEB Secretariat, on behalf of the HLCM wishes to thank the donors to the HBP, New Zealand, Norway, Sweden, the Netherlands and the UK for their support that enabled this process. However, much work remains and the importance of the initiatives under the HBP and the continued need for the UN system to be able to access funds for harmonization and simplification initiatives has not diminished. Hence, the HBP Steering Committee, reporting to the HCLM, made the decision to launch an additional round of funding for a Harmonization and Simplification of Business Practices Plan of Action Phase II. The CEB Secretariat is grateful to the governments of Switzerland and Sweden that have provided funding to Phase II so far.

During 2014, the successful coordination with the UNDG continued. HBP projects related to procurement practices in the field, and the banking project’s field based components, supported explicit UNDG needs. Furthermore, the 2013 HR project “Harmonization of Vacancy Advertisement and Selection Process at Country Level for General Service and National Officer Positions” and its outputs, were linked to the UNDG Brazil initiative and provided support to the design in Brazil. Furthermore, the projects funded by the HBP, continue to have close links to the QCPR.

On-going projects in 2014

Procurement

In the area of procurement, the second phase of a project focusing on harmonizing procurement processes in field duty stations to enable UN Country Teams to capitalize on economies of scale and on reduced transaction costs was carried out. Led by the Procurement Network’s harmonization working group, this project came to an operational close in December 2014, on schedule, and an evaluation is expected to be completed during the first
quarter of 2015. The work has ensured that there are no more obstacles to collaboration on procurement in the field. Since successful implementation depends on UN Country teams using the processes and procedures designed, an on-line training programme has also been created to help UN Country Teams that wish to undertake common procurement. Furthermore, resource persons posted around the world have been trained to provide support to UN Country Teams as well. The Procurement Network and the project team have been working closely with the UNDG to ensure a strong link to UN Country Teams. Furthermore, the project gave support to the business centre initiative being put in place in Brazil under UNDG leadership.

**Achievements:** During the Harmonization project phase II, 12 countries among 50 target countries reported progress and 8 of them reported figures on savings (Lesotho, Serbia, Ethiopia, Fici, Kosovo, Malawi, DRC and BIH). In these countries, over 50 LTAs were established covering a procurement volume of approximately US$27 Million primarily in 2013-2014. The use of LTAs led to an estimated savings or cost avoidance of US$7.5 million. Furthermore, the estimated savings from reduced administrative cost was over US$700,000. Other 30+ duty stations that have been given support are expected to report on progress in 2015.

The second project related to procurement was a project to simplify vendor registration. This project was close to completion in 2013 but some additional work on IT systems was needed in 2014. The project has enabled the UN system to reach significantly more vendors, particularly from developing countries and countries with economies in transition. As such, it has enabled the UN system to respond to numerous requests from member states in this area.

The work has been possible by using the UN procurement portal, the UN Global Marketplace (UNGM) as a tool for interface with the UN system for potential vendors and by harmonizing and simplifying the registration process for new vendors using the UNGM portal. The harmonization and subsequent technical solution has led to a unified and simple registration process for vendors and has increased the number of successful registrations. It has also had the benefit of eliminating high “mortality rates” i.e. potential vendors that do not complete the registration process because it was too complicated. This has significantly increased business opportunities for developing countries. After its launch in early 2014, the UNGM has received significant praise from member states. During 2014, the HBP Steering Committee approved a second phase of the vendor registration project. This phase would further improve the registration process and would also respond to the request of the QCPR for common vendor lists for delivering as one countries. The UNGM will be improved to be able to handle country specific vendor information to help UN Country Teams in the management of their local procurement.

**Achievements:** With the implementation of the Vendor Registration Reform Project the number of vendors registered on UNGM has significantly increased (an 81% increase as of February 2015). Similarly, the number of vendors from developing countries and countries with economies in transition has doubled (a 98% increase from the previous platform).

Vendors from developing countries and countries with economies in transition represent the largest group in the UNGM new site. The number of vendors has already exceeded the number of vendors from developed countries. They now represent **55%** of the total number of vendors.
A third project related to procurement as well as to the reporting requirement of the CEB Secretariat focuses on **automation of the collection of procurement data.** The Annual Statistical Report on UN Procurement (ASR) is currently compiled on an annual basis and is a valuable resource to the United Nations community, partner governments and the wider business community. The ASR is widely circulated among UN organizations, academic institutions, suppliers, and other stakeholders. Before this project, it took approximately five months to obtain and process the data required for the compilation of the ASR. This process is primarily manual and involves labour-intensive efforts from all of the participating organizations in the ASR. Given the heavy process involved in creating the report, the next logical step in the development of the ASR was to automate and improve the data collection from the UN organizations utilizing the data available in their respective Enterprise Resource Planning and Information Systems that have become increasingly prevalent in the last ten years.

**Status:** As of December 2014, the project was in Phase 1: Feasibility study. The ASR Automation of Data Collection project commenced end of year 2014 with a survey conducted among participating UN agencies on data standards and reporting formats. The survey forms the background of the feasibility study (project phase 1) of automating the process of data submission and processing. Planning is underway for stakeholder engagement to ascertain buy-in, and also for analysis of procurement data related technology systems (ERP) currently in use among participating organizations.

A final procurement related project that was started in 2012 was continued. This project, **common procurement of vehicles,** successfully completed several complex components. Through this work, the US system agreed on common specifications for vehicles and was able to prepare for a common tender for Long Term Agreements for vehicles. This is a major accomplishment given the variety of needs, level of presence and business models across the UN system. Given that the total volume of vehicle procurement in the UN system annually nears US$400 Million, any savings on vehicles will have significant impact. Furthermore, as vehicle procurement frequently comes out of programme budgets, savings in this area translates into additional funds for programming for other activities than procurement, or for the procurement of other programme related goods. It is expected that this project will be completed by mid-2015 with Long Term Agreements for vehicles in place for the entire system to use. The project may also be able to look into fleet management issues which is another area where significant savings may be had.

**Achievements:** During 2014, the project successfully harmonized vehicle specifications and fleet make up. Furthermore, a tendering process was carried out and it is expected that this process will lead to Long Term Agreements with at least two automobile manufacturers.

**Cross Cutting Projects**

An initiative that is cross cutting all areas of management, as a direct response to the Quadrennial Comprehensive Policy Review (GA 67/266), the HBP also funded an **ERP inter-operability study.** This ongoing project was launched in October 2014 and will produce an analysis of the desirability and feasibility of creating inter-operability of ERP systems across the system. The study is carried out by Cap Gemini, Rome under the oversight of ITU. The project takes into account the needs, constraints and opportunities related to inter-operative ERP systems by looking at different organizations from both
headquarters and field perspectives. A final report is expected by the end of Quarter two in 2015 and will feed into the QCPR reporting process.

**Status:** The ERP inter-operability study commenced and significant background work and stakeholder consultations and interviews were held during the year.

In 2014, the Steering Committee of the HBP also approved a project on **Greening as One**. This is a collaboration with the Environment Management Group, the EMG, on helping the UN system in its work towards becoming more green. The project is also co-funded by the EMG and will support organizations in carrying out environmental audits, will develop an environmental footprint tool, and will help collect data on environmental issues which will be reported on to help the UN improve its environmental performance.

**Status:** To be implemented in 2015

**Finance and Budget**

An early project funded by the HBP was a feasibility study on treasury services. Based on that study, initiatives in many areas of treasury services have been carried out. Large savings have been realized in the area of foreign exchange, information sharing on risk has improved, initiatives on payments have been launched and a follow up project on **common banking** was funded by the HBP.

The project which aims at negotiating joint contracts with major banks is expected to lead to savings of between $1.2-2.3 Million annually. With an investment of $1.1 Million in this project, this corresponds to a full return on investment within less than a year from completion of the project. The project is negotiating common Long Term Agreements with the six global banks that handle up to 70% of the UN business. In addition, the project will also focus on large duty stations e.g. peace-keeping missions, regional hubs, Delivering as One Countries or other large and high cost duty stations for banking at first, to negotiate local banking contracts to improve efficiency and to reduce banking fees. To date, contracts have been tendered for and negotiated in ten duty stations selected on the basis of need and possible impact. The project experienced some delays in getting started in 2013 but has worked well in 2014 and is on track to be completed during 2015 without any cost increases.

**Achievements:** In 2014, the negotiations with the six global banks made progress and completion of contracts is expected in 2015. Furthermore, new banking contracts were negotiated in ten high volume/high cost duty stations. A full assessment of the benefits will be carried out in 2015. However, one large organization estimates that it has saved approximately US$ 500,000 in 2014 in one country alone. Details will be provided in the 2015 report.

**Status:** The project will be implemented in 2015

Table 1. below, provides a summary of HBP projects and their current status. Each project, their objectives, purposes and expected—and delivered—benefits are reported in detail later in the report.
Table 1
Status Update of HBP Projects 31 December 2014

<table>
<thead>
<tr>
<th>Project (with lead agency/ies)</th>
<th>Allocation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparative Analysis and Review of the staff regulations and the rules, practices and procedures, particularly in field duty stations. (HR Network &amp; WFP) • Review of entitlements in the event of death and injury due to malicious acts and service incurred</td>
<td>$386,200</td>
<td>Completed</td>
</tr>
<tr>
<td>Feasibility study for Common Treasury Services (IFAD and WHO) and Support to Coordination Committee and Community of Practice</td>
<td>$904,150 + $113,540</td>
<td>Completed</td>
</tr>
<tr>
<td>UN system-wide financial statistics database and reporting system (CEB Secretariat)</td>
<td>$794,700</td>
<td>Completed</td>
</tr>
<tr>
<td>Common Standards Costing Approaches for ICT Services and Investments (UNODC)</td>
<td>$565,000</td>
<td>Completed</td>
</tr>
<tr>
<td>Vendor Eligibility Project (UNDP)</td>
<td>$174,132</td>
<td>Completed</td>
</tr>
<tr>
<td>Procurement process and practices harmonization in support of field operations Phase I (UNICEF)</td>
<td>$628,819</td>
<td>Completed</td>
</tr>
<tr>
<td>Procurement process and practices harmonization in support of field operations Phase II (UNFPA)</td>
<td>$455,823</td>
<td>Completed</td>
</tr>
<tr>
<td>Collaborative Procurement of Vehicles (UNDP)</td>
<td>$990,000</td>
<td>On-going Expected Completion in Q2 2015</td>
</tr>
<tr>
<td>UNGM Vendor Registration Reform (UN/UNOPS)</td>
<td>$408,740</td>
<td>Completed</td>
</tr>
<tr>
<td>Support to UNCTs implementing Harmonized Business Practices (UNSSC)</td>
<td>$215,600</td>
<td>Completed</td>
</tr>
<tr>
<td>Common Services and Harmonized Business Practices (UNSSC)</td>
<td>$175,480</td>
<td>Completed</td>
</tr>
<tr>
<td>Harmonizing Banking Services Across the UN System (UN)</td>
<td>$1,100,000</td>
<td>On-going Expected Completion in 2015</td>
</tr>
<tr>
<td>Harmonization of vacancy advertisement and selection process at country level for General Service and National Officer positions (UNESCO)</td>
<td>$270,000</td>
<td>Completed</td>
</tr>
<tr>
<td>ERP Feasibility Study</td>
<td>$350,000</td>
<td>On-going. Completion expected Q2 2015</td>
</tr>
<tr>
<td>Automation of data collection for the Annual Statistical Report on UN Procurement</td>
<td>$128,000</td>
<td>On-going. Completion Expected Q3 2015</td>
</tr>
</tbody>
</table>

1 Shaded projects have been reported on in detail in earlier reports.
<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
<th>Approval Date</th>
<th>Commencement Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greening as One</td>
<td>$210,000</td>
<td>Approved in 2014</td>
<td>Commencing in 2015</td>
</tr>
<tr>
<td>Vendor Registration Phase II</td>
<td>$220,000</td>
<td>Approved in 2014</td>
<td>Commencing in 2015</td>
</tr>
</tbody>
</table>

### Table 2

#### Income Phase I

<table>
<thead>
<tr>
<th>Donor</th>
<th>Amount US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand</td>
<td>266,499.16</td>
</tr>
<tr>
<td>Sweden</td>
<td>1,141,168.71</td>
</tr>
<tr>
<td>Norway</td>
<td>2,617,314.27</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4,706,000</td>
</tr>
<tr>
<td>UK</td>
<td>1536564.90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,267,547.13</strong></td>
</tr>
</tbody>
</table>

#### Income Phase II

<table>
<thead>
<tr>
<th>Donor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>CHF 900,000 (2013-2016)</td>
</tr>
<tr>
<td>Sweden</td>
<td>SEK 6,000,000 (2014-2016)</td>
</tr>
</tbody>
</table>
Project Background, Objectives and Status of HBP Projects with Activities in 2014²

Harmonizing Banking Services across the UN System
Lead: UN Secretariat Budget: $1.1 Million: Ongoing

Project Purpose and Objectives

The purpose of the project is to achieve efficiency gains and cost reductions in banking transactions in large duty stations. The objective of this effort is to adopt a coordinated approach to both the procurement and administration of banking services and relations for all of the Participating UN Agencies, both on a regional and country-by-country basis. It is recognized that the UN System’s entities have varying needs and requirements depending upon the type of operations and countries involved. The banking requirements can broadly be categorized into the following groups. While in some cases the categories may overlap (i.e., #1 and #5) we provide this categorization as a premise for the structure of the proposed approach.

1. Countries where UNHQ has Peacekeeping Operations. These are large scale, complex operations with significant cash handling requirements;

2. Countries in which UN Agencies are operating as Integrated Missions which support complex activities in post-conflict situations and tend to have more complex banking requirements;

3. Countries where UNHQ has regional commissions or other offices away from headquarters (non-Peacekeeping Operations), which tend to be the capital or major cities with established banking infrastructure and where UN Agencies are also present in the country;

4. Countries where UNHQ does not have operations, while UN Agencies do;

5. “Delivering as One” countries; which are countries officially designated by the UN Secretary General or are self-starters;

6. Countries with no banking competition

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² This section includes projects that had activities in 2014. Completed projects were reported on in earlier reports.
UNHQ, due to the significantly large Peacekeeping Operations, has an established team and procurement procedures in place to select, oversee and manage all of their specific banking requirements. The intention is to leverage this team’s existing knowledge and experience to support a harmonization exercise. The team’s expertise is essential to support the procurement of services for Funds and Programmes as well as Specialized Agencies with field banking requirements. The envisioned output of this project is a common set of banking agreements with key regional banks which would serve to all UN Agencies across all countries.

In order to accomplish this, the UNHQ’s Global Banking Operations Section has been provided with additional resources through the project, which include a legal specialist assigned to OLA (not clear who provided this (these) additional resources. The Section:

- Manages a scoping exercise to establish common requirements with appropriate weighting;
- Co-ordinates a virtual working group consisting of the Treasurers from the participating Organizations who establishes team TOR’s & performance metrics, reviews and approves the recommended implementation steps;
- Works with OLA to put in place model banking agreements that would cover all UN Organizations;
- Runs UN-wide bank RFIs and RFPs and coordinates the process of evaluating and selecting preferred banks, differentiated according to the six broad categories listed previously. .

**Expected Benefits**

The main benefits of the project are:

- Improved quality of banking services
- Reduced bank fees for participating UN organizations.
- The creation of global standard banking agreements

**Progress**

Although the project experienced delays due to staffing problems in 2013. However, the project did not incur any additional costs due to these delays and the UN Secretariat was able to start activities using its own internal resources. By the end of 2013, tenders for contracts had been issued in several large duty stations and by the end of 2014 RFPs were completed in Côte d'Ivoire, Mali, Angola, Kenya, Somalia, Nigeria, Democratic Republic of the Congo, Rwanda, China and the Central African Republic. Negotiations with the largest banks providing banking services to the UN system are on-going and are expected to be completed in 2015.
Procurement Process and Practice Harmonization in Support of Field Operations, Phase I and II

Lead: UNICEF, Phase II UNFPA Budget: $628,819+ 455,823

Completed

Project Purpose and Objectives

After the completion of Phase I, completed in early 2013, which focused on country level procurement activities, Phase II of the Project had both an HQ and a country-level component. The HQ component aimed at improving the harmonization of the interface that (potential) suppliers have with the organizations of the UN System. This component complements other related initiatives currently being undertaken by the Procurement Network. It also establishes the foundation for further progress on country-level harmonization of business practices.

The country-level component continued the efforts initiated during Phase I of the Harmonization Project and supports country offices in their efforts to harmonize business practices. This component has improved the effectiveness of UN cooperation in procurement at the country level by applying the tools that were created in Phase I.

Project Objectives

This Project proposal emphasized the continued implementation of the deliverables of the Project, Phase I. The specific objectives were to:

- Facilitate the implementation and use of the modalities of the document ‘Common UN Procurement at the Country Level’ to a total of 10 countries, including the collection of quantitative evidence of the benefits achieved through the application of these modalities of common procurement and the harmonization of related business practices (Phase II)
- Use the experience gained and the feedback collected through the roll-out and implementation of the modalities of common UN Procurement to:
  - Continue to improve and align the modalities to reflect progress achieved in HQ harmonization of business practices; develop additional tools in response to needs identified at the country-level for further harmonization of business practices; and simplify the application of these tools at the country level (Phase II)
- Revise the contents, structure and technological platform of the Procurement Practitioner's Handbook (Phase II)
- Assess the feasibility and benefits of harmonizing standard solicitation documents, model contract templates and general terms and conditions of UN organizations (Phase II)
- Follow-up on implementation of decisions made by the HLCM PN during Phase I of the project (Phase II)
- Assess feasibility/benefits of harmonizing specific procurement-related documents.
- Follow up on implementation of decisions taken during phase I

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3 Phase II was approved in 2013 and started in November. As activities are closely related, both sets of activities are reported on here
• HQ Roll-out the modalities of ‘Common UN Procurement at the Country Level’
• Development of further tools for UN cooperation and continuous improvement of the modalities of ‘Common UN Procurement at the Country Level’
• Country-Level revision of Procurement Practitioner’s Handbook

**Expected Benefits**

The expected benefits include:

• More effective and efficient cooperation in procurement among UN organizations both at country level and HQ level
• Cost savings and better economies of scale in certain product and service categories due to improved and increased cooperation in procurement at the country level
• Better value for money, improved service from suppliers and better contract terms due to improved and increased cooperation in procurement at the country level
• Reduced administrative costs by eliminating duplication of tasks
• Improved inter-agency mobility of staff
• Improved opportunities for common training initiatives
• Harmonized interface between organizations of the UN system with (potential) suppliers
• Improved image of the UN System to external stakeholders (suppliers, donors, governments, etc.)
• Increased opportunities for further collaboration due to harmonization of some elements of the legal framework underlying procurement transactions

**Progress**

Phase I of the project was completed and closed in early 2013 and received a positive evaluation.

The evaluation findings carried over into Phase II which commenced in the fall of 2013 and was completed in December 2014. The evaluation of the project is on-going and is expected in Quarter 2 of 2014. This will assess if the objectives were met. At the completion of Phase I, the HLCM Procurement Network reported that there were no remaining obstacles to collaborative procurement in the field and under Phase II, training material, courses, and simplification of guidance were developed to ensure that UN Country Teams are able to capitalize on the opportunities created by the initiative.

During the Harmonization project phase II, 12 countries among 50 target countries reported progress and 8 of them reported figures on savings (Lesotho, Serbia, Ethiopia, Fici, Kosovo, Malawi, DRC and BIH). In these countries, over 50 LTAs were established covering a procurement volume of approximately US$27 Million primarily in 2013-2014. The use of LTAs led to an estimated savings or cost avoidance of US$7.5 million. Furthermore, the estimated savings from reduced administrative cost was over US$700,000. Other 30+ duty stations that have been given support are expected to report on progress in 2015.
Vendor Registration

Lead: UN/UNOPS Budget: $408,740 +$220,000
Completed (Phase II to start 2015)

Project Purpose and Objectives

The purpose of the project was to promote a common, harmonized and simplified vendor registration process among all UN entities using UNGM.

The objectives of the project were to:
- Harmonize and simplify the common UNGM vendor registration process;
- Solve the issues of the current registration system, while improving the efficiency, quality and effectiveness of the UNGM registration process;
- Support the registration of vendors from developing countries and countries with economies in transition, and increase their business opportunities.
- Widen the participation of vendors from all Member States in general, and improve communication with all vendors.

Expected Benefits

- Strategic synergies with existing initiatives. The UNGM Vendor Registration Reform was a strategic and necessary complement of three projects financed by the HLCM:
  - The Vendor Eligibility Project. The new registration procedure relies on the process established with the vendor eligibility project, and verifies the ineligibility of vendors immediately upon their registration.
  - The Harmonization of Procurement Practices. This reform introduces a harmonized vendor registration process among all UNGM Members and a consistent approach to vendor registration and eligibility across the whole UN system. The reform applies the outcome of the harmonization working group, such as the UN Supplier Code of Conduct.
  - The Collaborative Procurement initiatives. Joint tenders on vehicles, freight forwarding, cargo insurance or other initiatives of joint tendering are facilitated when supported by a common registration process for sourcing these services.
- More vendors, more competition, more transparency, more cost-saving opportunities.
  - The Reform implements a unified, clear and reasonably simple Vendor Registration process. This simplification triggers a virtuous cycle by attracting more vendors, increasing the access to and participation in UN tenders, increasing the international competition, increasing the transparency and fairness of the procurement process.
- **Simplification and increased effectiveness.** The reduction of complexity of vendor registration increases the number of successful vendor registrations and will eliminate the high “mortality rate” of vendors abandoning the registration process.

- The Reform will totally eliminate the backlog of vendor registrations to be evaluated by the Agencies at Basic level, which in the past reached alarming levels for some Agencies.

- **New business opportunities for developing countries.**

  - By soliciting the interest of vendors which so far have not been dealing with the UN, specifically of those operating in developing countries or countries with emerging economies, a whole new spectrum of business opportunities opens up for the UN and the vendors. A simpler registration process, and the “Assisted Registration” helps small and medium enterprises, with limited or no access to Internet, to register in UNGM.

- **Increased Efficiency.**

  - The duplication of efforts (for both Agencies and vendors) and most of the manual checks of the old process have been eliminated. As a result, staff time is saved, response time for vendor registrations has been reduced and the use of Agencies’ resources is optimized.

- **Improved Quality.**

  - UNGM was redeveloped with a leading-edge technological platform, facilitating the maintenance and further functional development of UNGM and interaction with Agencies’ ERP systems. Technology will be fully used to replace labour-intensive activities and improve the quality of controls. Standardized and strengthened controls on vendor registration and high quality vetting will be maintained, while the vendor’s registration information and documentation will be kept up to date.

**Progress**

The project activities were completed in November 2013 and the new vendor registration system went live. The project continued until mid-2014 to ensure that technical problems with the new process can be addressed and that continuous improvements can be carried out as the new system is being used.

The Procurement Network reported that the project met its objectives and positive feedback has been received from a number of member states and vendors. A complete report on mortality rates, reductions in backlog, and number of vendors is expected in early 2015.

However, we already know that with the implementation of the Vendor Registration Reform Project the number of vendors registered on UNGM has significantly increased (an 81% increase as of February 2015). Similarly, the number of vendors from developing countries
and countries with economies in transition has doubled (a 98% increase from the previous platform). Vendors from developing countries and countries with economies in transition represent the largest group in the UNGM new site. The number of vendors has already exceeded the number of vendors from developed countries. They now represent 55% of the total number of vendors.

**Phase II**

A second phase for the vendor registration project which will link the UNGM with Delivering as One duty stations was approved in 2014 and will commence in 2015.
Collaborative Procurement of Vehicles

Lead: UNDP  Budget: $990,000

Ongoing

Project Purpose and Objectives

The purpose of the project is to promote consolidated and strategic planned purchasing of vehicles across the UN, and in doing so increase efficiency, effectiveness and achieve considerable cost savings. The UN System has a total yearly expenditure on vehicles of around US$ 300 Million and through consolidation and joint strategic planning, significant savings are expected.

The objectives of the project are to:

- Analyze and evaluate the current methods of procuring vehicles that are in operation amongst UN Organizations
- Identify the opportunities that exist for standardizing fleet specifications
- Based on best practices identified, develop an optimal model that can be implemented by UN Organizations
- Develop Long Term Agreements (for both ‘soft-skinned’ and armoured vehicles)
- Implement collaborative procurement through Long Term Agreements

Expected Benefits

The expected benefits include:

- Cost savings due to increased ex-factory purchasing rather than ex-stockist
- Cost savings due to better negotiating leverage with combined volumes
- Enhanced access of smaller UN Agencies to the better developed vehicle technical competencies of the main Agencies procuring vehicles
- Standardisation of vehicle types, but with greater contract flexibility, allowing ex-factory configuration for different operating environments
- Opening up other inter-Agency opportunities such as consolidated spare parts ordering, driver and maintenance technical training for safety and security, fleet management, shared workshops etc.
- Enhanced warranty terms and conditions, access to manufacturers’ technical websites and online assistance, improved management of manufacturer product recalls/safety campaigns
- Possibility to leverage manufacturer-held stocks of vehicles for immediate access and response to crisis situations
• Creation of vehicle technical expertise for some of the more specialised vehicle types procured – engineering plant, airfield equipment, armoured vehicles, ambulances, various truck types (fuel trucks, fire fighters, compactors, sewage etc.)
• Improved inter-agency mobility of staff with technical expertise concerning vehicles and transport
• Improved inter-agency transfer/sale of vehicles, spare parts and considerable potential for realising significant end-of-life disposal/sale benefits

Progress

A phased approach was decided on in this project. Phase I of the project, which included a detailed data analysis, including volumes, fleet analysis, as well as procurement methods and a feasibility study was completed in 2013. Identification of roles moving forward has also been completed. The following organizations are participating in the project: UNPD/DFS, WFP, UNDP, UNICEF, UNHCR, UNOPS, FAO, UNRWA, UNFPA, UNIDO, and WMO. Together these organizations represent 80-90% of vehicle procurement in the UN System.

Standardization of vehicle types and fleets has been completed in 2014. A tendering process was organized and lead a lead agency for managing the process was been identified. Long Term Agreements with at least two manufacturers are expected to be in place by mid-2015.
Automation of Data Collection for the Annual Statistical Report on UN Procurement

Lead: UNOPS  Budget: $121,980

Ongoing

Project Purposes and objectives

The Annual Statistical Report on UN Procurement (ASR) is currently compiled on an annual basis and is a valuable resource to the United Nations community, partner governments and the wider business community. The ASR is widely circulated among UN organizations, academic institutions, suppliers, and other stakeholders.

Currently, it has taken approximately five months to obtain and process the data required for the compilation of the ASR. This process is primarily manual and involves labour-intensive efforts from all of the participating organizations in the ASR. Often, publication is delayed up to eight months into a year. Taking into consideration developments in technology and experience gained with the collection and compilation of the data, the process could be implemented with fewer resources, greater accuracy and with faster and timelier data availability.

The next logical step in the development of the ASR is to automate and improve the data collection from the UN organizations utilizing the data available in their respective Enterprise Resource Planning and Information Systems that have become increasingly prevalent in the last ten years.

This project was developed to improve the data collection and compilation process for the Annual Statistical Report on UN Procurement. The specific objectives were to:

- Provide more timely, procurement-related information through the ASR to the business community, donor and recipient governments, various trade and industry ministries and related entities with regard to the procurement of goods and services from the participating UN organizations
- Simplify, optimize and automate the data collection and compilation processes utilizing the data available in ERP and other information systems of the participating UN organizations. This would serve to:
  - Automatically reformat Information System data into one generic ASR format
  - Perform operations on the data that would aid in the creation of ASR tables
  - Allow for new output formats
  - Allow for the expansion of data collected as required

Expected benefits

The expected benefits include:

- Faster reporting cycles due to a streamlined data compilation process and the minimization of the manual tasks, reducing workload for all participants in the compilation of the ASR data
- Reduced administrative costs for all PN members by eliminating time-intensive tasks with the production of the report
• Increased data integrity (fewer process steps where human errors can be introduced)
• Increased transparency and credibility, leading to positive publicity that builds on prior successes
• Increased availability of procurement-related information from the UN Common System, enabling, e.g. better procurement planning and identification of opportunities for collaborative procurement

**Progress**

Project Status - January 2015
The project is currently in Phase 1: Feasibility study.
The ASR Automation of Data Collection project commenced end of year 2014 with a survey conducted among participating UN agencies on data standards and reporting formats. The survey forms the background of the feasibility study (project phase 1) of automating the process of data submission and processing. Planning is underway for stakeholder engagement to ascertain buy-in, and also for analysis of procurement data related technology systems (ERP) currently in use among participating organizations. Status and findings from this feasibility study will be presented to network members during the upcoming Procurement Network meeting in Rome this March 2015.
ERP Inter-operability Study

Lead: ITU  
Budget: $350,000

Ongoing

Project Purposes and objectives

The QCPR Resolutions calls for the UN system to carry out an ERP Inter-operability study. The call for ERP interoperability rests on the understanding that duplicate administrative processes across agencies contributes to increased overhead costs for country operations.

With each agency having dedicated procedures for each administrative function (procurement, human resources, travel, ICT, etc.), and dedicated staff to perform them, then economies of scale for performing these processes can be impossible to achieve. However, constructing unified processes for country-team administration presents challenges to agencies, including the systems agencies use to manage their resources.

Based on the call for the study in the QCPR, the Steering Committee of the HBP funded the ERP Inter-operability study in the fall of 2014 and work has commenced.

The study is focusing on country level operations and will examine the benefits, drawbacks, challenges and opportunities of implementing a single information system for use by country teams. This system would interact with agency ERP systems, with a consistent look, feel and behaviour, taking into account lessons learned HLCM-UNDG initiatives currently underway. This could be an existing ERP already in use by an agency, with interfaces to other ERPs, or a self-contained ERP that all country teams adopt, or a sub-set of ERP functionality provided by an automated system that allows for harmonized business process streams within a country team.

Objectives

The goal of the study is to analyse the barriers (technical, business processes, costs, financial controls, etc.) to inter-organizational operability, as currently embedded in the existing ICT landscape, of which the ERPs are a key component. Based on the barrier analysis establish the feasibility and requirements of utilizing

- A collaborative mechanism of leveraging individual agencies’ capacity and expertise (e.g. lead agency approach) in the various functional area such as logistics, payroll, procurement etc. across the UN system
- Assess industry solutions available to the UN system for provision of commodity services (outsourcing)

Progress

Cap Gemini, the consulting firm that won the bid has carried out background research and has held stakeholder consultations in 2014. Their work is expected to be completed in mid-2015
**Project Purposes and objectives**

Approved in 2014, the overall objective of this interagency project is to increase the capacity of UN organisations to integrate environmental sustainability considerations into the fulfilment of their mandates and improve their environmental performance. This will reduce risks and unintended negative impacts and maximize benefits to people and their environment, thereby promoting sustainable development and improve efficiencies through the way organisations go about their business.

The specific project objective is to allow individual organisations to detect ‘win-win’ improvement/investment opportunities and make decisions related to their corporate environmental performance based on clear and measurable data and cost benefit calculations. The project aims also to allow organizations to monitor and report on their environmental performance in a consistent manner to their own stakeholders and, collectively, to the HLCM.

To reach its objectives the project will focus on three axes:

- **Integration of key environmental aspects in UN internal operations involving the development of a common framework for the UN system, to address: 1) Green Leasing, 2) Benchmarking of UN facilities for environmental performance.**

- **Development of a common measurement and reporting platform:** Develop a shared software-based methodology for monitoring performance on key environmental issues, including Greenhouse gas (GHG) emissions, energy, waste, water, and design a common reporting and management tool for the UN system that could cover GHG emissions, energy consumption, waste generation water consumption, as well as other resources and inventories. The software is expected to support organisations in their decision making and identify cost effective options for improvements over time. It will be designed so as to integrate with existing management systems in the UN system.

- **Assistance in the carrying out of environmental performance assessments in a limited number of pilot offices (including shared premises) in view of identifying quick wins and high return measures that could serve as a repository of experiences to the HLCM.**

**Progress:** The Project will be implemented in 2015