



HIGH-LEVEL COMMITTEE ON MANAGEMENT (HLCM) PROCUREMENT NETWORK (PN)

**Summary of Conclusions of the Ninth Session of the
High Level Committee on Management’s Procurement Network**

(30 March – 1 April 2011, Madrid, Spain)

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I. INTRODUCTION AND BACKGROUND

1. The *High Level Committee on Management's Procurement Network* (HLCM PN) held its 9th session from 30 March – 1 April 2011 at the premises of the United Nations World Tourism Organization (UNWTO), Madrid, Spain under the Chairmanship of Ms Shanelle Hall (Director, UNICEF Supply Division) with the support of the Vice-Chairperson, Mr Vanja Ostojić (Senior Procurement Officer, ILO) and the Outgoing Chairperson, Mr Michael Cora (Director Procurement Division, UNESCO). The incumbents of these three positions form the Management Board of the HLCM PN.
2. The meeting was *attended* by 48 colleagues representing 27 of the 40 Organisations registered as members of the Procurement Network. A list of participants is provided in *Annex 1*.
3. The meeting followed the *format of two and a half working days* with closed meetings and discussions for Network members around an agreed agenda (*Annex 2*). The United Nations Global Marketplace (UNGM) Steering Committee held a session prior to the start of the PN meeting. The five working groups (Sustainable Procurement, Professional Development, Supplier Access and Harmonisation and Vendor Management) held separate sessions after the close of the 2nd day.
4. In continuation of its *green meeting initiative*, registration was done on-line using a cost-effective, internet-based facility. Paper copies of documentation were limited to a minimum and available documentation was shared electronically.
5. The Chairperson *opened* the proceedings and thanked UNWTO for hosting the meeting and providing support to the HLCM PN Secretariat in organising it.
6. *All participants* introduced themselves briefly.
7. The Chairperson expressed her hope for a productive two and a half days. Recognising that there were a number of *new and complex issues* to be discussed at the meeting, and at the same time many Organisations are facing challenging times with budget cuts, *doing more with less* etc., the Chairperson highlighted the importance of keeping the spirit of the meeting a *productive and collaborative* one.
8. Mr. José Garcia Blanche (UNWTO) *welcomed* the Procurement Network members to Madrid. He recognised the importance of the Network and of the procurement function as a whole. He expressed his hope that the UNWTO facilities would meet everyone's expectations.
9. The Vice-Chairperson also expressed his *thanks* to UNWTO, the youngest Organisation in the UN family, for hosting the meeting.
10. The Outgoing Chairperson provided participants with an *update* from the HLCM session in Paris on 8-9 March. He assured members that the HLCM is very much aware of the PN and listens to it. The PN Chairperson's presentation on behalf of the Network was very well

received. The clear message to the Network from the HLCM was to focus on *collaborative procurement*.

II. ADOPTION OF THE AGENDA

11. The PN Chairperson highlighted that a number of items on the agenda *required a decision*. She expressed her hope that adequate advance preparation would facilitate an efficient and informed decision-making process.

12. The *Agenda* adopted by the Network is listed below with the relevant annex numbers for supporting documents¹ related to topics:

i. ***Introduction and Background***

Annex 1: List of Participants

ii. ***Adoption of the Agenda***

Annex 2: Summarised Agenda

iii. ***From Geneva to Madrid — Status Report and Overview of Activities***

Annex 3: Presentation ‘From Geneva to Madrid’ – Kerry Kassow (HLCM PN Secretariat, UNDP)

iv. ***Outcomes from Strategic Forward Planning Session in Geneva***

Annex 4: Presentation ‘Strategic Forward Planning Session - Proposed Priority Areas’ — Shanelle Hall (HLCM PN Chairperson)

Annex 5: Document ‘Proposed priority areas coming out of the Strategic Forward Planning Session at the September 2010 PN Meeting’

v. ***Enhancing Efficiency & Transparency of Key Processes of the PN***

Annex 6: Presentation ‘*Enhancing Efficiency & Transparency of Key Processes of the PN*’ — Shanelle Hall (HLCM PN Chairperson)

Annex 7: Document ‘Process for nomination and election of HLCM PN Vice-Chair’

Annex 8: Document ‘Process for Reviewing Project Proposals by HLCM PN Prior to Submission to HBP SC’

Annex 9: Document ‘Approach to Collaborative Procurement’

vi. ***Working Group on Harmonisation***

Annex 10: Presentation ‘Report from the Harmonization Sub-working Group’ — Susan Struck (UNICEF)

vii. ***Working Group on Sustainable Procurement***

Annex 11: Presentation ‘Sustainable Procurement Working Group’ – Isabella Marras (UNEP) and Niels Ramm (UNOPS)

viii. ***Working Group on Professional Development***

Annex 12: Presentation ‘Professionalisation Working Group’ – Torben Soll (UNDP)

Annex 13: Presentation ‘Procurement Training and Professionalisation in the United Nations’ – Jennifer Branche (UN/PD)

¹ All documents concerning the session and related presentations can be obtained from the HLCM PN Secretariat at kerry.kassow@undp.org.

- ix. ***UNCCS Project Update***
Annex 14: Presentation ‘UNCCS Project Presentation of the Implementation Plan for the Migration from UNCC to UNSPSC, from Rome to Madrid’ – Giorgio Fraternali (WIPO)
Annex 15: Presentation ‘UNCCS Conversion to UNSPSC in UNGM’ – Kiyohiro Mitsui (UN/PD)
Annex 16: Presentation ‘Using UNGM after UNSPSC Conversion’ – Niels Ramm (UNOPS)
- x. ***UNGM Update***
Annex 17: Presentation ‘UNGM Briefing’ – Niels Ramm (UNOPS)
- xi. ***Working Group on Supplier Access***
Annex 18: Presentation ‘Supplier Access Working Group (SAWG) Activity Report’ – Ard Venema (UN/PD)
- xii. ***Collaborative Procurement***
Annex 19: Presentation ‘Collaborative Procurement’ – Shanelle Hall (HLCM PN Chairperson)
Annex 20: Presentation ‘Cargo and Warehouse Insurance’ – Ramakrishnan Iyer (UNDP)
Annex 21: Presentation ‘One UN Approach, Motor Vehicle Procurement’ – Finn Lundorf (UNOPS)
Annex 22: Presentation ‘UN Inter-Agency Freight Forwarding Tender 2010’ – Joselito Nuguid (UNICEF)
- xiii. ***HLCM Briefing***
Annex 23: Presentation ‘Update on HLCM and Status of HBP: Briefing to Procurement Network’ – Ronny Lindstrom (CEB Secretariat)
- xiv. ***Vendor Eligibility Project***
Annex 24: Presentation ‘Vendor Eligibility Project’ – Dominic Grace (UNDP)
Annex 25: Presentation ‘UNGM Vendor Eligibility’ – Niels Ramm (UNOPS)
- xv. ***Show & Tell: Top 10 Red Flags of Procurement Fraud***
Annex 26: Presentation ‘OIOS Investigations Division’ – Michael Dudley (UN Office of Internal Oversight Service, Investigations Division)
- xvi. ***Show & Tell: UNGM and E-Tendering***
Annex 27: Presentation ‘Integration of UNGM with the e-tendering system of FAO, IFAD, WFP, WIPO’ – Sandro Luzziatti (IFAD)
- xvii. ***Outstanding Issues and Closing***
Annex 28: ‘Summary of salient points’ – Shanelle Hall (HLCM PN Chair)

III. FROM GENEVA TO MADRID – STATUS REPORT AND OVERVIEW OF ACTIVITIES

- 13. Ms Kerry Kassow (HLCM Procurement Network Secretariat, UNDP) provided a *status report and overview of activities* over the period since the Network’s last meeting in Geneva, Switzerland in September 2010. The full presentation can be found in *Annex 3*.
- 14. Ms Kerry Kassow has recently taken over from Ms Marina Kramer as *the Secretariat*.

15. An overview of the *main tasks of the Secretariat and the role of the Management Board* was provided, with emphasis on the new procedures that have been drafted for (i) reviewing HLCM Project Proposals, (ii) Collaborative Procurement and (iii) nominating the PN Vice-Chair – all of which were submitted to the Network for decision at this meeting. Also, highlighted was the work that has been done to consolidate the feedback from the Strategic Forward Planning session held at the last meeting.
16. Information on the *state of the Procurement Network* was provided. The Network has grown from 89 to 110 members since the last meeting. 40 Organisations are represented on the Network. In terms of gender ratio, although much improved compared to the early days of the Network, there is still an imbalance, with male membership representing 58% and female representing 42%.
17. An overview of the *Working Groups and Special Projects* was provided with a brief description of the main focus areas of each group/project.
18. An overview of *projects funded and proposed for funding* by the HLCM was also presented, describing the main outputs of each of the projects/proposals and funding required.

So far *two proposals* have been submitted and approved by the HLCM:

- 1) *Harmonisation* – support the implementation of UNDG DOCO guidelines on joint procurement at country level and harmonise procurement guidelines at the HQ level.
- 2) *Vendor Eligibility* – development of a Model Policy Framework for dealing with suspicious vendors and subsequent implementation in UNGM.

Three other proposals have been submitted but not approved. A decision is to be made on whether these should be revised and re-submitted:

- 1) The revision and promulgation of the *Annual Statistical Report and General Business Guide*.
- 2) *Improved Supplier Access* for Developing Countries' Vendors through the development of information materials and training targeted for Chambers of Commerce.
- 3) The integration of *Sustainable Procurement* in UN procurement practices.

A proposal for funding of the *Procurement Network Secretariat* position, currently funded by UNDP, is to be re-submitted to the HLCM.

19. The *next steps* for the Secretariat following the meeting in Madrid were highlighted.
20. The Vice-Chairperson underlined the importance of having a fully operational *Management Board and Secretariat*. With the growing scope and complexity of the work undertaken by the Network, it is imperative that the Management Board is functional and supportive.
21. The Outgoing Chair *praised the Network* for all it has achieved in recent years. He commended the amount of work that is taking place between meetings and pointed out that progress currently being made is very significant when compared with the past.

22. The Network also expressed its appreciation of the work of the Management Board and the Secretariat and recognised that the Network would not function properly without it. The PN Chairperson expressed her appreciation of the work of the PN Secretariat. She also highlighted the enormous amount of work that this role entails and suggested a *stronger appeal for funding* should be made to the HLCM. She thanked UNDP for its generous support in funding this position until now and appealed to the Network members to brief their HLCM representative on this funding issue, in order to gain as much support as possible.
23. In light of upcoming Vice-Chairperson nomination, the Chairperson highlighted the responsibility that comes with being on the Management Board. It includes not only PN meeting preparation and support to the Working Groups, but also requires participation in HLCM and HLCM Harmonisation of Business Practices (HBP) Steering Committee meetings. She has found it to be extremely interesting to be on the Management Board. However, it can be time-consuming and therefore it's important that the workload is distributed amongst all Board members.

IV. OUTCOMES OF THE STRATEGIC FORWARD PLANNING SESSION IN GENEVA

24. This item was presented by the PN Chairperson. The full presentation can be found in *Annex 4*.
25. At the meeting held in Geneva in September 2010, the PN members were presented with the results of the survey carried out by the CEB Secretariat. The HLCM members have identified the following as *priority areas*:

Vendor Eligibility, 96% (of members voted as very important or important)
Vendor Management, 96%
Harmonisation, 82%
Professional Development, 75%
Sustainable Procurement, 67%
Supplier Access, 63%
UNCCS, 50%
National Systems for procurement, 21%
26. During the Geneva Strategic Forward Planning Session, the PN members brainstormed on *key priority areas* that the PN should focus on moving forward. Over 100 ideas were proposed. The ideas were consolidated and reviewed by the Management Board (*see Annex 5*).
27. The Management Board consolidated the input into the following *five focus areas*:
 - i. Establishing an opt-in framework for *Collaborative Procurement* within the Network and to monitor progress and results;
 - ii. Establish a *Professional Development* forum that focuses on practical issues such as good practices, knowledge-sharing, active discussion forums, mapping of training options including certification;
 - iii. Ensure procurement is also seen as a development tool, including by supporting *Business Seminars* and local *Supplier Access* tools;

- iv. Review tools available to procurement staff to support the 3 pillars of *Sustainable Procurement* (economic, social and environmental) including beyond contractual terms (e.g. Global Compact information, supplier code-of-conduct, tools to influence companies/industry on UN values and Millennium Development Goals (MDGs);
 - v. Ensure more time is allocated during the Network meetings for *Show and Tell* focusing on priority topics of interest e.g. e-tendering, KPIs, use of national systems for procurement.
28. IAEA felt the aspect of *increasing efficiency and reducing costs* should also be focused on. This was widely supported by other Network members. IAEA offered to share tools for analysing spend and managing & improving performance.
 29. IFAD is starting to include a section dedicated to the *measurement of savings* in the tender documents they prepare. At the end of a procurement process a survey will be carried out to determine the estimated cost savings and record them.
 30. WFP suggested *leveraging the HLCM* to further advance the objectives of the PN. In particular the HLCM could provide support in overcoming some of the legal obstacles faced by the Network. It was also suggested that the work of the Network should be more interlinked with the workplan and focus areas of the HLCM.
 31. UNDP pointed out that the priority areas being looked at here were merely concepts at this point. There is a *need for patience* as it often takes time to achieve results. It was suggested that focusing on a few *quick wins* might satisfy management expectations to deliver quickly.
 32. The Outgoing Chairperson appealed to members not to only think of collaborative procurement in terms of cost saving, but to also bear in mind that it is an important means to better *support programme efficiency*, especially in post crisis situations.
 33. UNOPS, although recognising savings as very important, highlighted *speed of operations* as being another important element of cost control – every day that is wasted in slow operations adds to the costs.
 34. The UN Secretariat pointed out the importance of having a focus on both procurement volume and the *cost of procurement*. If you don't have the sufficient resources available to carry out the procurement, this will have a knock-on effect on the procurement volume.
 35. Several members expressed the need for a better means of *sharing experiences* and finding out what activities are taking place in terms of collaborative arrangements. The UN Secretariat expressed a need for *better feedback* and more information on which collaborative arrangements are being used and, if they are not being used, determine why this is the case and try and remedy it. The UNGM was put forward as a potential key point for better collaboration.
 36. It emerged that various collaborative initiatives and efficiency improvements have been undertaken amongst agencies, and it was recognised that there is a need to be better at *reporting and highlighting achievements*.

37. UNOPS expressed some doubt about the focus areas in the presentation tackling the issues of what members want to do collectively; measuring outcomes, lifecycle costing etc. and although the presentation had some good points, the broader roles of how to put it together into *an integrated framework* should not be ignored. The Chairperson suggested that UNOPS forms a team to address this and provide an update at the next PN meeting.
38. The Chairperson encouraged members to work together on their *common denominators* (location, programmes, cross-cutting initiatives etc.) She proposed that more time is allocated to Show & Tell at these meetings so that members can *demonstrate work* that has been done and others can learn from it and perhaps adapt to their own Organisation. She proposed that a group is formed to compile topics for this session at the next PN meeting.
39. **Endorsement:** The Network members *endorsed the five new areas of priority*. It was agreed that the work on these areas would demonstrate the emphasis on efficiency, effectiveness and cost controls. The relevant Working Groups are to report on progress and workplans at the next PN meeting.

V. ENHANCING EFFICIENCY & TRANSPARENCY OF KEY PROCESSES OF THE PROCUREMENT NETWORK

40. This topic, presented by the PN Chairperson, served to outline and clarify some of the practices of the Network as well as how decisions are made, particularly for the benefit of newcomers,. The full presentation can be found in *Annex 6*.
41. *Four areas of work*, not covered in the PN statutes, were identified and the processes that exist for each were explained. The areas identified were:
 - i. Nomination and Election of the HLCM PN Vice-Chair (*see Annex 7*)
 - ii. Review of Project Proposals submitted to the HBP Steering Committee of the HLCM (*see Annex 8*)
 - iii. Vetting and Organisation of Business Seminars
 - iv. Collaborative Procurement (*see Annex 9*)
42. Regarding *Business Seminars*, it was explained that more would follow on this process in the upcoming Supplier Access session.
43. The Network recognised that there is a need for a more structured process to review the *Project Proposals* submitted to the HLCM for funding. The Chairperson explained that all proposals are first reviewed and voted on by the HBP Steering Committee. A new procedure is being introduced by the HLCM whereby individuals or Organisations will first submit an idea/project in brief (a concept note), which will then be vetted before a full project proposal is compiled. The same process will be followed by Working Groups when submitting an idea or project. The HLCM Secretariat will share all ideas/projects that are submitted with the PN Secretariat, who in turn will share with the Network members for input. The PN Secretariat will consolidate all feedback received from members. The Network members were encouraged to

make their internal HLCM representatives aware of all submitted proposals, so that the appropriate support can be given.

44. The PN has been requested to report on *Collaborative Procurement* at the next HLCM meeting. A structure for moving forward was proposed by the PN Chairperson. Collaborative Procurement initiatives should build on what already exists and not try to replace it. The Network will agree on which products/services it should collaborate on and members can 'opt-in' to the various groups, which will be lead by a Coordinator. The Coordinator will provide the PN Secretariat with updates on activities and outcomes. This will become a standing Agenda item at future PN meetings.
45. UNDP advised against collaborating on small items and suggested analysing *buying patterns* to see where it makes sense to collaborate. The PN Chairperson supported this idea of reviewing spend analysis.
46. The UN Secretariat asked for an adjustment to be made to slide 4 of the presentation and in the text of the decision document *Process for nomination and election of HLCM PN Vice-Chair*, clarifying that the Vice-Chair rotates between the Specialised Agencies and Funds & Programmes and the latter includes the UN Secretariat.
47. **Endorsement:** The Network members endorsed the proposed processes for i) Nomination and Election of the PN Vice-Chair, ii) Reviewing HLCM Project Proposals and iii) Collaborative Procurement. It was agreed that the process regarding Business Seminars would be presented at the next PN meeting.

VI. WORKING GROUP ON HARMONISATION

48. The working Group is chaired by Ms Ann Hasselbalch (UNICEF). Ms Susan Struck (UNICEF) presented the progress report on behalf of the Chairperson of the WG, who was unable to attend. The full presentation can be found in *Annex 10*.

Progress Report

49. An update on the progress made so far by this working group and the updated project schedule was presented. After a series of recruitment set-backs, a *Procurement Specialist* has now been selected and is due to begin on 1 May 2011. The Procurement Specialist will prepare an *Inception Report* for the members of the WG.
50. The first weeks of the project we will require *support and collaboration* from WG members. Participants were asked to (re)confirm their membership to the group.
51. The Network members debated whether or not this WG should wait to receive the status on the harmonisation of Financial Rules and Regulations (FRR) before moving forward. The CEB Secretariat Senior Coordinator advised against waiting for the outcome of the harmonisation of the FRR. The PN Chairperson summarised the discussion and concluded that the work of this WG should be informed of developments of the harmonisation of the FRR, but not be dependent on its progress.

52. The Harmonisation WG was requested to bring forward to Q2 2011 the work on supporting the implementation of the UNDG DOCO joint procurement guidelines at the country level.

VII. WORKING GROUP ON SUSTAINABLE PROCUREMENT

53. The Working Group is *Co-Chaired* by Ms Isabella Marras (UNEP) and Mr Niels Ramm (UNOPS). The full presentation can be found in *Annex 11*.

Progress Report

54. An *update on the activities of the WG* was provided by the Co-Chairs as well as an update on the latest GA decision on Sustainable Procurement (SP) and UNEP's renewed mandate.
55. The *United Nations Sustainable Procurement Guide* is at the final draft stage and is expected to be published within the next two months. The social component has been covered in considerable detail, with input from ILO.
56. The *SP Guidelines* for Vehicles and Stationery have recently been published. The Guidelines for Generators, Freight Forwarding and Buildings are close to completion.
57. A *survey* has been carried out on SP training initiatives. The findings were in general very positive. The main requests from participants were (i) more regular communication and sharing of experiences/good practices, (ii) increased management support and (iii) more training events.
58. In light of the GA delay to take a decision regarding SP until 2013, the WG will continue with its work in a low-key manner. Agencies still interested in advancing with SP on a voluntary basis will be able to do so. Under the EMG and its Governing Council mandate to assist UN system agencies in implementing sustainable procurement, UNEP will continue its work with agencies, and aim at producing more guidelines in collaboration with HLCM PN. Training initiatives will continue where there is demand and on a cost sharing basis.
59. The Network members *complimented* the WG on the Guidelines produced.
60. The *Vehicles Guidelines*, although originally aimed at HQ level, can be adapted to the field. The support (parts/service) that is needed can be procured locally in many cases. Similarly the other SP Guidelines which have been developed can also be adapted and applied in the field.
61. It was recognised that in the absence of clearly defined criteria for sustainable procurement, it is not possible to determine from the *annual statistics* what percentage of the UN procurement is done sustainably.
62. UNESCO appealed to members to bear the following in mind (i) sustainable procurement includes *social and economic issues* as well as environmental ones, and social aspects should be emphasised more e.g. in tender documents etc. and (ii) small actions, such as limiting printing activities, should be given more attention and publicity.
63. The PN Chairperson thanked the Group for their work and hoped that other Network members would show an interest in working with them.

VIII. WORKING GROUP ON PROFESSIONAL DEVELOPMENT

64. The Working Group is *Chaired* by Mr Torben Soll (UNDP). The full presentation can be found in *Annex 12*.

Progress Report

65. The WG Chair highlighted that, despite a moderate level of activity for some time in this WG, Professional Development *remains high on the agenda* - the Strategic Forward Planning session held in Geneva revealed that there is still a very strong interest in this area. Many Organisations are active in terms of staff professionalisation initiatives and many others are considering their options at the moment.
66. The WG Chair advised that *through consultations* with the PN Management Board prior to the meeting it was, therefore, agreed that at this meeting in Madrid (i) the membership to the WG should be re-invigorated, (ii) the priority areas should be re-defined and (iii) WG activities should be re-activated. The Management Board also suggested re-focusing on the practical issues supporting continual professional development, such as, defining good practices (focused on procurement efficiency and effectiveness gains, cost control and performance metrics), knowledge sharing and mapping training & certification opportunities.
67. There was *widespread appreciation* from the Network members of the UNDP/CIPS certification programme. 20 HLCM PN Member Organisations are currently using the UNDP/CIPS certification programme for professional development.
68. The WG Chair informed that UNDP/CIPS level 2 is currently *available* in English, Spanish and French language, level 3 will be available from summer 2011 and level 4 from next year. The latter will include content on measuring procurement performance.
69. **Endorsement:** The Network members agreed to change the *name* of this WG from Professionalism to Professional Development.

Procurement Training and Professionalisation in the United Nations Secretariat

70. Ms Jennifer Branche (Chief of Planning, Compliance and Monitoring Section, UN/PD) presented via teleconference the UN Secretariat's online *Procurement Training Campus*, available to all UN staff. The full presentation can be found in *Annex 13*.
71. The system is structured around *three learning development phases*:
- (i) Basic procurement level courses – launched April 2010, over 1625 registered users
 - (ii) Intermediate procurement level courses – under development
 - (iii) Professional procurement certification – 25 staff members selected (based on test scores) for funding for CIPS certification.
72. The PN Chairperson expressed her *appreciation* for this presentation.

73. UNOPS appreciated the presentation and its focus on Ethics. However, the importance of the top-end procurement certification, CIPS, should not be overlooked. They suggested exploring how *long term careers* can be made for staff members in procurement and introducing a procurement and supply chain mentoring programme.
74. UNDP acknowledged the impressive figure of over 1600 registered users at the basic level and enquired as to how many users had completed the training course and achieved certification. Ms. Branche did not have the figures at hand, but later that day informed via email that 849 users have achieved certification in the basic level course to date.

IX. UNCCS PROJECT

75. The Chairperson of the UN Global Marketplace (UNGM) Steering Committee (SC), Mr Giorgio Fraternali (WIPO), presented a *brief project background* and the decision process to date regarding the migration from the UNCCS to UNSPSC. The full presentation can be found in *Annex 14*.
76. Mr Kiyohiro Mitsui (UN/PD), the *rapporteur* of the UNCCS project, provided the Network with the *details for implementing* the UNSPSC in the UNGM. The structure of the UNSPSC was explained as well as the mapping process required between the two different coding systems.
77. The *process for implementation* was explained in detail, with the UN Secretariat funding the mapping, code conversion in UNGM and translation of training materials and UNGM text pages into French & Spanish.
78. UNSPSC *membership*, which gives the right to propose changes/new codes, will be free of charge for the UNGM. The UN Secretariat will have a corporate membership for 1 year so as to be in a position to support proposed code changes, which can be expected in the early days of operation. The vast majority of proposed code changes/new codes are accepted by the administrators of UNSPSC (GS1).
79. An *impact analysis* has been carried out on a number of UNGM applications and the Annual Statistical Report, and the various aspects have been addressed.
80. A *timeline* for the implementation was presented, with the conversion of UNCCS to UNSPSC in UNGM planned for August 2011.
81. The approach to *communicating with vendors* on the new coding system was also presented. Vendors will be informed by UNGM once the UNSPSC has been implemented (in August 2011).

Using the UNGM after code conversion

82. Mr Niels Ramm (UNOPS/UNGM Secretariat) gave a presentation on using the UNGM after UNSPSC conversion. The full presentation can be found in *Annex 16*.
83. It was explained that implementation of the UNSPSC in the UNGM supports the use of either UNCCS or UNSPSC for *Organisations' internal use*.

84. It was briefly demonstrated how the *code search* would work as well as how to navigate the UNSPSC tree and how the two coding systems are mapped together. The *mapping system* will be made available to agencies for internal use if required.
85. The PN Chairperson *thanked* all parties for their presentations.
86. UNDP informed the Network members that they *will be implementing* the UNSPSC in May 2011, as required by IPSAS. The UNSPSC allows for greater accuracy, therefore, although UNDP procures a wide range of products/services, they will only be using some 3000 codes.
87. FAO enquired about the impact switching to UNSPC would have on the *In-Tend e-tendering system* and was advised that In-Tend could accommodate either coding system.
88. UNRWA, who were interested in knowing if the UNSPSC was available in *Arabic*, were advised that this was not the case. It was suggested, if there was a demand from the Arab community, that the issue is raised with GS1.
89. CTBTO enquired about the possibility of *drilling down* to codes lower than level 3 (as presented) and was advised that this would be accommodated.
90. UNICEF expressed concerns about the *voting system* in terms of ensuring that coding which might be required by UN Specialised Agencies is approved. The UNGM SC Chairperson explained that the voting system was in place to safeguard the coding system from unnecessary duplications, use of brand names etc. and that there was no need to be overly concerned about codes not being approved.
91. **Endorsement:** The Network members *endorsed the change* of the coding system from UNCCS to UNSPSC in the UNGM.

X. UNGM UPDATE

92. Mr Niels Ramm (UNOPS/UNGM Secretariat) presented a status report with the following points:
 - (i) Operational Report 2010 Highlights
 - (ii) Finance Post Factum Review 2010
 - (iii) UNGM Rolling Budget 2011-2012
 - (iv) UNGM Business & Development Plan 2011-2012

The full presentation can be found in *Annex 17*.

93. The presentation included feedback on the user survey carried out, which revealed that 63% of respondents were satisfied with the system. However, it also revealed that 60% were not aware of the income-generating Tender Alert Service (TAS). To tackle this and other issues, the UNGM Secretariat is currently developing a Communications and Marketing Strategy, which will be presented to the UNGM SC at the end of June 2011. There are also plans for implementing a Quality Management System (QMS).

94. The UNGM operational costs will continue to be financed by the regular UNGM membership fees, TAS revenue and UNGM members' pro-rated contributions.
95. It was highlighted that staff costs budget figures are based on pro-forma staff costs and the costs for 2012 were projected using a factor 5% increase.
96. The budget for the following bespoke projects, funded by external sources, was also presented:
 - Vendor Eligibility project
 - In-tend (e-tendering) integration phase 2
 - UNCCS/UNSPSC conversion
 - UNGM translation to French & Spanish
 - Data field alignment with UPU best practice
 - UNPD SOW for vendor registration/management enhancement
97. **Endorsement:** The UNGM budget and bespoke projects, reviewed and approved by the UNGM SC, were endorsed by the Network members.

UNGM Evaluation

98. The UNGM SC Chair provided an *update* on the proposed UNGM evaluation. At the PN meeting in Geneva it was agreed that a review of the UNGM would be carried out by an external company, should the funds for this be secured. So far only 20,000 USD has been committed to this project, which is insufficient for outsourcing this requirement. In light of this, the UNGM SC Chair *proposed* to the Network that the SC carries out the evaluation internally.
99. The PN Vice-Chair further clarified that the proposed study would be a *self-assessment*, a review of the major functions of the UNGM, where feedback on the positive/negative aspects would be asked for. This feedback would be reviewed and presented at the next PN meeting.
100. The UNGM SC Chair brought to the attention of the Network members that some of the key UNGM members were not represented on the SC. He suggested creating a *Board of Users*.
101. UNESCO suggested asking the Chambers of Commerce to intervene and find out more about the requirements of the *business community*. This approach was further supported by ITU.
102. IAEA did not think that an evaluation was necessary.
103. Several Network members were *supportive* of an evaluation, so as to gain a *proper understanding* and document different requirements/expectations the members have of the UNGM.

104. The PN Chairperson pointed out that the differing opinions on this topic simply reflect the different ways members are using the UNGM. She also questioned whether or not there was the *capacity/time* to deal with the proposed changes an evaluation might bring about.
105. The Network members *agreed* that the SC would (i) request feedback from the PN members on key functionality or utility matters of the UNGM, (ii) compile and analyse the feedback and (iii) present the analysis to the PN for review before a decision is made on changing functionalities of the UNGM.
106. The Network members further *agreed* that UNOPS would provide the Network with information on the *filter solution* that is available for tackling supplier registration backlogs on the UNGM.
107. The Network members also *agreed* that the UNGM would be the ideal *platform for sharing PN documents*, correspondence etc. The PN Secretariat is to discuss this further with the UNGM team.
108. The UN Secretariat urged the Network members to continue to build on the UNGM, describing it as the centre around which Organisations can strengthen their collaboration.

XI. WORKING GROUP ON SUPPLIER ACCESS

109. Mr Ard Venema (UN/PD), having recently taken over the role of Chairperson for the Supplier Access Working Group, *presented* this topic. The full presentation can found in *Annex 18*.
110. An update on *member changes* was provided. Members were requested to reconfirm their interest in the WG and the PN was asked to provide the *Business Seminar Focal Point*, if any, for their Organisation.
111. The following was *clarified* for the Network:
 - UN/PD is mandated and funded by the General Assembly to undertake Business Seminars in developing countries and countries with Economies in Transition.
 - The HLCM-PN Secretariat coordinates Multi-Agency UN Business Seminars funded by the organising Entities.
112. An overview of Business Seminar *activity and statistics* for 2010 was provided as well as an outline of events completed or planned for 2011. Data for the multi-agency seminars held in 2010 was incomplete, but steps have been taken to ensure the provision of full data in future.
113. A *Policy and Workflow* for the planning of Business Seminars has been drafted. This was briefly presented and will be finalised by the next PN meeting.
114. The new PN Business Seminar *online Community of Practice (CoP)* was presented and the link for registration provided.

115. Finally, the statistics indicating the trend of increased procurement volume from developing countries were shown. This WG plans to focus on *measuring the impact* that Business Seminars have on UN procurement volume.
116. Participation in *Aid & Trade/DIHAD* type of events was discussed and, although these events are useful for meeting suppliers and networking, the overall feeling amongst members was that these events, operating on unfair principles, should be avoided.
117. The Network members *reconfirmed* that there should be a *zero tolerance on hospitality*, although it is acceptable to require hosts from industrialised countries to pay for travel and expenses normally covered by DSA.
118. UNOPS highlighted the need for a cohesive message to be presented at Business Seminars in terms of informing suppliers about the UNGM. It was suggested that those presenting the UNGM should undergo *UNGM training*. The Network members *agreed* that the *Tender Alert Service* should be emphasised in UNGM presentations.
119. Several members expressed an interest in having the impact of Business Seminars measured as well as in identifying *alternative ways to reach out* to suppliers. UNOPS advised that when registering on the UNGM, suppliers are asked to indicate where they heard about it. This can be used as one way to measure the success of business seminars.
120. CTBTO pointed out that the increased procurement volume in developing countries was not necessarily a reflection of increased business with developing country suppliers. It is often the case that suppliers from *industrialised countries locate closer to the market* and thus are registered as a developing country supplier in the statistics. This point was acknowledged by the WG Chair, but there is currently no means of remedying this.
121. In terms of reaching out to non-English speaking suppliers, UN/PD advised that they always try to send a staff member who can speak the *language* of the host country where the Business Seminar is being held.
122. UNHCR urged members to *channel requests* for Business Seminars through the PN Secretariat, as previously agreed. There is a tendency for the hosts to approach Organisations individually to discuss participation.
123. The WG Chair was appreciative of AfDB's interest and pledge of support for *events taking place in Africa* and assured that the AfDB would be advised of future events.
124. The PN Vice-Chair suggested that the WG *approaches ITC* regarding involvement in this WG, as this work is part of their mandate and they are very active in Africa.
125. The WG Chair acknowledged that *communication* surrounding Business Seminars needs to be improved and in that regard highlighted again the importance of informing the WG about the *Business Seminar Focal Points*.
126. The PN Chairperson expressed her *appreciation* for the work of the group and encouraged members to support Business Seminar activities.

XII. COLLABORATIVE PROCUREMENT

127. This topic was opened by the *PN Chairperson*. Her presentation can be found in *Annex 19*.
128. The PN Chairperson *commended the Network* on its achievements to date in terms of collaborating on procurement. She pointed out that, unlike in the past when operating under the lead agency concept of the IAPWG, agencies were now working together in a more strategic and natural way that has brought about *great results*. The PN Chairperson made it clear that collaborative procurement projects should *build on what exists* already, and not replace location-based or programme-based collaborative initiatives that are in operation.
129. The following was proposed as an *approach* to Collaborative Procurement:
- (i) Members will be asked to suggest products/services for collaborative procurement
 - (ii) Suggestions will be presented to the PN
 - (iii) For those agreed upon, members will be invited to ‘opt-in’ to a project group
 - (iv) A Coordinator will be named and a high level timeline established
 - (v) The project group will review the context, spend, issues and develop a strategy
 - (vi) The Coordinator will provide the PN Secretariat and Management Board with updates on activities, timeline and outcomes (e.g. cost savings, timeliness, etc.)
 - (vii) The Secretariat will maintain the list of past, open and potential future products and services under collaborative procurement. The Secretariat will present a summary of such at each PN Meeting and, with the Management Board, facilitate PN decisions on future collaborative procurement initiatives.
130. The PN Chairperson clarified the ‘opt-in’ concept, advising that this decision must occur at the time the group is being formed so as to be more effective during negotiations. Participants should be committed and not abandon the group if unhappy with the outcome.
131. To date, the following collaborative projects have been initiated within the PN: Cargo Insurance, Vehicles and Freight Forwarding. The PN Chairperson welcomed collaboration on other products/services.

Cargo Insurance

132. Collaborative procurement of Cargo Insurance, coordinated by UNDP, was presented by the Coordinator, Mr Ramakrishnan Iyer (UNDP). The full presentation can be found in *Annex 20*.
133. The *background information* to the project and reasons for collaborating were presented. So far, UNDP, UNOPS, UNFPA and UNICEF have confirmed collaboration and focal points have been identified. IMO, WMO and FAO have expressed an interest in joining. A consultant will be contracted to provide expertise to the project.
134. The *methodology* for managing the project and *tentative timeline* were presented. Implementation is expected in August 2011.
135. UNFPA was very *appreciative* of this initiative and thanked UNDP for coordinating the work.

136. IAEA *expressed an interest* in being involved and in this project and the UN Secretariat was interested in an exchange of knowledge taking place.
137. UNESCO recommended that a clause is included in solicitation documents and the contract, stating that the agreed *terms and conditions can be extended* to other UN agencies and that price can be renegotiated should there be a significant volume increase.
138. Members advised *caution* when dealing with insurance companies and there was widespread support for contracting the cargo insurance expert.
139. The UN Secretariat highlighted the need for *strong negotiation skills* and encouraged the group to take a tough stance when negotiating with potential service providers.
140. The group was encouraged to *contact WFP* who have their own trust fund-based insurance modality.
141. The Coordinator explained that the group would have to determine whether *prices* should be based on agency specific requirements or a ‘One UN’ rate and welcomed the opportunity to consult with the UN Secretariat.
142. The PN Chair acknowledged that given the very complex nature of this area, the *expertise* being offered by WFP and the UN Secretariat was much appreciated

Vehicles

143. Collaborative procurement of vehicles was introduced by the Coordinator, Mr Dominic Grace (UNDP). He explained that there are massive savings to be made by *rationalising* the procurement of vehicles. Organisations that have rationalised their vehicle procurement have not only made great savings up-front but also through implementing satellite tracking, driver training, standardised spare parts etc. Therefore, the whole concept of *fleet management* needs to be focused on and not just the actual procurement of the vehicle.
144. *Planning* was highlighted as a key activity, which should be incorporated into the fleet management approach. Planning allows agencies to buy directly from the factory instead from the re-sellers/intermediaries, who add a considerable surcharge.

‘One UN’ Approach

145. Mr Finn Lundorf (UNOPS) made a presentation on the current situation regarding vehicle procurement in the UN and the potential benefits of a “*Sourcing as One*” strategy. The full presentation can be found in *Annex 21*.
146. The presentation highlighted what the “Sourcing as One” strategy could entail, including the consolidation of vehicle procurement through *one agency*. An overview of the expertise UNOPS has to offer in the field of vehicle procurement was provided.

Centralised Procurement

147. Mr Finbarr Curran (WFP) gave a brief overview of the *benefits* experienced by WFP in rationalising and centralising its vehicle procurement activities.

148. WFP has consolidated all its vehicle procurement under its own internal leasing programme, which has been most advantageous. They get a discount by buying from one source. What is even more significant are the *savings made* through fleet management, kitting out the vehicles to meet their purpose, internal insurance etc. WFP have discovered that by the time they sell their vehicles, they have cost little or nothing in terms of capital.
149. WFP have a *stock of vehicles* (which operates on a consignment stock basis) in Dubai, will be opening a further warehouse in Malaysia and are planning to open another in Panama. WFP is also considering opening its own regional vehicle workshops.
150. WFP highlighted, from experience, some issues to be aware of when negotiating with vehicle suppliers:
- (i) Timing – Toyota, for example, operate rigidly under their own production schedule
 - (ii) The chosen manufacturer would need to have workshops where the UN operates
 - (iii) There are some countries manufacturers will not ship to for political reasons
151. WFP is *supportive of the 'One UN' negotiations*, but since this is such a strategic part of their emergency response, they would be hesitant to let another Organisation assume responsibility for the whole supply chain.

The IAPSO Experience

152. Ms Christine Tonkin (IAEA) provided input based on her experience while working as Director of IAPSO, who was heavily involved in procuring vehicles on behalf of UN agencies. Her *key advice* was to:
- (i) Work together on standardising the *specifications* for vehicles
 - (ii) Ensure the manufacturer can provide an adequate *distribution network*
 - (iii) Analyse the *whole life cost* of vehicles rather than just the up-front savings
 - (iv) Share experiences and good practices so as to *learn from each other*
153. The PN Chairperson was *appreciative* of the various input and experiences shared and opened the floor for discussion.
154. Both UNFPA and UNICEF pledged their *support* to the collaboration on Vehicle procurement.
155. Several Network members highlighted the need to focus on *buying for purpose*. In response to this, UNOPS advised that there is a tool in their online procurement catalogue (UN Webbuy) that helps users determine what type of vehicle is required.
156. UNRWA suggested that the Network looked at developing *real expertise* in the areas being discussed in this session. Furthermore, they pointed out that standardising specifications posed difficulties as soon as vehicles are required in a country like Israel, where they operate. Therefore, there needs to be room for *flexibility*.
157. UNEP encouraged members to reference the Sustainable Procurement *Guidelines for Vehicles* to identify where fuel efficiency can help both reduce the environmental footprint of vehicles and allow financial savings.

158. WHO *supported* the concept of everyone collaborating together but was opposed to the idea of having to buy through a specific agency, such as UNOPS.
159. UNOPS clarified that they would prefer to *function as a resource* and for others to take the lead on this project. They invited others to join force with them in various types of insurance, which they have achieved considerable savings on.
160. WFP pointed out that the collaborative work done in Rome and Geneva has been very beneficial, but members should be aware that it demands *much time and effort*. It was suggested that the group starts by identifying 1-2 small steps that can be taken, find out who is interested in collaborating and then move forward.
161. The Coordinator, Mr Dominic Grace, concluded that the following *challenges* need to be addressed:
- (i) Specifications
 - (ii) Availability – accessing vehicles on-time
 - (iii) Buy-in – who is going to be part of this?
- He recommended that each agency determines its strategy for vehicles.
162. The Coordinator also put forward that '*opting-in*' could take place at three different levels:
- (i) The original/discussion level
 - (ii) The joint volume level
 - (iii) The joint supply chain level (where orders are placed together)
163. The PN Chairperson clarified that *UNDP* would be *coordinating* the collaborative procurement project group for Vehicles and that those interested should contact them. She proposed that an analysis of each segment of the market is carried out and a strategy developed for each.

Freight Forwarding

164. The Coordinator, Mr Joselito Nuguid (UNICEF), presented this topic. The full presentation can be found in *Annex 22*.
165. The presentation highlighted the objectives, strategy and process undertaken regarding the *UN inter-agency freight forwarding tender*, initiated in 2010 and now reaching conclusion. This initiative has been carried out jointly by UNDP, UNOPS, UNHCR and WFP, under the leadership of UNICEF. FAO, UNFPA and IAEA have also been involved. Given the complexity of the process, an e-tendering solution was used to manage it.
166. Participating agencies have submitted the recommendations to their respective Contract Review Committees (CRC) and each will enter into *separate agreements* with the relevant freight forwarders.
167. On the subject of CRCs, the PN Chairperson informed that in the UNDG DOCO Joint Procurement Guidelines there is a provision for agencies to *use the CRC process of another UN agency* in lieu of their own. Members were encouraged to review their procurement/CRC guidelines in light of such.

168. The *Network members agreed* that at its next meeting, it should review what additional products and/or services could benefit from collaborative procurement. To support discussions, IAEA offered to carry out an *analysis* of UN spend, based on data from the Annual Statistical Report. The findings will be circulated in advance of the next PN meeting.

XIII. HLCM BRIEFING

169. Mr Ronny Lindstrom (Senior Coordinator HBP, CEB Secretariat) provided an *update* on the HLCM and status of the Harmonisation of Business Practices (HBP). The full presentation can be found in *Annex 23*.
170. The *key message* to the Network members was that the discussion at the recent HLCM meeting was focused around *savings and improving effectiveness*. A separate initiative on identifying areas for savings was initiated by the HLCM and Procurement has been identified as an area where an impact can hopefully be made quickly. Some of the areas identified in the follow up to the HLCM that the PN could focus on are: joint procurement at HQ level; LTAs; single-layer procurement review policy; outsourcing; implementation of existing inter-agency guidelines; vehicles (common procurement leasing options); accepting each other's CRCs; and equipment standardisation (IT, environmental, vehicles etc.) It is clear that the HLCM would welcome a PN focus on *Collaborative Procurement*.
171. The member states have a *strong interest in HBP* and the expectation of results is very high. Therefore, the CEB Secretariat Coordinator recommends that the PN becomes better at demonstrating results and concentrates its efforts on implementation of activities. Any activities listed in the prioritised work plan that are unlikely to be completed should be removed. The PN should continue its work with UNDG and support UNICEF in delivering on the harmonisation project.
172. The CEB Secretariat Coordinator *congratulated* the Network on completion of the Vendor Eligibility project and informed that the presentation made by the PN Chairperson at the recent HLCM meeting was very well received.
173. An overview of the types of activities that can be funded was presented as well as the template that has been introduced for *submitting ideas* to the HBP Steering Committee. Funding should only be requested for activities that can be implemented.
174. The CEB Secretariat Coordinator advised that the HR Network is to *pilot a project on mobility* and suggested that the Professional Development WG works with them in this regard.
175. The Network members were very appreciative of the update from the CEB Secretariat and expressed a *strong motivation* to respond to the recommendations of the HLCM.
176. It was agreed that Network members would send their *achievements and suggestions* in the areas of efficiency, effectiveness and cost control to the PN Secretariat, for inclusion in the CEB Secretariat's report to the HLCM.
177. In terms of cost avoidance, the UN Secretariat highlighted the importance of the role of the requisitioner in ensuring that the appropriate decisions are made early in the procurement

process. IAEA further supported this and offered to share information on the work they have carried out in *analysing procurement needs*.

178. The PN Chairperson *thanked* the CEB Secretariat for the support and *encouraged the WGs* to keep the aspects of efficiency, effectiveness and cost control in mind in their ongoing discussions.
179. **Endorsement:** The Network members agreed that an *extra-budgetary request* for funding would be made to the HLCM for the PN Secretariat position for 2012 and onwards.

XIV. VENDOR ELIGIBILITY PROJECT

180. Mr Dominic Grace (UNDP), the Project Leader of the Vendor Eligibility project, *presented* the Network with an update. The full presentation can be found in *Annex 24*.

Project Update

181. The *objective* of this project was to develop a Model Policy Framework (MPF) for dealing with fraudulent vendors. Since the last PN meeting in Geneva, the MPF has undergone two major revisions, further to feedback received from the PN and from the Legal Network. Subsequent to being presented to the HLCM in Paris in March, the MPF was *agreed to by the Network members* with minimal amendments, marking the completion of Phase I of the project.
182. The presentation included an *overview* of the MPF Guiding Principles and supporting documentation as well as the procedures for the *three action levels* for dealing with unethical vendors, provided in the MPF.
183. The next steps will be for UNDP, acting as an ‘administrator’ of the model, to implement the MPF. It was suggested that a consultative group is formed to support those implementing the model.

Implementation in the UNGM

184. Mr Niels Ramm (UNOPS) presented an overview of the Vendor Eligibility functionalities in the UNGM. The full presentation can be found in *Annex 25*.
185. The UNGM will host a list of vendors suspended by UN Organisations – *UN Ineligibility List (UNIL)*, which will be managed by UNIL administrators. Details were provided in the presentation on how suspicious vendors are flagged in the UNGM, how agencies are notified, how suspicious vendors can be added and how searches are carried out (external lists, such as the 1267 and WB, will also be searchable on the UNGM).
186. All major *functionalities are now in place*. Once final testing/bug fixing has taken place, and UNIL administrator roles assigned, the module will be ready for launch.
187. The Project Leader (UNDP) clarified that a process for *reinstating vendors* has been included in the MPF. He also explained that there would not be any specific communication with vendors on the implementation of the MPF, other than perhaps a note regarding vendor sanctioning on UNDP POs.

188. The need for developing an approach to address the issue of unethical *individual consultants* was recognised.
189. The Network was appreciative of both presentations and the progress that has been made. The PN Vice-Chair *thanked all involved* in this project and advised that the next phase would be a standing agenda item at upcoming PN meetings, with UNDP as the focal point.

XV. SHOW AND TELL: 10 RED FLAGS OF PROCUREMENT FRAUD

190. Mr Michael Dudley (UN Office of Internal Oversight Service, Investigations Division) gave a *presentation on the work* carried out by the Division, highlighting 10 examples of fraudulent behaviour that have been identified. The full presentation can be found in *Annex 26*.
191. Mr Dudley explained that the investigation service is a very recent innovation. As well as carrying out investigations, the Investigations Division offers *training and awareness-building* programmes so as to give the procurement profession a greater understanding of their work.
192. What the Investigations Division looks for in all its investigations is evidence of intent to mislead someone in order to obtain an illicit benefit. Investigators are trained to distinguish between acts that occur due to negligence or ignorance as opposed to with ill-intent. Mr Dudley highlighted that, contrary to popular belief, fraudulent behaviour normally takes place outside of the procurement function. He sees the procurement profession as *part of the solution* to addressing fraud rather than the root of the problem.
193. Mr Dudley *commended* the Network members on the progress it has made in recent years. He also welcomed the Vendor Eligibility initiative, which complements the work of the Investigations Division.
194. Following some concerns that were expressed about the presented examples only demonstrating small-scale fraud, Mr Dudley assured the Network that senior level staff members and larger scale cases are certainly investigated.
195. UNESCO enquired about the possibility of having a common approach to *financial disclosure*. Mr Dudley agreed that financial disclosure should be rational and standardised, but it is not within the remit of the Investigations Division.
196. The PN Vice-Chair *thanked* Mr Dudley for the informative presentation and asked him to share any further information on training initiatives with the Network.

XVI. SHOW AND TELL: UNGM AND E-TENDERING

197. Mr Sandro Luzziatti (IFAD) *presented* the integration of UNGM with the e-tendering system used by FAO, IFAD, WFP and WIPO. The full presentation can be found in *Annex 27*. This was followed by a brief presentation by Mr Steve South of In-Tend Ltd.
198. The participating Organisations, referred to in point 197 above, have selected the e-tendering solution In-Tend, which was developed by the University of Sheffield for the UK education sector and managed by In-Tend Ltd. The *main objective* of integrating In-Tend with the

UNGM is to provide suppliers with a single entry point to e-tendering with the UN. An added advantage is that many suppliers are already familiar with the UNGM and by logging in to it, they can access both systems.

199. The objectives and benefits of each of the *two integration phases* were presented as well as an overview of the process for vendors participating in open and closed tenders.
200. Phase II of the integration is expected to be fully deployed in May 2011. Although the project has been financed by FAO, IFAD, WFP and WIPO, other interested UN *Organisations are welcome* to join.
201. Participating Organisations expressed their appreciation of the e-tendering solution, highlighting *improved efficiency* and a self-archiving audit trail.
202. IFAD suggested that interested agencies approach In-Tend Ltd. for a brief *training session* and then decide whether or not to join. It was further suggested that this tool could be used for *collaborative procurement* activities and In-Tend Ltd. agreed to provide (free) support on that.
203. IFAD and In-Tend Ltd. were *thanked* for sharing information on the e-tendering system.

XVII. OUTSTANDING ISSUES AND CLOSING

204. The PN Chairperson reviewed the summary of *salient points (annex 28)* from the meeting with the Network members.
205. The Network members *agreed* that the following items would be included in the *agenda* of the next meeting:
 - Progress reports from the WGs, emphasising work on efficiency, effectiveness, & cost control
 - Collaborative procurement and procurement spend
 - The JIU report on harmonisation of procurement
 - Show & Tell: UN Secretariat on Ethics Management; agencies' use of spend analysis in developing procurement strategies; a joint presentation between Geneva and Rome on collaborative procurement achievements.
206. Due to the unstable political situation in Tunisia, AfDB requested *postponing* hosting the next PN meeting until a later date. FAO, having previously expressed interest in *hosting* a PN meeting, offered to host the next PN meeting. IAEA also expressed interest in hosting one of the subsequent PN meetings at their premises in Monaco. The Procurement Network *welcomed* these generous offers. It was agreed that *the next meeting will take place at FAO in Rome*, in compliance with the Procurement Network's commitment to meet the criteria of selecting venues in line with its carbon neutral guidelines.
207. UNAIDS was endorsed as a new member of the Procurement Network.

208. Ms Boi-Lan Lemoine (UNOG) was nominated and welcomed by the Network members as the new *Vice-Chair* for the 2011-2012 period. The Outgoing Chair, Mr Michael Cora (UNESCO), was *thanked* for his contribution, wisdom and humour.
209. Mr Vanja Ostojić (ILO) took over as *PN Chairperson* from Ms Shanelle Hall (UNICEF).
210. Ms Shanelle Hall was *commended* for her strategic vision and guidance in the work of the Procurement Network.
211. The following individuals were endorsed as *Working Group Chairs*:
- Ms Isabella Marras and Mr Niels Ramm – Sustainable Procurement
 - Mr Torben Soll – Professional Development
 - Mr Ard Venema – Supplier Access

It was *agreed* that the process for *nominating WG members* should remain a formal process and take place via email, as opposed to the online registration system. The Management Board and Secretariat will work further on streamlining the WG membership process. Network members were requested to reinforce within their organisations that WG membership entails *engagement and contribution*.

The new PN Chairperson encouraged the Working Groups to continue the strong momentum between PN meetings and suggested that WGs meet *once per month*.

212. The Network extended its *sincere appreciation* to Mr Fredrik Schultz (UNHCR) and Mr Paul Acriviadis (WHO), who are both soon to retire, for their *great contribution* to the Network over the years.
213. The Network members were thanked for a *constructive meeting* and the Management Board, PN Secretariat and Ms Susan Struck (former PN Secretariat) were thanked for their *leadership and support*. Appreciation was also extended to the host Organisation, UNWTO, in particular Ms Alicia Gomez, for the support in organising the meeting.