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HIGH-LEVEL COMMITTEE ON MANAGEMENT (HLCM) PROCUREMENT NETWORK

Summary of Conclusions of the Fourth Session of the High Level Committee on Management's Procurement Network
(3-5 September 2008, Rome, Italy)

TABLE OF CONTENTS

Annex 1 - List of Participants
Annex 2 - Agenda
Annex 3 - HLCM Procurement Network - Work Plans, 2008/2009

I.   INTRODUCTION AND BACKGROUND

1.   The *High Level Committee on Management's Procurement Network* held its fall 2008 session hosted by FAO, IFAD and WFP from 3 to 5 September at the Headquarters of IFAD under the Chairmanship of Mr. Dominik Heinrich (Director, WFP, Management Services Division), as agreed upon at the 3rd Session of the HLCM Procurement Network (HLCM PN) held in Amman, Jordan, March 2008[1]. A list of participants is provided[2].

2.   The meeting in Rome, Italy followed the *format of three working days* of closed meetings and discussion for members of the group around an agreed agenda[3].

3.   Proceedings were started with the *welcome address*[4] of Ms Jessie Rose Degala Mabutas, Assistant President, Finance and Administration Department, IFAD. A strong message, encouraging participants to continue working together and harmonize procurement policies and procedures within the overall agenda of harmonization of business practises within the UN system in order to effectively enable and support the vision of 'Delivering as One', was delivered. Ms Mabutas also emphasized the development of modern tools to facilitate harmonization, whilst increasing the transparency, fairness, efficiency and cost effectiveness of the procurement process. Referring to the Procurement Network's knowledge-sharing platform for UN procurement practitioners, she said: 'The UN Global Marketplace website is one of the most important instrument in this vision. We need to believe and share this vision and we need to invest time, effort, and money in making this a reality'.

4.   The Network *thanked* IFAD for making their newly renovated, environmentally-friendly premises available for its first 'green meeting' (refer Para. 11 (a)).

5.   It also extended its appreciation to all three hosting organisations, FAO, IFAD and WFP for the practical assistance and support in organising the meeting.

6.   Participants introduced themselves and made short statements on their *expectations* of the meeting. From these statements, it was clear that the harmonization of Rules and Regulations, professionalization and the further development of UNGM remained high on the agenda of all organisations and hence confirmed the vision statement of the Procurement Network. Participants also looked forward to networking opportunities.

II.   ADOPTION OF THE AGENDA

7.   The *agenda* as adopted by the Procurement Network included:
   (a) From Amman to Rome — Status report [5]

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[1] Final Report of the HLCM's Procurement Network's 3rd Session in Amman, Jordan, Mar 2008

[2] List of Participants

[3] Detailed Agenda of the 4th Meeting of the HLCM PN, Rome, Italy, 3-5 Sep 2008

[4] Welcome Address of Ms Jessie Rose Degala Mabutas, Assistant President, Finance and Administration Department, IFAD

[5] Dashboard and Presentation by HLCM PN Secretariat

    (b) Progress report from the Working Group on Harmonization (previously called Working Group on UN Procurement Reform)[6,7,8,9,10,11]

    (c) Progress report from the Working Group on Vendor management including Vendor Eligibility[12, 13] and UNCCS[14]

    (d) Keynote address: 'Alitalia Purchasing Way — From Procurement to Supply Chain Management" [15, 16, 17]

    (e) Progress report from the Working Group on Professionalization in UN Procurement[18]

    (f) Discussion of JIU Draft Note on Corporate Consultancy in UN System of Organizations[19, 20]

    (g) Progress report from UNGM Steering Committee[21, 22]

    (h) Show and Tell Session on e–Tendering Tool[23]

    (i) Lessons Learned — Procurement Implications of Independent Review of DPRK[24]

    (j) Reporting to HLCM, Conclusions, Venue and Dates

8.   All *documents* concerning the session and related presentations can be viewed on the UNGM website: http://www.ungm.org/iapwg/.

III.   FROM AMMAN TO ROME — STATUS REPORT

9.   The HLCM PN and its Secretariat appreciated the direct feedback from the *HLCM Secretariat* via video link. The support and guidance of the HLCM Secretariat and Mr Remo Lalli, in particular, have been invaluable.

10.   The HLCM Procurement Network Secretariat provided a *status report and overview of activities* over the six month period since the Network's face-to-face meeting in Amman, based on the Minutes from the HLCM's 15th Session, the Annotated Agenda for its upcoming meeting in New York, and the Minutes of the HLCM PN's meeting in Amman[1] and presented the results as a 'dash board' highlighting targets met and target delayed.

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[6] Proposal for HLCM Plan of Action: Procurement Process And Practice Harmonization In Support Of Field Operations

[7] Status Report from Working Group on Harmonization

[8] Presentation on Status of work on Sustainable Procurement

[9] Draft Sustainable Procurement Definition

[10] Draft Sustainable Procurement Policy Statement

[11] Background and methodology for the development of the SP policy

[12] Presentation on Status of work done on Vendor Eligibility

[13] Proposal for HLCM Plan of Action: The UN Global Marketplace – Suspect Vendors: Business Case For The Enhancement Of The UN Global Marketplace To Support Un System-Wide Sanctions Against Suspect Vendors

[14] Note on Adjustment of UNCCS

[15] Presentation by CAP Gemini

[16] CAP Gemini's CPO Survey

[17] Alitalia Presentation, 'Alitalia Purchasing Way — From Procurement to Supply Chain Management"

[18] Presentation on Status report by WORKING GROUP on Professionalization

[19] JIU's Draft Note on Corporate Consultancies In United Nations System Organizations

[20] JIU Working Paper, 20 May 2008

[21] UNGM Steering Committee Status Report

[22] UNGM Draft Marketing and Finance Strategy

[23] Presentation on E-tendering tool

[24] Summary of UNDP Recommendations in Reaction to Nemeth Report

11.   In response to the Report of the HLCM's 15th Session, status was as follows:

(a)   Para. 65: The *carbon footprint* of the meeting in Amman was calculated. In doing so, the following issues came to light: 1) web-based tools often arrived at different and varied results, 2) results should thus be considered as indicative rather than actual, 3) very few tools are available to calculate non-travel related carbon emissions, for example accommodation.

A comparison between the indicated carbon footprint of the meeting in Amman and anticipated carbon footprint of the meeting in Rome showed a significant decrease in carbon emissions. The reduction could be contributed to the reduced number of flights and stopovers, availability of public transport and last but not least, the environmentally-friendly venue. Expectations are to continue this positive trend of reduced carbon emission and costs, when the HLCM PN meets in Vienna.

The complexity of calculating emissions, combined with those of the potential procurement of carbon offsets led the HLCM PN to add the topic of carbon emissions, footprints and offsets to the agenda of its next meeting in order to support procurement readiness.

An almost paper-less meeting was conducted in Rome. On-line registration allowed for 1) electronic tracking of all logistic arrangements, 2) up-to-date contact information on participants, 3) reduced need for paper copies, 4) reduction in duplication, 5) reduced room for error.

Printing and copying of materials were limited to the absolute necessity by 1) distributing documents electronically beforehand, 2) making it available on the website, 3) having a venue that supported wireless access, the use of individual laptops and overhead projection of documentation during the meetings.

More information on the practical aspects of planning a *'green meeting'* can be obtained from the HLCM PN Secretariat and on the knowledge-sharing platform for UN procurement practitioners, UNGM at www.ungm.org .

(b) Para 66 (a): UN Global Marketplace (UNGM): The UNGM Steering Committee successfully implemented changes and improvements as discussed in Amman. A new, more user-friendly and intuitive version was launched late August 2008.

Continued efforts to increase the platform's value and usability as the UN procurement knowledge platform have resulted in the addition of the section on Sustainable Procurement included to raise awareness and provide information to UN procurement practitioners.

For detailed information and outcomes of discussions, please see paragraphs 75-88 of these Minutes.

(c) Para 66 (b): Vendor Suspension[25]: The issue of vendor suspension or vendor eligibility which was set as a priority for the Network by the HLCM has been dealt with in several meetings within the relevant Working Group on Vendor Management. Finalization of a common framework and the supporting mechanisms for sharing information via UNGM is set for end of 2008.

For detailed information and outcomes of discussions, please see paragraphs 47-51of these Minutes.

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[25] Proposal for HLCM Plan of Action: Increase Access Of Suppliers From Developing Countries And Countries With Economies In Transition To The UN Market Place

(d) Para 66 (c): Vendor Access[26]: The Working Group has submitted its proposal on time for a two-year programme aimed at the development of supplier access to developing countries in a specific region to be included in the Plan of Action. As funding is key to the implementation of this project, no further progress has been made.

A number of business seminars were coordinated by the HLCM Procurement Secretariat since this function were added to its responsibilities. Maintaining and improving presentations and related documentation are ongoing activities. The Working Group on Supplier Access will report its outcomes at the next meeting.

(e) Para 66 (d): Financial Rules and Regulations (FRRs): The work on reviewing the FRRs from a procurement standpoint is the responsibility of the Working Group on Harmonization. The draft document was received late in the process and thus the original deadline of June 2008 was neither realistic nor obtainable.

For detailed information and outcomes of discussions, please see paragraphs 12-20 of these Minutes.

(f) Para 66 (e): Support to Delivering as One pilots: The Network was represented at one of the meetings of the UNDG on their invitation. Dialogue has been established and most recently enhanced.

Work on collecting generic specifications, reviewing Procurement Manuals has been slow due to constraints on resources. Note that these activities are part of the Proposal for funding contained in the HLCM Plan of Action: Procurement Process And Practice Harmonization In Support Of Field Operations).

For detailed information and outcomes of discussions, please see paragraphs 22-32 of these Minutes.

(g) Para 66 (f): Professionalization: The dashboard indicated limited progress.

The Working Group charged with Professionalization sought further guidance from the larger Network and used the opportunity of this face-to-face meeting to clarify needs and expectations.

For detailed information and outcomes of discussions, please see paragraphs 66-74 of these Minutes.

(h) Para 66 (g): Environment: The Working Group on Harmonization incorporated the work to be done on environmental/sustainable procurement. Great progress has been made with the continued enthusiasm and commitment by all involved with critical input from UNEP.

For detailed information and outcomes of discussions, please see paragraphs 34-46 of these Minutes.

(i) Para 67. The Network took note of the comment with regard to how the Network could contribute to capacity development of national partners.

Within its core mandate, UNDP has initiated a broad programme to support national implementation capacity development through engagement with national partners, UN agencies, and other development partners. The key objectives of this programme are to develop national and sub-national capacities through field-based advocacy and advisory support services, produce field-based capacity development solutions, and support the measurement and improvement of indicators

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[26] Proposal for HLCM Plan of Action: Increase Access Of Suppliers From Developing Countries And Countries With Economies In Transition To The Un Market Place

set out in the Paris Declaration on Aid Effectiveness.   In January 2008 a UN Procurement Capacity Development Centre (PCDC) was launched.

The HLCM PN has established a dialogue with the Centre and areas of collaboration and cooperation will be investigated.

For more information, please visit www.unpcdc.org

(j) Para 69 and 70: The Network thanked the HLCM for giving it the opportunity to contribute to the HLCM Plan of Action and for the support of the HLCM Secretariat in this process.

Three proposals were submitted and the work plans were to be finalized for the HLCM's fall session.

IV.   FEEDBACK FROM THE WORKING GROUP ON HARMONIZATION

12.   The Working Group is chaired by UN Secretariat.

13.   Subsequent to the meeting in Amman, the Working Group produced a proposal[27] to be included in the HLCM Plan of Action. The proposal focuses on three main activities, each with a number of deliverables. These activities included activities with regard to sustainable procurement as agreed in Amman.

14.   UN Secretariat, UNDP, UNICEF, UNFPA, WFP, UNHCR and UNOPS were requested to comment on the six procurement-related articles of the draft FRRs (dated 21 July)[28] by end of September 2008.

15.   Specialized agencies that would like to comment on the draft FRRs are welcomed and responses will be used to see to which extent all (or the majority) of UN organizations can work under the framework of a common set of FRRs.

16.   The importance of timely responses was stressed by Mr Warren Sach as the 'opportunity of a decade' as the FRRs are not revised that often.

17.   The Chairperson of the Working Group will consolidate responses for feedback to the Finance Network.

18.   It was proposed that in consolidating comments the focus should be on 1) terminology (clear terminology and definitions that organizations agree with), 2) consolidating the versions of the draft and group comments, and 3) distinguishing between prescriptive and process content.

19.   The issue of 'waivers' was raised and consensus was reached that terminology in this regard was essential in dealing with the negative connotations (e.g. using the term direct procurement) and clarifying the process underlying the concept.

20.   Discussions around the FRRs draft also incorporated issues such as the need for common language, translation, simplification, and even the need for having stand-alone Rules and Regulations for procurements as in HR for example. The hierarchy of documents, the use of another organization's long-term agreement (LTA) and bidders' rights to complain when procurement defaults on its obligations, as well as the need for annual procurement planning were also briefly discussed in the plenary session.

21.   The Practitioners Handbook already has a glossary and it was suggested that such definitions and terminology should be incorporated.

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[27] Proposal: Procurement Process And Practice Harmonization In Support Of Field Operations
[28] Financial Rules and Regulations Draft dated 20 July 2008

22.   The Working Group committed to analyze the procurement issues, strategies, needs and outcomes at two of the eight One UN pilot countries and completing a status report by end of May 2008. This did not materialize, in essence due to lack of resources.

23.   Contact has, however, been established with the UNDG and the PN was invited to attend a video conference during which there was an opportunity for the PN to brief the UNDG on its priorities and explore areas of support and cooperation. The UNDG requested the HLCM PN to provide input to some issues raised.

24.   The HLCM PN acknowledged that it did not succeed in providing the immediate and concrete response required. However, the HLCM PN Chair, Secretariat and Management Board will facilitate the process of finding procurement resources when and where needed. All communication can be addressed to the HLCM PN Secretariat for action.

25.   UNDP, UNICEF, UNOPS, WFP and UNHCR are requested to respond to the document circulated by the Secretariat dealing with 'Issues for Follow Up on Business Operations' by the end of September. UNFPA and the UN Secretariat have responded to the requested when it was circulated initially.

26.   During the meeting in Rome, the UNDG requested the participation of procurement experts during a workshop in Tanzania. The HLCM PN has agreed to assist in finding the appropriate resources. UNDP would be able to participate. HLCM PN Secretariat requested to follow-up.

27.   It was suggested that a representative from the UNDG should be invited to attend the next meeting and even potentially join the working group. The PN Secretariat is requested to coordinate this action.

28.   As part of the practical deliverables of the Harmonization Working Group, organizations were requested to provide the HLCM PN Secretariat with their procurement manuals for a similar summary and recommendation. Very few of the organizations have provided their procurement manuals and are thus requested again to send it to the PN Secretariat soonest.

29.   UNPD reported that it has just revised its procurement manual and that it has been translated into French and it should be available in Spanish soon.

30.   ITU have offered to make an intern available to assist with the above activity.

31.   All agencies that have developed generic specifications should send it to the HLCM PN Secretariat. It will be uploaded on UNGM for future use. The working group is requested to develop a proposal on how to deal with the further development, maintenance and sharing of generic specifications in future for discussion at the next meeting in the context of Activity 3 on Sustainable Procurement.

32.   Membership agreed that the Practitioner's Handbook should be maintained as a live document. Updating of this handbook should be coordinated by the Working Group on Professionalization who was the driving force behind this initiative.

33.   As follow-up to the meeting in Amman, it can be confirmed that protocols for communication with other Networks have been established, and organizations' procurement authorization levels have been updated.

34.   As agreed in Amman, work related to sustainable procurement policies, practices etc was to be incorporated into the work plan of the Working Group on Harmonization.

35.   The work over the past six months included:

  1) Developed a practice note with supporting analysis based on studying 40 world-wide policies to guide agencies in the inclusion of sustainable procurement in their respective procurement manuals and processes. UNEP started work on the UN Secretariat and IFAD procurement

manuals and made suggestions to the agencies on how sustainable procurement can be included in their procurement manuals.

2) A Sustainable Procurement Guide which was piloted in awareness-raising sessions in Brindisi and Nairobi. Feedback to be incorporate before final editing and layout.

3) Guidelines for sustainable ICT products have been developed with the input from the ICT Network. The idea with the development of guidelines is to provide a toolkit to practitioners, where they can simply copy and paste text into bidding documents for example. These guidelines are also available to suppliers as part of the awareness campaign.

4) Two training courses have been finalized —a half-day course with the objective to raise awareness and a second, a more comprehensive three-day course.

5) A knowledge-sharing portal on UNGM was created for sharing information with procurement practitioners and suppliers.

36. Discussion around a proposed 'policy' on sustainable procurement raised a number of questions, highlighting the complexity and sensitivity of the issue in view of discussions taking place with the governing bodies of a number of organizations.

37. The Network agreed that the term 'policy' would not necessarily be conducive to meeting the overall objective of raising awareness and progressively moving towards embedding the principles of sustainable procurement into the everyday procurement practices, thus it should be referred to as the sustainable procurement practice note which shall guide all entities of UN system and support harmonious policy implementation[29].

38. There was large consensus on the refined version of the practice note. It was agreed that organizations will have another opportunity for a final round of comments by end of September 2008.

39. UNEP requested that organizations share case studies for the training courses. Assistance in developing course material would also be highly appreciated. UNIDO shared its success in addressing the source of carbon emission, i.e. travel and was requested to share it in a format to be used as case study and inspiration to other organizations.

40. Organizations were requested to indicate their interest and availability to host and potential dates for the first five courses on Sustainable Procurement. UNDP, FAO, IFAD and WFP in Rome, and ITU indicated their support in terms of sending staff for training and being able to host training events. Efforts to be coordinated with assistance from the HLCM PN Secretariat.

41. Materials are available for inclusion in the Practitioner's Handbook.

42. The Practitioners' Handbook as knowledge resources for UN procurement practitioners shall be maintained as a living best practice document. The prime responsibility for ensuring its success rests with Working Group on professionalization relying on input from all other Working Groups.

43. The raising of awareness of sustainable procurement is not limited to procurement practitioners. In order to sensitize suppliers, it was agreed to make information on UNGM available with regard to UN practice in this regard and to make provision for providing non-obligatory information with regard to environmental and social performance data when registering as a potential supplier. In addition, aspects of

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[29] The proposed definition of sustainable procurement needed some simplification, reference should be made to capacity building, either all social aspects should be included or excluded, economic aspect should simply refer to best value for money through effective competition, should refer to all UN entities and not field and HQs, the definition of the UK government should be reviewed, and should refer to who benefits accrue. Although the reasoning behind the use of the word 'progressively' was understood, it may not have the desired impact, as one can say that either you are socially responsible or not.

sustainable procurement should also be included in presentation to suppliers on 'How to Do Business with the UN'. It was stressed and agreed by membership that sustainable procurement should not be a barrier to suppliers from the developing world and that a sensitive approach was required when addressing this issue.

44.   The UN Secretariat reminded the Working Group of its request for a supporting document to present to the GA to address some of their concerns around the issue of sustainable procurement and perceived implications for their suppliers. UNEP and UNOPS committed to prepare a paper by the second quarter of 2009.

45.   Work up to the next meeting will focus on developing a green meetings guide, an Ecolabels guide, establishing and working on guidelines for the next categories of goods.

46.   The Network thanked all members of the Working Group for the progress made and acknowledged the individual organizations' commitment in supporting these activities despite a lack funding.

V.   PROGRESS REPORT FROM THE WORKING GROUP ON VENDOR MANAGEMENT, INCLUDING VENDOR SUSPENSION AND UNCCS

47.   UNDP led the discussion on vendor suspension/vendor eligibility.

48.   The HLCM PN had developed a proposal for funding from the HLCM to create an information sharing platform based on an administrative framework to deal with and share information on vendors who are not eligible for doing business with the United Nations. In the meantime, however, a basic mechanism was established within the UN Global Marketplace site, so that any action to suspend a vendor could be flagged by a UN Organization and seen by other Organizations during searches of the UNGM vendor database

49.   Future improvements to the platform would be the functionality of loading of information relating to vendors who are not registered in UNGM.

50.   The participants agreed that all Organizations should work towards having a formal policy on vendor suspension/eligibility and while there was broad consensus on the fundamentals for such policies, there remained outstanding questions regarding:, acceptance by one Organization of a sanction imposed by another Organizations, levels of due diligence required in order to impose sanctions, and institutional responsibilities for vendor suspension process, ie, legal vs. procurement responsibilities.

51.   Organizations agreed to identify two focal points for sharing of information with regard to restricted or suspended suppliers and share information periodically.

52.   UN Secretariat raised the issue of the need for updating and ongoing maintenance of the UNCCS (United Nations Common Coding System) and led the discussion.

53.   A sub-Working Group led by UN Secretariat will be established under the UNGM Steering Committee to propose additions and changes to the UNCCS codes and submit its proposal to the UNGM Steering Committee for review and approval. The UN Secretariat agreed to cover the funding for immediate requirements.

54.   It was established that a large number of organizations used UNCCS as part of their ERP system and thus a coordinated effort was of utmost importance and critical to the functioning of these organizations.

55.   The importance of protecting the integrity of the coding system was also stressed and a mechanism for requesting, approving, implementing and communicating changes has to be devised. The long-term issues of maintenance, and related funding also need to be addressed. Concerning the ownership of the UNCCS, a system originally developed by UNDP/IAPSO, Mr. Provenzano confirmed that as a result of the merge of IAPSO into UNOPS, said ownership was to be considered as transferred to the UNGM.

56.   In addition, to the large number of UN organizations using the coding system, there are also some external users who should be considered. It is also suggest involving finance staff where these codes are integrated in ERP systems.

VI.   KEYNOTE ADDRESS: 'ALITALIA PURCHASING WAY" — FROM PROCUREMENT TO SUPPLY CHAIN MANAGEMENT

57.   Messrs Francesco Festa (Senior Vice President, Purchasing and Supply Management of Alitalia and Chairman of the Italian Association of Procurement Managers (ADACI)), Marco Alberti (Procurement Practice Lead, CAP Gemini), and Piergorgio Muraro (Senior Vice-President, CAP Gemini) were invited as guest speakers sharing their experience in change management from Purchasing to Supply Management and the conclusions from the Cap Gemini Global Chief Purchasing Officers (CPOs) Survey.

58.   The survey looked at the priorities for 197 Chief Purchasing Officers (CPOs) world-wide for the coming year from a variety of markets and public sector.

59.   Key findings of the survey indicate that the following four points are high on the agenda of CPOs:

- Organizational design and operating model definition are central areas of activity for procurement to win market challenges. As operations globalize, organizations seem to be swinging strongly towards centralization
- Talent Management: Existing skills and capabilities development to support the new CPO's role. Attract, develop and retain Talents are distinctive factors to stay competitive
- Spending Visibility: Improved Spending Visibility to support Procurement Performance Control. Need for coherence of master data and sources
- Back to Basics: Category management and sourcing process remain key focus areas for improvement, in coherence with market evolutions. Category Management revised in order to fit new trend

60.   Over the past years, a clear shift from the perception of purchasing as an operational or transactional role to the realization of the strategic importance of purchasing has taken place.

61.   In the presentation by Mr Festa, the focus was on the transformation process from purchasing to supply chain management and the changes, challenges and advantages involved.

62.   The procurement transformation that took place in Alitalia from 2005 to 2008 was based on the following key dimensions: Ethics, values, investment in people (training and staff rotation), communication with key stakeholders (internal and external) and led to the following results: Centralization of the purchasing function, integration with others parts of the core business activities, reprofiling of staff, increase transactions in the ERP from 6% to 100%, use of e-tendering tool and traditional procurement tools, and savings of EUR180m on business volume of EUR2,7 bn.

63.   The continued evolvement of the procurement function shall be inspired by the quotation from Seneca: 'It is not because things are difficult that we do not dare; it is because we do not dare that they are difficult.'

64.   Discussions during the plenary session highlighted similarities existing between the private and public sectors, the importance of realizing the strategic value of the procurement function and how to make the transformation.

65.   Members agreed that these rare opportunities to interact in a structured forum with professionals from outside the UN system and considered it an invaluable tool for innovation, progress and benchmarking.

VII.   PROGRESS REPORT FROM THE WORKING GROUP ON PROFESSIONALIZATION

66.   ITC of ILO is the Chairperson of the group.

67.   As highlighted by the dashboard, not much progress had been made and the working group sought guidance from the plenary to address what it saw as overlaps between its work agenda and those of other working groups.

68.   The PN's membership clearly stated their commitment to professionalization as a whole and stressed the critical need to move forward in this area.

69.   Staff mobility was considered a critical aspect in ensuring continuous training and development of procurement staff. External or inter-agency mobility was favored and it was suggested that the HLCM PN should contact the HLCM's HR Network and propose that all procurement staff should be considered as internal candidates to facilitate inter-agency mobility. Such mobility would also ensure that essential skills were maintained within and across organizations.

70.   It was agreed that a series of job profiles for the range of P and GS positions within different bands would be developed together with associated job competencies.

71.   To facilitate its work, organizations were requested to share relevant job descriptions and training materials with the working group. The HLCM PN Secretariat will assist in coordinating tasks.

72.   A paper will be prepared to identify UN system priority procurement training needs and proposals on how these needs could be met. This activity will be linked to achieving job competencies.

73.   It was reiterated that the Practitioners' Handbook as a knowledge resource for UN procurement practitioners shall be maintained as a "living," best practice document. The prime responsibility for ensuring its currency would rest with the working group on professionalization, relying on input from all other working groups.

74.   The issue of standardization of bidding documents was again raised, but it was agreed to stick to the priorities agreed in Amman.

VIII.   PROGRESS REPORT FROM THE UNGM STEERING COMMITTEE

75.   Mr Giorgio Fraternale (WIPO) is the Chairperson of the UNGM Steering Committee.

76.   Membership's attention was drawn to the work done since the Amman meeting: development of an information sharing platform to identify sanctioned vendors, a new version of the UNGM was launched making it more intuitive and user-friendly, and a portal for information on sustainable procurement has been developed.

77.   To date notwithstanding that not all agencies are consistent in using the UNGM platform to upload procurement notices, a total of 250 notices are present at any given time. The improved situation of the procurement notices upload has allowed the UNGM to launch in April 2008 the Procurement Notices functionality and subscriptions have already generated an annual revenue of approximately 80,000 US$. Said revenue is still insufficient to completely cover the annual UNGM budget and the UNGM Steering Committee is looking into a more aggressive marketing strategy to increase the number of subscribers of this new functionality.

78.   Members were again reminded that the uploading of procurement notices were critical in order to support the concept of value-added services at a minimal cost to suppliers. Only four agencies are currently consistent in uploading their notices despite commitments from all agencies to do so.

79.   The service provider has committed to make integration between agencies systems and UNGM for uploading of procurement notices, however this has not been fully implemented since not all organizations have provided Information and Communication Technology (ICT) focal points.

80.   Members are requested to contact the service provider to discuss issue preventing or complicating the uploading of notices.

81.   Members were again reminded to update and maintain the database of LTAs. The service provider will not delete outdated LTAs for the time being as the old LTAs could serve as an indication of the existence of newer LTAs and serve as good reference materials.

82.   The Steering Committee presented a recommendation to resolve the long standing issue of WHO full UNGM membership . The recommendation consisted of the introduction of a mandatory mechanism for the prequalification via WHO of potential vendors offering certain sensitive items (e.g. vaccines, medicines etc). Vendors currently registered with UNGM for said items and not yet pre-qualified by WHO would be given a deadline to comply with the new procedure failing which the registration would cease to be valid. This was discussed at length by the Agencies and finally approved. The Steering Committee will liaise with the Service Provider, WHO and any other relevant agency (e.g. UNICEF, UNFPA)   to formulate the procedural aspects of the said recommendation and present it to next meeting of the membership, together with the related implementation budget.

83.   A number of *ad hoc* ideas and suggestions were made by members: FAO requested that the possibility to combine UNGM search functionality with that of Kompass to avoid having to login and out, could be investigated; FAO also requested a functionality that would allow for 'naming' a specific shortlist; FAO and UNPD again stressed the need for finalization of work on local supplier rosters, WFP reminded that a regular newsletter should be done highlighting developments and raising awareness of the functionalities and content of UNGM, WFP suggested that a dedicated area for Steering Committee activities be created with access for UNGM members only.

84.   UNGM will in future also host the HLCM PN website and archive documents from the earlier IAPWG.

85.   The requests for membership by OSCE and AfDB were briefly discussed. It was agreed that non-UN entities would be allowed to avail of the services of UNGM at the same cost as that for members, i.e. USD5000 per year and the proportional usage fee. Non-UN entities need to adhere to the same principles and values as UN entities to be considered for receiving UNGM services. Such entities will feature graphically on the UNGM website structure as ' entities availing of UNGM services'

86.   The service provider presented expenditure and income forecasts.

87.   Members were requested to review and comment on the document relating to the Marketing and Financing Strategy for the UNGM by the end of September 2008.

88.   One of the suggestions for funding in the Draft Marketing and Financing Strategy is that of Voluntary Contributions and Consortium Fund for UNGM Development. IFAD pledged EUR10,000 to this fund.

IX.   SHOW AND TELL: E-TENDERING TOOL

89.   IFAD led the discussion on IFAD's experience with implementing a web-based e-tendering system in co-operation with FAO.

90.   Apart from the impressive fast implementation phase, the cost effectiveness of the implementation was most convincing.

91.   A demonstration of the tool was given by the supplier, In-Tend which is owned by the Sheffield University.

92.   IFAD envisaged that the e-tendering tool would be integrated with UNGM allowing single sign-on between UNGM and e-tendering system, integration of vendor database, vendor registration in UNGM, data replicated into In-Tend, creation of short lists of bidders from UNGM, automatic publication of tender notices, automatic publication of award notices and LTAs and finally, integration with its ERP system. The integration of UNGM with the e-tendering system was approved by a recent UNGM Steering Committee, subject to the availability of funds. IFAD encouraged other organizations to join the Consortium for UNGM Development with voluntary contributions.   IFAD also anticipated that a UNGM technical development strategy paper is in progress and it will be presented at the next HLCM PN meeting. Input from UNGM members will be solicited.

93.   IFAD is financing the translation of the supplier interface of the e-tendering system into Spanish, French and Italian.

94.   A number of members indicated their interest in future discussions around the tool and will be in touch with Sandro Luzzietti from IFAD in this regard.

95.   Members stated their appreciation for these kinds of knowledge sharing presentation and asked for continued inclusion on the agenda.

X.   LESSONS LEARNED — PROCUREMENT IMPLICATIONS OF INDEPENDENT REVIEW OF DPRK

96.   UNDP led the discussion on this subject, which the HLCM also requested the PN to comment on under its Draft Annotated Agenda 8 B) Item 2, The Nemeth Report: Privileges and Immunities Implications.

97.   The Nemeth report recommendations are focused on training and familiarization with export control requirements, as well as with issues regarding dual-use goods and technologies, with particular focus on export destinations of heightened concern.

98.   UNDP indicated that in the future, whenever one of its Country Offices would be asked by a UN Organization to assist with customs clearance of goods entering a country, the Country Office would be instructed to ensure that the proper final destination of the goods would be required to be indicated.

99.   Without prejudice to the privileges and immunities issue, and any further advice of the Legal Network on this point, UNDP expressed its interest to create learning content for the sole purpose at this point to raise awareness of the issue of export restrictions and dual-use items for its Country Offices. UNGM could also be used as knowledge sharing platform for the other Organizations.

100.   UNDP requested that if any organization had existing documents or training materials in place that could be used to send it to the HLCM PN Secretariat.

101.   Discussions centered around a variety of scenarios where individual organizations could foresee difficulties and pitfalls.

102.   The meeting participants also recognized the continuing challenge posed by trying to identify "origin goods" in procurement. The Legal Advisors of the UN System would need to look at this, in view of the current practice, including in the collection of data for the UN System Annual Statistical Report on Procurement, to identify procurement according to location of supplier.

103.   The group recognized that while the issue of export licensing is essentially an administrative element to the procurement process of certain goods and services, it should not prevent any essential procurement to take place for UN activities. The possibility of rejection of licenses by a government authority was deemed to impinge upon UN privileges and immunities and while this would need to be addressed at a

higher policy level, on the practical, operational level organisations would have to look towards alternate sources for purchase in such cases.

104.   The UN Procurement practitioners noted that the implications of the Nemeth Report required review and action by the HLCM Legal Network and that no further action, other than UNDP's approach to raise awareness about the issues, should be undertaken until advice from the Legal Network is obtained.

XI.   DISCUSSION OF THE DRAFT JIU NOTE ON CORPORATE CONSULTANCIES IN UNITED NATIONS SYSTEM ORGANIZATIONS

105.   Mr Kiyohiro Mitsui (UN Secretariat) brought this note to the attention of HLCM PN and led the discussion.

106.   Recommendations 9, 20 and 22 are aimed at the HLCM PN.

107.   It was agreed that insofar there was no direct request from the JIU to respond to either the draft report or its recommendation, the HLCM PN will prepare a reaction for consideration by all its members, based on membership's individual comments by its next meeting.

108.   It was noted that UNGM has a platform for knowledge sharing and its Steering Committee might be in a position to consider the issue of common knowledge sharing policy but that additional tasks related to the JIU recommendation would have workload and cost implications in management of UNGM. It was also suggested that the UN organizations included in the JIU report, but not participating in the UNGM, be approached and informed of the knowledge sharing opportunity.

109.   As the issue of waivers has been discussed in relation to the Financial Rules and Regulations, it was agreed that aspects of the JIU draft report, although only in draft format would be taken into account by the Working Group on Harmonization.

110.   Discussion focused around promoting and confirming the UNGM as the knowledge-sharing platform for UN procurement practitioners, and the issues surrounding the contracting of individuals.

XII.   VENUE AND DATES FOR THE NEXT MEETING

111.   It was agreed that the next meeting will take place in Vienna, Austria at a more appropriate timing, i.e. 4 weeks in advance of the HLCM meeting itself.

Annex 1 - List of Participants

UN	Mr. Warren Sach, Assistant Secretary-General Ms Jacqueline Schroeder, Chief Procurement Reform, Procurement Service Mr. Kiyohiro Mitsui, Chief, Integrated Support Service, Procurement Service Mr. Stephen Moore, Team Leader, Field Procurment Policy and Liasion Team, OUSG DFS
UNOG	Mrs Boi-Lan Lemoine, Chief, Procurement and Contracts Unit Mrs Caroline Lepeu, Chief, Purchase and Transportation Section
UNFPA	Miss C. Campbell Bright, Procurement Specialist
ILO	Mr David Macdonald, Chief, Procurement Bureau
ITU	Mr Dietmar Plesse, Head, Procurement Division
WFP	Mr. Dominik R. Heinrich, Director, Management Services Division and Chairperson, HLCM Procurement Network
PAHO	Ms Florence Petizon, Procurement Area Manager Mr. Michael Boorstein, Director of Administration and Finance
UNHCR	Mr. Fredrik Wilhelm Schultz, Chief, Procurement & Contracts Section
ICTILO	Mr. George Jadoun, Chief, Sustainable Development And Governance
WIPO	Mr Giorgio Fraternale, Deputy Director, Procurement and Contracts Division,
FAO	Ms Sabine Adotevi, Chief, Procurement Mr. Hunt LaCascia, Business Analyst Ms. Regina Gambino, Procurement Strategy & Monitoring Officer
UNEP	Ms Isabella Marras, Programme Officer
OPCW	Mr. Jack Duggan, Head, Procurement
WIPO	Mr. Jaime Sevilla, Director
UNDP	Mr James Provenzano, OIC, Procurement Support Office Mrs Susan Struck, HLCM PN Secretariat
UNOPS	Mr Karsten Bloch, Director GSC Mr. Niels Ramm, Procurement Specialist Mr. Vitaly Vanshelboim, Deputy Executive Director
UNESCO	Mr Michael Cora, Chief, Procurement Division
IAEA	Mr. Philip Beauparlant, Sr. Procurement Officer
UNIDO	Mr. Ranko Vujacic, Director
UNICEF	Ms. Safia Robinson, Chief of Contracting Ms Shanelle Hall, Director, UNICEF Plads, Freeport, Copenhagen
IFAD	Ms. Jessie Rose Degala Mabutas, Assistant President, Finance and Administration Department Mr. Sandro Luzzietti, Procurement Officer

Annex 2 – Detailed Agenda

<div style="background-color:green; color:white; text-align:center; font-weight:bold;">Wednesday, 3 SEPTEMBER 2008</div>

9:00 – 9:30   Opening of Meeting and Adoption of Agenda
Dominik Heinrich, Chairperson of HLCM Procurement Network

Documentation:
1) Summarised and Detailed Agenda
2) List of Participants

9:30 – 10:00   **Welcome on behalf of the Hosts (IFAD, FAO and WFP)**
Jessie Rose Degala Mabutas, Assistant President, Finance and Administration Department, IFAD

10:00 – 11:00   **From Amman to Rome**
Susan Struck, HLCM PN Secretariat

> Objective:
> Progress Report and Follow-up since Amman
> Information about Greening Initiatives for our first green meeting
> Revision of 'How to Do Business with the UN" presentation and Guidelines for Organizing Entities
> Feedback and Expectations from HLCM Secretariat via video link

Documentation:
1. HLCM PN Minutes from Amman meeting in March 2008
2. Dashboard/Status Report
3. Greening Initiatives
4. Revised 'How to Do Business with the UN' presentation
5. Guidelines for Organizing Entities

11:00 – 11:15   Networking Break

11:15 – 13:00   **Feedback from Working Group on Harmonization**
Jacqueline Schroeder, UNPD, Chairperson of Working Group

13:00 14:00   Networking Lunch

14:00 – 16:00   **Sustainable Procurement**
Isabella Marras, UNEP and Niels Ramm, UNOPS

> Objective:
> Sustainable procurement update and Proposal for a Sustainable Procurement Policy

1) Update on progress made based on the deliverables defined by the 15 July conference call: Training, green meetings and case studies
2) Update on SUN Carbon Inventories and offsets
3) Discussion on list of 10 EMG- and 10 HLCM-SP guidelines to be developed

4) Brief on the approach for the Vehicle tender
5) Sustainable Procurement and UNGM
6) Discussion and finalisation of the proposal for a HLCM/EMG Sustainable Procurement policy
7) Next steps

Documentation:
1) HLCM Proposal on Harmonization and Sustainable Procurement
2) Sustainable Procurement Definition Paper
3) Sustainable Procurement Draft Policy

16:00 – 16:15	Networking Break

16:15 – 18:00   **Feedback from Working Group on Vendor Management including Vendor Suspension and UNCCS**
Giorgio Fraternale(WIPO) Chairperson of Working Group and UNGM Steering Committee
James Provenzano (UNDP) on Vendor Suspension
Kiyohiro Mitsui (UNPD) on UNCCS

Objectives:
1) Update on progress of working group since Amman
2) To develop a policy framework of administrative processes, that is common across the UN system, with respect to the handling of suspect vendors to the UN
3) Demonstration of Vendor Suspension Alert system on UNGM
4) Adjustment of UNCCS

Documentation:
1) Note from UNPD on UNCCS
2) Proposal to HLCM related to Vendor Suspension

Thursday, 4 SEPTEMBER 2008

9:00 – 11:00   **"Alitalia Purchasing Way" - from Procurement to Supply Chain Management**
Mr. Francesco Festa, Senior Vice President, Purchasing and Supply Management of Alitalia and Chairman of the Italian Association of Procurement Managers (ADACI)

11:00 – 11:15	Networking Break

11:15 – 12:00   **Working Group on Professionalisation**
George Jadoun, ICT of ILO, Chairperson of Working Group on Professionalisation

Objective:

Documentation:

12:00 – 13:00   **JIU Note**
Kiyohiro Mitsui, UNPD

Objective:
To consider development of a common waiver policy (recommendation 9),
a common conflict of interest policy for procurement (recommendation 20), and

a common knowledge sharing policy (recommendation 22), and
whether to create a new WG or task the WG on Harmonization for recommendation 9 and 20, and
the UNGM Steering Committee for recommendation 22

Documentation:
1) JIU Report
2) Summary of Recommendations

13:00 14:00	Networking Lunch

14:00 – 16:00 **Report from UNGM Steering Committee**
Giorgio Fraternale, WIPO, Chairperson of UNGM Steering Committee and Niels Ramm, UNGM

Objective:
(a) UNGM Status Report as of July 2008 dealing with:
1. UNGM supporting Agencies
2. Eligibility Criteria to become a UNGM member
3. UNGM development activities to date
4. UNGM Revenue generation – Status of the Procurement Notice Alert Subscription
5. UNGM Budget & Staffing

(b) Presentation of the revised version of the UNGM site

Documentation:
1) Minutes from UNGM Steering Committee Teleconference on 15 July 2008
2) UNGM Status Report 08/2008
3) Draft Finance & Marketing Strategy
4) Draft Implementation Plan

16:00 – 16:15	Networking Break

16:15 – 18:00   Break-out Session for Working Groups

Friday, 5 SEPTEMBER 2008

9:00 – 10:00   **Demonstration of e-Tendering Tool**
Sandro Luzzietti, IFAD, UNGM Steering Committee Member
Messrs. South and Camper, Intend

10:00 – 11:00   **Finalization of Policy Related to Vendor Suspension**
James Provenzano, UNDP

> Objective:
> To agree a policy framework of administrative processes, that is common across the UN system, with respect to the handling of suspect vendors to the UN

Documentation:
1) Proposed Policy to be prepared and distributed after Wednesday session

11:00 – 11:15   Networking Break

11:15 – 13:00   **Lessons Learned — Procurement Implications of Independent Review of DPRK**
James Provenzano, UNDP

> Objective:
> Reaction to The Nemeth Report as requested by HLCM

Documentation:
1) Nemeth Report (i.e. Full report, correction and Executive Summary)

13:00 14:00   Networking Lunch

14:00 – 16:00   **Reconvene for Outstanding Issues**
Dominik Heinrich, Chairperson, HLCM Procurement Network

1. Wrap-Up and Follow-Up
2. Finalise Report and Feedback for HLCM

> Objective:
> As requested by the Committee, the newly established Procurement Network will submit for review and endorsement its programme of work and working procedures, as formalized at the upcoming meeting of 3-5 September. A number of projects included in the programme of work are also part of the HLCM Plan of Action; an overview of their objectives and progress will be offered to the Committee for consideration.

Documentation:
1) HLCM Minutes from 14th Session
2) Agenda for HLCM 15th Session

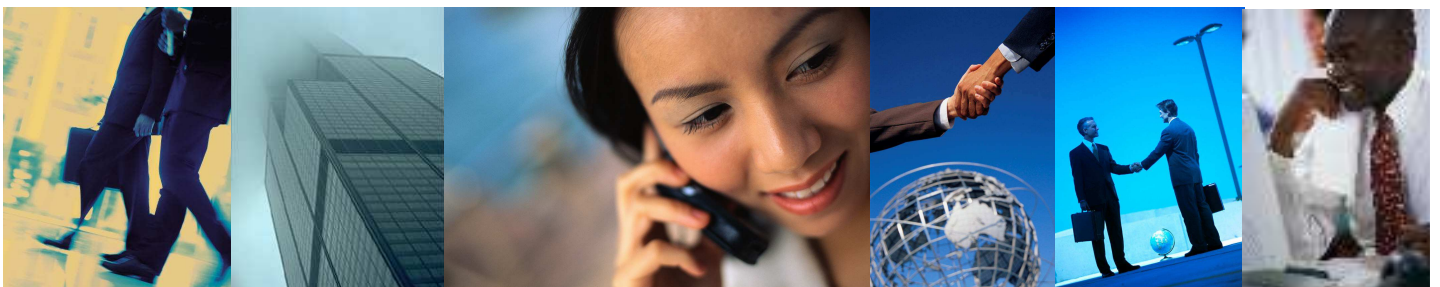3. Venue for Next meeting and Proposed Date

High Level Committee of Management's Procurement Network

Work Plans

2008/2009

PROGRAMME OF WORK

Working Group on Harmonization of UN Procurement Business Process and Practises in Support of One UN

Introduction

- To invest in the procurement and supply chain management function of the UN by creating a common framework for doing business through harmonization of regulations and rules, streamlining of processes, improving business practices and fostering a division of labour that meets the needs of beneficiaries and builds upon existing expertise among the various UN entities.

- To deliver uniform public sector best practice tools to UN procurement practitioners based on insights gained from One UN pilots, and documenting outcomes and best practices in support of Delivering as One.

- To leverage and expand on the work initiated by the Environmental Management Group EMG for the mainstreaming of sustainable procurement and in implementing the CEB decision on UN Climate Neutrality by ensuring that sustainable procurement and climate neutrality interventions are embedded in the procurement reform of the UN system.

Reason

- Achieving greater coherence in the rules, policies and procedures governing procurement for the members of the HLCM PN and the participating organisations within the United Nations system leads to overall efficiency and effectiveness gains.

- The increased global focus upon environmental change is placing and increasing amount of stakeholder pressure upon the UN system to showcase its commitment to reducing its carbon footprint as well as its commitment to overall environmental and social performance with its operations. The UN annual procurement volume represents a significant market to many industries and as such can be utilised as a mechanism to further the environmental and social performance of vendors from all countries with the introduction of sustainable procurement practices.

Expected benefits

1.   Main benefit derived from the introduction of common rules, regulations and practices shall be an overall improved supply chain of the UN system, i.e. more timely, appropriate and cost effective delivery of goods and services to beneficiaries, and reduce indirect cost. Expected results from the harmonisation also include a qualitatively strengthened capacity of the UN system as a whole, supporting the operations (programmes, projects and missions) and ultimately the mandate of the UN.

- Greater cohesion across the UN common system
- Simplification/streamlining of processes and successful approaches leading to better project/contract management
- Identification, exchange and application of public sector best practices with in the UN procurement community
- Pooling of limited UN supply chain resources and sharing technical expertise
- Efficient use of available resources and cost savings
- Best value for money

HLCM Procurement Network

- Demonstration of environmental and social responsibility by implementing sustainable procurement
- Attracting better products/services/solutions and reliable vendors
- Strengthening supply chain of the UN.

2.   The proposed efforts relating to sustainable procurement and climate neutrality would create synergy with an existing initiative in the UN system piloted by the EMG and implemented by UNEP, thereby providing and example of collaboration among two different UN co-ordination systems (EMG and HLCM procurement network. This collaboration would foster:

- Culture change: better understanding by UN procurement practitioners and requisitioners of the challenges of sustainable development and in particular climate change and importance of the role of procurement.
- Operational changes: enhancing the understanding of procurers and requisitioners of how — within existing rules and regulations — climate neutrality and sustainability can be embedded within the procurement function without compromising procurement principles or the adherence to governing rules and regulations, while furthering the sustainable economic development of member states.
- Sustainable businesses in developing countries: sustainability in businesses practices is already a reality in developed countries and from there, an increasing demand is made to companies in developing countries to respond with more sustainable products and production processes. UN can contribute to this process and through its own procurement to stimulate its suppliers in developing countries to develop more innovative and sustainable production practices and will therefore increase their competitiveness on the international market.]

Responsibilities

- The overall responsibilities for these activities lie in essence with three agencies. UN secretariat will take responsibility for Activity 1 of this initiative; UNICEF and UNDP (CEB/2008/HLCM/11 says UNICEF) for Activity 2, and UNOPS and UNEP (CEB/2008/HLCM/11 says UNDP) for Activity 3. The Management Board for the HLCM Procurement Network will take responsibility for oversight and monitoring of all activities, deliverables and costs.

- Activities related to sustainable procurement exist under an initiative of the EMG. The proposed sustainable procurement activities will integrate and enhance the EMG deliverables and assure that they are well fit to support the work of UN procurers and requisitioners, without duplication of effort and "double earmarking" of funds.

- Even with the responsibility for individual activities assigned to one lead agency, all activities will be supported by organisations that are either part of the working group, or have expertise in a specific area.

Estimated Timeframe

- The timeframe for strategies 1-3 below is 18 month after allocation of resources.

HLCM Procurement Network

Strategy 1: — *Comparative Analysis of organisations' procurement practices and processes*

Activities	Expected results	Means	Timeframes	Priority (constraints)	Status
1. Review of commonalities and differences in procurement manuals and guidelines of the top 10 UN organisations in terms of expenditure	Identify common provisions – establish a model UN procurement manual	Internship (ITU)	End 2008	Initially limit the research to top 5 UN agencies	Collecting the manuals
2. Review financial rules and regulations pertaining to procurement and provide recommendations to HLCM Finance Network in coordination with their work plan	Agree on a consolidated version to be send to the HLCM Finance Network for approval by CEB	Internal five Organizations	September 2008	Basis for output 3, 4 and 5	Draft from HCLM Finance Network received. Review by other HLCM members for comments in progress
3. Developing a standardised procurement toolkit for field operations in response to the needs identified through Strategy 2 of this initiative.	Standardised procurement toolkit for field operations in response to the needs identified including common definitions and terminology, standard templates, standard bidding documents, access to long-term agreements, risk management tools, etc - in English and French	Resources TBD

for translation, in 6 UN languages
drafting
editing and formatting
on line | October 2009 | Based on Output 1 and 2 above and the needs identified through Strategy 2 of this initiative | |
| 4. Contribute to the Practitioners Handbook (common set of procurement guidelines) incorporating best practices | Deliver common and best practice tools to UN procurement practitioners | Subject to available resources | December 2009 | | Lead is with the Working Group on Professionalization |
| 5. Prepare and distribute information to all procurement practitioners in UN systems | Make all information available via UNGM platform | | Ongoing | | Upon finalisation of output 1 to 4 |

Note: Activities 1-4 contained in Project 17 (a) of document CEB/2008/HLCM/11 dated 11 June2008

HLCM Procurement Network

Strategy 2: *— Review and Assess Procurement at two of the One UN pilot country offices*

Activities	Expected results	Means	Timeframes	Priority (constraints)	Status
6. Analysis of the requirements of procurement and programmes at the two pilot	Recommendations in response to outcome findings, see Strategy 1 No. 4		Sept 2008 January 2009		Input pending - Coordinate with the UNDG, and focus Task team FTT on procurement
7. Identify objectives, risks, timing and estimated costs of all procurement for the forthcoming budgeting period	Advice to field Recommendations with practical tools for implementation and action plan at field level – : Hot line , HR and establish Roster of procurement specialists	Resources Mission to the field COs	Immediate- on-going	Cost	
8. Identify best procurement options	Inclusion in best practices guide as applicable for further roll out to other locations		December 2009		
9. Evaluation of the outcomes of procurement objectives supporting operational and programme delivery at pilot offices	Recommendations in response to outcome findings and inclusion in best practices guide as applicable for further roll out to other locations See Strategy 1 No. 4		January 2010		

Note: Activities 6-8 contained in Project 17 (b) of document CEB/2008/HLCM/11 dated 11 June2008

HLCM Procurement Network

Strategy 3: — *Integrate sustainable procurement within UN procurement practices*

Activities	Expected results	Means	Timeframes	Priority (constraints)	Status
10. Developing in cooperation with the EMG a Sustainable Procurement guide for UN procurement practitioners as well as guide for requisitioners on how to identify and integrate sustainability issues in the project design phases so that these may be reflected in the specifications (thereby facilitating the sustainable procurement function)	A comprehensive toolkit to facilitate procurement practitioners to choose more sustainable options	Sustainable procurement working group	March 2009	High Finalisation of requisitioners supplement dependent upon availability of funding Legal and procedural modifications to include sustainability considerations in UN procurement activities. Report from the SG to the GA (Agreed UN SP definition and policy)	Sustainable procurement guide for suppliers in final draft stage. Supplement focusing on requisitioners to be developed.
11. Increase from 10 to 20 the number of sustainable product guidelines that the EMG/HLCM will develop for selected common user item categories; including the environmental specifications and evaluation criteria for the direct use in solicitation documentation	Draft Technical specifications of or 20 commodities	Consultancy	March 2010	High Guidelines to be developed on consecutive basis pending availability of funding.	Product groups identified. Development of 1st product guideline due to commence 4th Qrt. 2008
12. Develop a comprehensive sustainable procurement course of approximately 3-day duration, addressing the needs of procurement practitioners and requisitioners when implementing sustainable procurement	Comprehensive sustainable procurement course - In addition develop a half-day sustainable procurement module for integration into the existing 'Fundamentals of Procurement' training course	To be developed in cooperation by UNEP, UNOPS, ITCILO and UN/PD	March 2009	High priority. Possible constraint: time availability of partners and consultants.	The preparation of the material will start in September 2009 with ILO and UNEP. Subsequently a proposal will be sent to UNOPS and UN PS
13. Expand from (expected) 5 per year to 10 per year the number of 3-day sustainable procurement training sessions for UN procurers on SP and ensure organizations can draw from such courses for further internal training programmes	Build the capacity of UN procures to integrate SP into the procurement process	UN tutors (see above point 12) as well as external experts	On-going	Medium Dependent upon finalisation of activity 13, and availability of funding per session	
14. Update the chapter on Sustainable Procurement in the UN Practitioners' Handbook	See Strategy 1 No. 4 Communications system established for both in-house and external communication on UN corporate environmental/social performance	Sustainable procurement working group pending funding. (UNOPS lead)	December 2009	Medium Pending availability of funding	Not started

HLCM Procurement Network

Activities	Expected results	Means	Timeframes	Priority (constraints)	Status
15. Develop comprehensive capacity building and awareness raising programme for vendors, focusing on vendors from developing countries and countries with economies in transition.	To facilitate UN's adoption of SP by assisting market readiness and to further promote buy-in from developing country members states.	Sustainable procurement working group. UNEP cleaner production centres.	On-going activity, planned commencement 3rd Qrt. 2009	High Pending availability of funding	Concept paper to be development 1st Qrt. 2009
16. Development of sustainable procurement scorecard and indicators	Measurement of SP uptake and performance of UN agencies. Indicators to be used reporting criteria in the Annual Statistical Report.	Sustainable procurement working group (UNOPS lead)	June 2009	High	Not started
17. Development and implementation of a Sustainable Procurement Policy for the adoption by UN agencies	Further UN commitment to the implementation of sustainable procurement	Sustainable procurement working group (UNOPS, UNEP, others, UN PS)	Dec 2008	High	Draft policy statement and policy document developed.
18. Develop a guide on the use of Eco-labels with the context of UN procurement.	To support the practical implementation of Sustainable Procurement providing procurers with a resource on the use of label criteria as specifications. Design to be used in conjunction with the SP guide and product guidelines.	Sustainable procurement working group (UNOPS lead)	Dec 2008	High	Currently being drafted

Note on SP : Activities 10, 11, 12 and 14 contained in Project 17 (b) of document CEB/2008/HLCM/11 dated 11 June2008

General Note: For Means to implement the 3 Strategies please refer to the Financial proposal (April 2008).

PROGRAMME OF WORK

Steering Committee of the United Nations Global Marketplace

Introduction

1. The United Nations Global Marketplace (UNGM) has been developed under auspices of the HLCM PN with the following overriding objectives in mind;

    - To provide vendors with a global portal to access to UN procurement.

    - To conglomerate the UN Agencies supplier rosters into a single common supplier database that facilities the exchanges of information.

2. The UN General Assembly resolution (GA/RES/57/279, January 2003) on procurement reform called upon UN organizations to;

    - enhance the transparency and increase harmonization of procurement practices

    - simplify the registration process for vendors already registered with another UN body

    - place procurement information on respective websites

    - increase procurement opportunities for vendors from developing countries and countries with economies in transition.

3. A subsequent GA resolution (GA/RES/59/288, April 2005) on procurement reform, further reinforced and reiterated resolution 57/279 as well as calling for agencies to further improve their procurement practices, inter alia, by participating in the UNGM with a view to creating one common United Nations global procurement website.

4. GA resolution (A/RES/61/249, March 2007) on procurement reform reinforces the call of the previous resolution for the creation of one common United Nations global procurement site featuring tender notices, contract awards and acquisition plans. The resolution also called for the Members States to have access to the site.

5. The UNGM now in its 4th version meets and exceeds the requirements of the above resolutions. The system has developed into a procurement portal application that offers UN agencies a high degree of customization to meet individual agency vendor registration and sourcing needs.

Expected benefits

1. The UNGM has now evolved into the United Nation's procurement portal enabling potential vendors to register with 22 UN agencies using a common registration process, have access to UN system wide tender notices, and receive targeted tender notices.

2. UN Agencies can use the UNGM to customize registration procedures and to administer their vendor rosters, exchange information and publicise tender notices. The UNGM provides UN agencies with a common platform, enabling them to share;

HLCM Procurement Network

- Vendor rosters

- Long Term Agreements

- Information of suspended vendors

- Procurement manuals and guidelines

- Information on topics such as Sustainable procurement

3. The UNGM furthers the concept of the One UN by providing a communication platform that can host all procurement related information while providing ease of access to all stakeholders. In this way the UNGM contributes toward increasing the transparency of the procurement function and facilitating greater accessibility to procurement opportunities for vendors from developing countries and countries with economies in transition. By improving UN procurers access and sourcing capacity, benefit will be derived in the form of more timely, appropriate and cost effective delivery of goods and services to beneficiaries, therefore strengthening the UN procurement function as a whole.

- Greater cohesion across the UN common system
- Simplification/streamlining of processes and successful approaches leading to more efficient, transparent and equitable procurement function.
- Pooling of limited resources and sharing technical expertise
- Identification, exchange and application of best practices with in the UN procurement community

Responsibilities & Funding

- The overall responsibility for the UNGM lies with the UNGM member organisations (the UN agencies that use the UNGM as their vendor registration and rostering system, currently 23 UN agencies). The member organisations are represented by a Steering Committee selected on annual basis from the member organisations. The administration and development of the UNGM is undertaken by a service provider (UNOPS) that reports through the steering committee to the UNGM member organisations.

- The UNGM is funded by a cost sharing model based on three main streams of income for UNGM: 1) A fixed "club membership" fee established at US$ 5,000 per agency, 2) An agency specific cost share based on the actual number of vendors submitting registrations per agency, and 3) Income derived from value-added services provided to vendors. The third revenue stream currently does not provide sufficient revenue to cover costs of current development nor that of the planned functionalities. Currently this shortfall is covered by the service provider.

Estimated Timeframe

- The timeframe for the development strategy below is dependant upon the allocation of resources, estimated development to implementation time is indicated per activity.

HLCM Procurement Network

Development Strategy : ─UNGM functionality development/implementation plan to attain the one UN procurement portal objective

	Activities	Expected results	Means	Timeframes	Priority (constraints)	Status
1.	Local and regional supplier Roster.	The integration of local supplier rosters within the existing structure of the UNGM. This functionality enables UN agency country offices/missions to maintain a roster of local and regional suppliers within an internet based application. As with the UNGM global roster, user will have access to other CO's/Mission's roster as well as the Headquarters rosters. This functionality will greatly enhance UNGM's sourcing capacity.	UNGM Steering Committee and the Service Provider	1st Qrt. 2009	High	Design specifications complete. Coding and implementation with UNGM structure to commence.
2.	Suspended Vendor Functionality	A functionality to share information across the UN procurement community on suspended or suspect vendors. The system will flag suspended vendors in UNGM as well record relevant information. Additionally the UNGM is to be able to check potential vendor registrations against exiting suspicious vendor watch lists (i.e. 1297Committe list, etc.)	UNGM Steering Committee and the Service Provider	Pending availability of funding (Estimated time requirement 3 months)	High	Initial flagging functionality implemented in UNGM August 08. This represents approx. 15% of deliverables of the entire functionality
3.	Knowledge Resource Centre	A functionality to host information, tools , etc on specific procurement related topics, such as Sustainable Procurement, Agency Procurement Manuals, Procurement related publications and information, Vendor capacity	UNGM Steering Committee and the Service Provider	4th Qrt. 2008 (Estimated time requirement 1 month per topic)	High	Functionality implemented. Sustainable Procurement topic available. More topics to follow.
4.	Administration/Management data Dashboard	The dashboard will provide UNGM and Agency administrators will up to date information on the status of vendor rosters, i.e. number of registrations pending, on hold, rejected, etc. to facilitate management reports and work plans. The dashboard will also provide live statistics on all aspects of the UNGM database.	UNGM Steering Committee and the Service Provider	1st Qrt. 2009 (Estimated time requirement 2 months)	High	Design specification developed, development and implementation to commence
5.	Integration of HLCM PN site into UNGM	To host the previous IAPWG site on the UNGM. UNGM user roles will be used to determine access to the different areas of the site. The site would be linked to the HLCM website	UNGM Steering Committee and the Service Provider	Proposal & Design specifications to be developed (Estimated time requirement 1 month)	High	Not started
6.	Communication tools: UN User Forum, Blog	Tools to further enhance UNGM's function as a communication platform amongst UN staff, the vendors community and other stakeholders.	UNGM Steering Committee and the Service Provider	Pending UNGM Steering Committee approval and availability of funding (Estimated time requirement 3 months)	Medium	Not started
7.	Risk management/analysis tool	A functionality to facilitate the management risk when registering a vendor or when requiring further information on a vendor, such as when short-listing. The connection to an external service provider such as Dun & Bradstreet would be facilitated from within the UNGM application	UNGM Steering Committee and the Service Provider	Pending UNGM Steering Committee approval and availability of funding (Estimated time requirement 3 months)	High	Not started

HLCM Procurement Network

	Activities	Expected results	Means	Timeframes	Priority (constraints)	Status
8.	Billing mechanism for external services	Mechanism to facilitate the billing for the use of external service (e.g. Dun & Bradstreet) to the member making use of the service	UNGM Steering Committee and the Service Provider	Pending UNGM Steering Committee approval and availability of funding (Estimated time requirement 1 month)	High	Not started
9.	Non UNGM tender notices capturing tool	To facilitate the hosting of tender notice of UN agencies that are not using UNM to advertise tenders, as well to capture any notice that may not have been uploaded to UNGM by member's organisations. To address the perception that UNGM hosts all UN tender notices	UNGM Steering Committee and the Service Provider	Pending UNGM Steering Committee approval and availability of funding (Estimated time requirement 2 months)	Medium	Not started
10.	Translation UNGM /UNCCS code	To provide UNGM in UN languages, the primary requirement is availability to of the UNCCS in these languages (initially French & Spanish).	UNGM Steering Committee and the Service Provider	Pending UNGM Steering Committee approval and availability of funding (Estimated time requirement 5 months)	High	Not started
11.	ERP integration	To facilitate data interchange between UNGM member organisation's ERP systems and UNGM.	UNGM Steering Committee and the Service Provider	Pending UNGM Steering Committee and Membership approval and availability of funding (Estimated time requirement 4 months)	Medium	Not started
12.	Performance data capture	Facilitating the feedback of Vendor performance from agency ERP system into the vendors' profile held in UNGM.	UNGM Steering Committee and the Service Provider	Pending UNGM Steering Committee approval and availability of funding. Activity 11 is a pre-requisite for this activity. (Estimated time requirement 2 months)	Medium	Not started
13.	E tender integration	The integration of an E-tendering solution (such as In-Tend) into the UNGM structure to further automate tendering process.	UNGM Steering Committee and the Service Provider	Pending UNGM Steering Committee approval and availability of funding (Estimated time requirement 3 months)	Medium	Not started
14.	Annual Statistical Procurement Report Module	To facilitate the automation of the data collection & compilation process of the Annual Statistical Report process. b. Enables agencies to upload data directly, data validation and compilation is automated c. Minimizes the manual intervention component to further	UNGM Steering Committee and the Service Provider	Steering Committee and Membership approval and availability of funding (Estimated time requirement 4 months)	Medium	Design specifications developed

HLCM Procurement Network

	Activities	Expected results	Means	Timeframes	Priority (constraints)	Status
		reduce the margin of possible human error. d. Reduces the production cycles and bring forward the publication date. e. Improves the currents report's presentation and usability f. Improves the report's flexibility to accommodate new data requirements g. Provides a query/search function h. Allows for comparative queries over different reporting years				
15.	Survey and Questionnaire tool	Functionality to enable UNGM secretariat to carry out targeted survey's questionnaire to further improve the communication capability of the platform	UNGM Steering Committee and the Service Provider	Pending UNGM Steering Committee approval and availability of funding (Estimated time requirement 1 month)	Low	Design specifications developed
	Supplier seminar administration tool	Functionality to facilitate the co-ordination and organization of supplier seminars, including the allocation of agencies, presenters and dissemination of material to organizing entities	UNGM Steering Committee and the Service Provider	Pending UNGM Steering Committee approval and availability of funding (Estimated time requirement 1 month)	Low	Design specifications developed

Note: Activities 2 contained in HLCM Plan of Action, Proposal for The UN Global Marketplace – Suspect Vendors: the Enhancement of the UNGM to Support UN System-Wide Sanctions against Suspect Vendors

PROGRAMME OF WORK

Working Group on Enhancing Professionalism in United Nations Procurement

Introduction

1.   Current trends towards decentralization of procurement responsibilities, re-location off-shore of procurement units and staff mobility/rotation and turnover require increased levels of professionalism from the United Nations (UN) procurement functions.

2.   A number of training and capacity building activities have been initiated by various United Nations organizations or by the IAPWG/HLCM Procurement Network (HLCM-PN). However, coordination within the UN family has often proved difficult and/or the information on these initiatives is not widely spread within the UN system. Therefore, opportunities for pooling of effort and resources are often missed.

3.   In view of the above, it was decided at the first meeting of the HLCM-PN (Johannesburg 2007) to form a working group on enhancing professionalism in procurement. It was further agreed that Professionalism in UN procurement is to be achieved through:

a.   staff recruited with appropriate qualifications in procurement and the promotion of staff mobility and staff rotation;

b.   continuous professional development of UN procurement staff, giving particular attention to issues arising from a decentralised environment; and

c.   enhanced opportunities for cross-fertilization of experiences through sharing of learning resources and opportunities.

4.   The objectives of the UN procurement professionalism strategy are:

a.   Objective 1: All UN system organisations shall aspire to promote the professional development of a multi-skilled and versatile workforce to manage, oversee and implement UN procurement processes;

b.   Objective 2. All UN system organisations shall aspire to provide their staff with access to the full spectrum of training programmes required to assist them in the successful delivery of procurement activities;

c.   Objective 3. All UN organisations shall aspire to establish a common assessment system to recognise the status of qualifications/certification/accreditation from any source in support of staff mobility.

5.   The strategy will also contribute to measures being taken to harmonize UN procurement policies, procedures and operations as described in a number of reports by the Secretary-General to the General Assembly.

6.   The target audience of the strategy will not be limited to UN procurement professionals, but will extend to other stakeholders such as delegated officials, requisitioners, members of tender committees, etc.

7.   Specific funding is not currently being sought to support the work related to the actions outlined in the table below.

HLCM Procurement Network

Strategy: **Enhancing UN procurement professionalism**

Activities	Expected results	Means	Time frames	Priority (constraints)	Status
1. Draft generic UN system procurement job and associated competency profiles. (See further at 3. below).	It is anticipated that a series of job profiles for the range of P and GS positions within a band group will be developed, together with associated job competencies.	(a) Examine/analyse procurement job descriptions (P and GS) available from ICSC and Working Group member organizations; (b) Prepare generic job profiles by band (P and GS); (c) Align the job profiles with previous work undertaken by the IAPWG/HLCM-PN on related job competencies.	By February 2009	High priority. Will need to be discussed with HLCM HR Network.	In-train
2. Draft proposal for internal and inter-agency staff rotation and mobility.	In the context of the procurement function, the proposal is intended to operationalize more effectively the UN inter-agency mobility policy, as well as facilitate internal rotation and mobility.	(a) Examine needs of individual UN organizations in this area and current practices; (b) Review terms of the UN inter-agency policy; (c) Draft proposal.	By February 2009	High priority. Will need to be discussed with HLCM HR Network.	In-train
3. Prepare paper identifying UN system priority procurement training needs and how they can/might be met.	This work will build on that undertaken in Activity 1. above. A paper will link generic job profiles and competencies to required core training. This will provide a tool to identify training priorities and availability, as well as "gaps" in training currently available within the UN system.	(a) Update Inventory of Existing UN Procurement Training Courses (Annex II to WG paper prepared for Amman meeting, March 2008); (b) Review outputs of Activity 1. as a basis for identifying core training, including priority, needs; (c) Review updated Inventory to establish extent to which such needs are currently able to be met from within current courses available; (d) Propose measures to remedy any "gaps" in course availability.	To be commenced following completion of Activity 1.	High priority.	Not yet commenced.
4. Update UN Procurement Practitioners' Handbook with respect to training issues.	Training is not specifically addressed in the current version of the Handbook. This Activity would rectify that gap.	Against the background of work completed under Activities 1-3, draft appropriate text for inclusion in the Handbook.	Will follow completion of Activity 3.	High priority.	Not yet commenced.

PROGRAMME OF WORK

Working Group on Supplier Access

Objective

To increase fair and easy access of suppliers from developing countries and countries with economies in transition to the United Nations (UN) market place through coordinated, harmonized and sustainable actions which enhance effectiveness of already existing initiatives[1] or complement gaps.

Expected benefits

- Demonstrate the ability to implement coherent activities and achieve the impact inherently implied by the UN mandate by providing better support to the decentralised operations of the UN, country teams and local procurement officers, as well as leverage on the existing trade promotion by chambers of commerce.
- Respond to the General Assembly's call to increase procurement opportunities for vendors from developing countries and countries with economies in transition as well as enable the procurement function to effectively adapt to issues arising out of globalization.
- Continued development and capacity building of suppliers in developing countries and countries with economies in transition.
- Significant savings in transport costs can be obtained if local suppliers can be identified and developed to supply UN programmes and operations, thus also meaningfully contributing to sustainable procurement.

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[1] The UN Global Marketplace (UNGM), the "Buying from Africa for Africa" initiative of the International Trade Centre (ITC), the UN Secretariat's business seminars, the business contact days organized by the HLCM PN and individual UN agencies' activities.

HLCM Procurement Network

Strategy: Enhancing Supplier Access for Developing Countries and Countries with Economies in Transition

Activities	Expected results	Means	Time frames	Priority (constraints)	Status
• Activities associated with Proposal for Increasing Suppliers Access for Developing Countries	See proposal in HLCM Plan of Action	ITC and HLCM Procurement Network Secretariat	2-year time frame from funding availability	High priority, but completely dependent on funding from HLCM proposals	Not yet commenced.
• Enabling networking between suppliers and UN procurement officers through Business Seminars conducted according to guidelines.	Development of Supplier Base Awareness of UN as a market	Continuous Activity coordinated by HLCM Procurement Network Secretariat	Ongoing	High priority.	Ongoing
• Reviewing the How to Business with the UN presentation and updating with information on Sustainable Procurement, etc., as well as all other supplier related information	Up-to-date information to supplier community	Include new information Circulate presentation and documents for comments. Incorporate comments	By next HLCM Procurement Network Meeting	High priority.	Ongoing
• Draft paper outlining proposals to improve efficiency of business seminars and develop performance indicators	Efficiency	Collect comments from organising entities in 2008. Survey of organisations on needs, expectations, pro's and con's Compile paper	By next HLCM Procurement Network Meeting	High priority.	Have been started
• Develop a dedicated training programme for suppliers complete with tailor-made training documentation	Increased understanding to support improved outcomes for potential suppliers	Survey of existing information for suppliers Survey of training needs for suppliers Tailor-make training course to supplement How to Do Business with the UN presentation	By end of 2009	High priority	Not yet commenced.