

38TH HLCM PROCUREMENT NETWORK SESSION 7 OCTOBER 2025

SUMMARY OF DECISIONS & OUTCOMES



The 38th session of the HLCM Procurement Network (HLCM PN) was hosted by UNHCR and WHO in Budapest on 7 October 2025 under the following Management Board and Secretariat:

Chair Anne-Claire Howard (Director, Procurement Group, UNOPS)

Vice-Chair Neris Mercedes Báez García de Mazzora (Director, Procurement Division, UN Secretariat)

Advisory Chair Angela Kastner (Director, Procurement & Supply Services, WHO) 2nd Advisory Chair Frederic Farschi (Chief Procurement Officer, ICC) Secretariat Gabriella Budai (UNDP)

The session was attended by 35 participants in person and a few participants who joined remotely, representing a total of 30 organisations. <u>List of participants</u>

The three-day meeting in Budapest (7–9 October 2025) was structured to reflect the transition from the HLCM Procurement Network to the Supply Chain Network (SCN). The first day focused on the concluding session of the Procurement Network, while the following two days were dedicated to the inaugural discussions of the Supply Chain Network.



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OPENING REMARKS

ANNE-CLAIRE HOWARD (UNOPS)

The Chair opened the 38th and final session of the HLCM Procurement Network by noting the significance of the occasion — marking both the conclusion of the PN's long-standing journey and the beginning of a new chapter with the Supply Chain Network. She emphasized the importance of reflecting on the Network's many achievements over its 38 sessions while looking ahead to how its work and collaboration will continue under the SCN.

In concluding her opening remarks, the Chair underlined that this transition represents not an end but the start of a new era of co-creation, trust-building, and collaboration. Drawing on the strong foundations and accomplishments of the PN, the SCN will build upon this legacy to further strengthen coordination and innovation across the UN system.

HLCM/CEB UPDATE – INFORMATION SESSION

MR. REMO LALLI (CEB SECRETARIAT), HLCM SECRETARY

Briefing on Outcomes of the 50th Session of the HLCM and SCN Transition

The Network received a briefing on the outcomes of the 50th session of the High-Level Committee on Management (HLCM), held from 30 September to 1 October 2025 in Vienna, hosted by the International Atomic Energy Agency (IAEA).

Mr. Lalli expressed appreciation to the PN leadership for their constructive and forward-looking approach in steering the transition to the Supply Chain Network. He emphasized that this transition should be viewed not as a farewell, but as a continuation and expansion of the strong inter-agency collaboration established under the PN.

He confirmed that the Statutes and Transition Plan for the SCN, as proposed by the PN leadership, were formally adopted by the HLCM without amendment or reservation, including the proposed governance structure. Mr. Lalli also highlighted the growing prominence of

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supply chain and procurement issues on the HLCM agenda, which are being advanced in alignment with the efforts led by the Secretary-General through the UN80 Task Force.

HLCM Efficiency Initiatives

Mr. Lalli confirmed that the P1–P5 and S2 Efficiency Initiatives fall squarely under the purview of the SCN, reiterating that the HLCM had affirmed the SCN as the central coordination platform for all inter-agency work related to supply chain and procurement. He emphasized that the SCN will serve as the sole mechanism through which related initiatives are to be addressed, coordinated, and taken forward across the UN system.

The Committee also approved the External Communications Package for the HLCM Far-Reaching Efficiency Measures, which provides a concise overview of each initiative's objectives, leadership arrangements, accountability framework, and implementation timeline for sharing with external stakeholders.

Presentations on UNGM (P1), Common Insurance Services (P5), and the S2 Integrated Supply Chain and Logistics Framework Initiative were well received, with HLCM members expressing appreciation for the professionalism and clarity of the proposals.

The HLCM acknowledged that certain initiatives — most notably UNGM — require new, sustainable business models and potential resource mobilization. While no dedicated funding is currently available, these initiatives will be included in the Outreach Package to explore potential financial support from external stakeholders. Mr. Lalli clarified that any potential donor funding should be directed towards one-time, infrastructural investments, rather than recurrent or operational expenses.

The P5 initiative was highlighted as a model of effective inter-agency collaboration, demonstrating strong commitment, joint ownership, and tangible contributions from participating organisations.

It was noted that the Business Innovation Group (BIG) will continue to lead work on Common Business Operations (CBOs) and Business Operations Strategies (BOS). BIG will also serve as the institutional home for four initiatives that were originally part of the HLCM Efficiency Package. Of these, S5 – the UN Services Hub has a linkage with supply chain work. Mr. Lalli clarified that the mandates of these initiatives are clearly delineated to prevent duplication or overlap with the work of the SCN.

Update on the Review of the International Computing Centre (ICC)

Mr. Lalli informed members that the Committee completed a review of the governance structure and business model of the International Computing Centre (ICC), weighing its dual role as both a provider of stable core services and an innovation hub. The Committee tasked the ICC Management Committee with resolving outstanding issues and agreed on more frequent reviews to adapt to technological change.

In closing, Mr. Lalli reiterated that the success of the SCN will depend on the continued engagement and leadership of its members, underscoring the strong expectations from both the HLCM and the donor community. He expressed appreciation for the long-standing



collaboration of the PN community and extended best wishes to the SCN in carrying this work forward.

SUPPORTING DOCUMENTATION:

HLCM Far-Reaching Efficiency Initiatives External Communications Package

DECISION ITEMS AT THE PROCUREMENT NETWORK MEETING

1. STRATEGIC VENDOR MANAGEMENT WORKING GROUP - DECISION SESSION

WALTER GRANDPRE (ILO), WORKING GROUP CHAIR FRANCIS BURGA (ILO) MPF REVISION TASK FORCE

1.1 Update on UNGM Enhancements Related to Vendor Submission Status - for information

The Task Force Chair briefed members on recent enhancements to the United Nations Global Marketplace (UNGM) functionalities concerning supplier submission status. The approved changes focus on two key areas:

- 1. Introduction of three vendor submission statuses: Registered, Sanctioned, and Ineligible (previously only Registered and Sanctioned).
- 2. Addition of a definition for "censure" as the mildest form of sanction.

Vendor Submission Status:

The process for displaying vendor submission status on UNGM has now been implemented and automated. When a UN organisation imposes a sanction on a vendor, the vendor's status will appear as **Sanctioned** next to the name of the imposing organisation. In accordance with the Model Policy Framework, the status will appear as **Ineligible** for all other organisations. A third status — **Registered** — applies to vendors who have not been sanctioned, or where one or more organisations have opted out of applying a given sanction under a waiver or exception.

Definitions of all submission statuses are available in the UNGM Help Centre article titled "What are the submission statuses, and what do they mean to the organisations?

Up	date –	UNGM ve	endor submissi	on statu	IS
General	Contacts	UNSPSC codes	Declaration of Eligibility	Submission	Ineligibility
ADB CTBTO FAO IAEA ICAO IFAD ILO ITC		Basic Ineligible	_	Registration at Le	evel 1
OPCW PAHO UN Secretaria UNAIDS UNDP UNESCO UNFPA UNHCR UNICC UNICEF UNIDO UNOPS UNRWA UN-Women	t	Inetigible Inetigible Inetigible Inetigible Sanctionin Inetigible	ed .	Ineligible Ineligible Ineligible Ineligible Ineligible	

Clarification on "Censure":

An explanatory note has been added to clarify that **censure** represents the mildest form of sanction. While it does not affect a supplier's eligibility, it serves as an aggravating factor in the

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event of future sanctions. Censure does not carry a specific duration and functions as a formal letter of reprimand.

1.2 Revision of the Model Policy Framework on Vendor Sanctions – for decision

The Task Force Chair updated members on the progress of the Model Policy Framework (MPF) review, initiated in July 2020. The Task Force identified current best practices and agreed on revisions to the MPF document, along with proposals to enhance UNGM functionalities related to the UN Ineligibility List — updates that have been shared with the Procurement Network in previous sessions.

Following extensive consultations, a first draft of the revised MPF was shared with PN members in June 2023 for legal review. Based on feedback received, the draft was revised between September 2024 and July 2025 through a series of meetings. By July 2025, the Task Force reached consensus to submit the 2025 Rev. 0.1 MPF for endorsement by the Procurement Network.

The Network also discussed broader implications related to vendor risk management and human rights due diligence, emphasizing the need for a system-wide, coordinated approach to procurement engagement with private-sector entities in high-risk contexts. Several participants highlighted the framework's value in promoting integrity and consistency across the UN system and enabling mutual recognition of sanctions among agencies.

During the session, members unanimously commended the Task Force for its collaborative and inclusive approach.

The HLCM-PN members endorsed the 2025 revision of the UN Model Policy Framework on Vendor Sanctions (MPF), originally approved by the HLCM on 9 March 2011 (<u>CEB/2011/3</u>, para. 92).

This 2025 version reflects current best practices and lessons learned from more than a decade of implementation. It is designed to remain adaptable, enabling UN system organisations to tailor the framework to their respective mandates, governance structures, priorities, and capacities, while maintaining alignment with the MPF Guiding Principles.

The HLCM-PN members acknowledged that the objectives of the Task Force have been met and agreed to dissolve the Task Force for the Revision of the MPF on Vendor Sanctions.

The HLCM-PN members further invited the <u>MPF Governance Group</u> to coordinate the review and/or update of MPF-related resources (e.g., flowcharts, sample templates, and guidance notes).

SUPPORTING DOCUMENTATION:

Summary Sheet - Model Policy Framework

Model Policy Framework on Vendor Sanctions for the United Nations System

Comparison table 2011 - 2025

Presentation on Model Policy Framework on Vendor Sanctions



2. SUPPLY CHAIN WORKING GROUP - DECISION SESSION

REGINE WEBER (UNICEF), WORKING GROUP CHAIR
NERIS BAEZ GARCIA DE MAZZORA (UN SECRETARIAT), WORKING GROUP VICE-CHAIR
BENJAMIN SAFARI (UNHCR), WORKING GROUP VICE-CHAIR

The Chairs of the Working Group recalled that the idea of expanding the Procurement Network's scope towards supply chain management was first discussed in April 2023 in Copenhagen and later endorsed by the HLCM in October 2023. A Supply Chain Working Group was then established to explore key areas such as forecasting and planning, logistics, warehouse and inventory management, and linkages to sustainability.

Following the HLCM's 2024 decision to reconfigure the Procurement Network into the Supply Chain Network, members agreed that maintaining a separate Supply Chain Working Group within the new structure would be redundant. The group's main deliverables — including the adoption of a UN definition of supply chain management and identification of collaboration areas with other HLCM networks and external partners — will inform future SCN working groups.

The Network endorsed the closure of the Supply Chain Working Group recognizing it as an example of the Network's flexibility to establish and conclude groups as priorities evolve.

The Network thanked the Working Group for their valuable contributions and support in the transition to the Supply Chain Network.

SUPPORTING DOCUMENTATION:

<u>Summary Sheet - Supply Chain Working Group</u>

ADVANCING HLCM PROCUREMENT-RELATED EFFICIENCY INITIATIVES

The Chair opened the session by noting that the discussion on the HLCM Far-Reaching Efficiency Initiatives (P1-P5) was a key agenda item in light of the transition from the Procurement Network to the Supply Chain Network. The objective was to review progress on each of the ongoing initiatives and explore how their work, learnings, and outputs could be effectively carried forward and integrated into the SCN structure.

The discussion focused on mechanisms to ensure continuity, strategic alignment, and operational coherence across the initiatives, as well as identifying opportunities for adaptation within the new network framework.

P1 - Enhancing a one-UN Procurement architecture through the United Nations Global Marketplace

Under this initiative, members were briefed on the current status of P1, which focuses on strengthening the UN procurement architecture through the United Nations Global Marketplace. The initiative remains in a pending phase, awaiting resolution of its long-term funding model.



A high-level business case was presented to the HLCM session, emphasizing:

- the proven efficiency gains achieved through UNGM;
- its role as the UN system's most visible collaborative platform; and
- the need for investment to future-proof UNGM's technology and sustain its functionality as a shared service.

The HLCM reacted positively, expressing openness to exploring one-off or alternative funding solutions while requesting further elaboration of the business case for consideration at its next session. It was noted that the business case should also demonstrate how UNGM supports other HLCM efficiency initiatives.

During the discussion, members reaffirmed UNGM's status as one of the UN system's strongest collaborative assets and emphasized its central role in promoting efficiency, transparency, and joint approaches across agencies. They explored options for ensuring its long-term sustainability, including modest increases in agency contributions, small transaction-based fees, and limited vendor-based revenue streams.

The importance of integrating UNGM with agency ERP systems and building on the newly implemented LTA Enhancement Project was underscored. Members expressed strong support for advancing this initiative, with further discussions on UNGM held on 8 October by UNGM members at a dedicated session within the Supply Chain Network meeting.

P2 - Procurement of Common User Items at Country Level

Members were briefed on the P2 initiative, which aims to strengthen coordinated procurement at the country level to leverage economies of scale, reduce duplication, and improve supplier relationships. The proposal builds on existing collaboration under the Business Operations Strategy (BOS) framework, seeking to formalize and expand country-level coordination through a more systematic "one-stop-shop" approach for common operational services such as security, cleaning, facility management, maintenance, and small works.

Two implementation models were presented:

- 1. **Lead-agency model**, in which one organisation coordinates procurement on behalf of others; and
- 2. **Full outsourcing model**, in which agencies delegate procurement to another entity.

The proposal also draws on previous work undertaken by the Harmonization Working Group to further professionalize procurement at the country level.

During the discussion, members highlighted the distinction between cost savings and cost avoidance, noting that the initiative's primary value may lie in reducing the number of tenders and the related administrative burden rather than generating immediate financial savings. It was emphasized that the initiative should remain voluntary and flexible, allowing agencies to opt in or out depending on the local context.



P3 – Integrated ICT procurement and Shared Software Services

An update was provided on the progress of P3, the initiative on joint software licensing led by UNDP and the UN Secretariat, in close collaboration between IT and procurement colleagues.

The first phase of the project was launched in early October 2025 with the rollout of a survey to participating and interested organisations. The survey aims to identify up to six high-value software contracts through which agencies could benefit from aggregated demand and to obtain improved licensing terms and pricing. This initial phase will focus on renegotiating those contracts within the next six to eight months, leveraging joint timing and lead-agency arrangements to secure better rates. Subsequent phases may expand the scope to additional software or hardware agreements.

The initiative will not involve launching new tenders but will instead focus on leveraging existing software contracts held by participating agencies to negotiate better collective terms with major vendors. Lead responsibilities will be determined based on which agency holds the strongest existing contractual relationships and commercial leverage. The initiative aims to strengthen the UN's negotiating position through consolidated demand and focused engagement with suppliers and enhanced information-sharing across agencies.

The need for a systematic, expert-led approach to overcome vendor-driven market segmentation and to strengthen the UN's collective bargaining position was strongly underscored. Members noted that price transparency and data-sharing are essential to achieving better rates and to overcoming restrictive confidentiality clauses often imposed by suppliers.

In connection with this discussion, members were also briefed on the ongoing Task Force on the Review of the International Computing Centre (ICC), where clarification was provided on the organisation's legal nature and mandate. It was recalled that the ICC was established in 1971 as an inter-organisational facility to support UN entities and is not intended to engage directly with Member States. The outcome of the recent HLCM discussions reaffirmed that the ICC's role is to provide shared services in support of UN organisations.

Given the ICC's involvement in reselling access to software licenses and providing digital services, members noted potential synergies between P3 and ICC activities. The possibility of accessing certain software contracts through the ICC, alongside the joint negotiation efforts under P3, may warrant further consideration to ensure coherence and complementarity between the two initiatives.

Participants also emphasized the value of involving both IT and procurement professionals in this work, as their joint engagement has been key to the initiative's success and could serve as a model for other efficiency measures.



P4 – Standard Contract Templates Platform

Members were briefed on the P4 initiative, which proposes the creation of a single, easily accessible portal for all OLA-cleared UN contract templates. This would streamline procurement by centralizing the storage of legal templates, reducing duplication, and improving consistency across entities.

While progress to date has been limited, members underlined the importance of this work in facilitating mutual recognition of contracts and preventing vendors from exploiting variations in contractual terms. It was noted that additional clauses — such as anti-money-laundering provisions — can sometimes lead to price differentials when agencies piggyback on each other's contracts. Members emphasized the need for both legal and procurement practitioners to be engaged in this effort to ensure that templates remain practical, balanced, and conducive to collaborative procurement.

P5 - Common Insurance Services

Members were briefed on the P5 initiative, which introduces a two-track, opt-in model to streamline insurance services across UN entities.

Track 1 focuses on shared access to existing insurance arrangements, including global commercial policies managed by the UN Secretariat's Commercial Insurance Section (CIS), UNHCR's medical insurance for non-staff, and LTAs with insurance brokers coordinated by FAO and UNICEF. These ready-to-use options allow agencies to join and achieve immediate efficiency gains.

Track 2 enables agencies to jointly develop tailored risk-transfer solutions, such as new insurance lines, shared claims management, and advisory services.

Both tracks are supported by a strengthened UN-wide insurance network, which facilitates coordination, knowledge-sharing, and access to tools and expertise.

It was noted that the scope of the initiative extends beyond procurement — covering areas such as cargo, facility, and medical insurance — and involves both insurance practitioners and procurement colleagues. A related tender for brokerage services, led by the UN Secretariat with participation from six agencies, is currently under development and will be open to all organisations.

Integration of P1-P5 Initiatives under the SCN

Further to the briefing by the CEB Secretariat on the Outcomes of the 50th Session of the HLCM and SCN Transition, in the broader discussion, members agreed that all P1–P5 efficiency initiatives be integrated into the SCN Working Group structure under relevant thematic areas — such as category management or collaborative frameworks—to ensure coherence and institutional follow-up.



They also agreed to mapping the interlinkages among these initiatives to ensure complementarity and avoid duplication of effort.

SUPPORTING DOCUMENTATION:

HLCM Far-Reaching Efficiency Initiatives External Communications Package

PRESENTATION OF THE UN PROCUREMENT AWARD WINNERS 2025

PROFESSIONAL DEVELOPMENT WORKING GROUP - INFORMATION SESSION

TORBEN SOLL (UNDP), WORKING GROUP CHAIR

The UN Procurement Awards Ceremony is an initiative of the HLCM Procurement Network designed to celebrate and recognize excellence in procurement and supply chain management across the United Nations system. The objectives of the initiative are to:

- (i) raise the profile of the UN procurement and supply chain profession;
- (ii) enhance the motivation of UN procurement and supply chain personnel;
- (iii) showcase success stories and best practices from across the system; and
- (iv) promote the work and impact of the HLCM Procurement Network.

This year the initiative has been expanded to the following four award categories:



curement Capacity
Development

Sustainable Procurement and Supply

Recognising successful and value-adding sustainable procurement projects
 Rewards procurement and supply chain initiatives that are compatible and in favour of the protection of the environment, of social progress and in support of economic development

Collaborative Procuremen

Recognising inter-agency
collaboration and cooperation in
procurement and supply chain mgmt.
 Team formed by ≥2 UN agencies
 Examples: joint procurement units,
joint LTA creation, technical
cooperation, etc.

Procurement and Supply Chain Innovation

Recognising the implementation of innovation in procurement and supply chain
 Open to any type of innovation: technology innovation, process innovation, product innovation, etc.



Winning project: WHO-Green Light



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2. Category | Sustainable Procurement and Supply:

Winning project: UNICEF-Leveraging procurement to achieve sustainability in the SIE market



3. Category | Collaborative Procurement:

Winning projects:

UN Secretariat-Provision of lodge card for travel services,
UNDP-UNGM Long Term Agreement Functionalities Enhancements,
UNICEF-Sustainable Third-party Logistics – Freight Forwarding Services





4. Category | Procurement and Supply Chain Innovation

Winning project: UNICEF- Oxygen-as-a-Service



All shortlisted projects have received a "Shortlisted for 2025 UN Procurement Award Diploma". The overall winning projects received an "Award Diploma for 2025" and will have the opportunity to present their projects in more detail at the PN meeting in spring 2026. More information on the awards and the presentation can be found here.

The Network discussed the UN Procurement Awards and reaffirmed their value in promoting excellence, innovation, and pride across the UN procurement and supply chain community. Members noted the strong motivation and visibility the Awards generate, particularly for country offices, and highlighted their role in positioning procurement as a strategic function.

Suggestions included ensuring inclusiveness for smaller agencies, simplifying submissions, and considering new categories such as partnerships. The Network agreed that the initiative should continue under the Supply Chain Network and expressed appreciation to the chair of the working group, the organizing team, and the jury for their commitment and efforts in delivering the 2025 edition.

SUPPORTING DOCUMENTATION:

<u>2025 UN Procurement Awards - shortlisted projects</u> <u>Presentation on UN Procurement Awards Ceremony 2025</u>



REFLECTION ON THE PROCUREMENT NETWORK JOURNEY

The closing session of the Procurement Network provided an opportunity to reflect on the Network's nearly two-decade journey, from its origins in the Inter-Agency Procurement Working Group to its formal establishment in 2007 and eventual transition into the Supply Chain Network.

Participants recalled the early years marked by cautious collaboration, extensive debates on harmonization, and the effort to position procurement as a strategic, value-adding function within the UN system. Over time, the Network evolved into a recognized community of practice, driving professionalization across the UN, fostering inter-agency collaboration, and achieving tangible efficiencies through long-term agreements, joint initiatives, and capacity-building efforts.

The reflections emphasized the Procurement Network's contributions to embedding sustainable procurement aligned with the 2030 Agenda, establishing knowledge-sharing platforms, and transforming the perception of procurement from a transactional function into a strategic enabler of programme delivery. Despite challenges, the Network's resilience, trust, and shared purpose enabled it to overcome institutional barriers and deliver collective results.

As the Network transitions into the Supply Chain Network, participants noted that this change represents not an end but an evolution — building on the legacy and achievements of the PN while expanding its scope to encompass the full supply chain. The session concluded with a shared sense of pride, gratitude, and optimism for the continued collaboration and impact of the new Network.